

17, June 2013

In July 2011 Johnson Controls acquired a Silicon Valley based company called EnergyConnect ... now operating as Johnson Controls, Integrated Demand Resources

# **Integrating Demand Resources**





## **Evolution of Demand Response to Meet Grid Needs**

- Need for DR is evolving to be far more than peak shaving
- DR resources will be used in more advanced and creative ways

Different needs as we get closer to the actual time of consumption

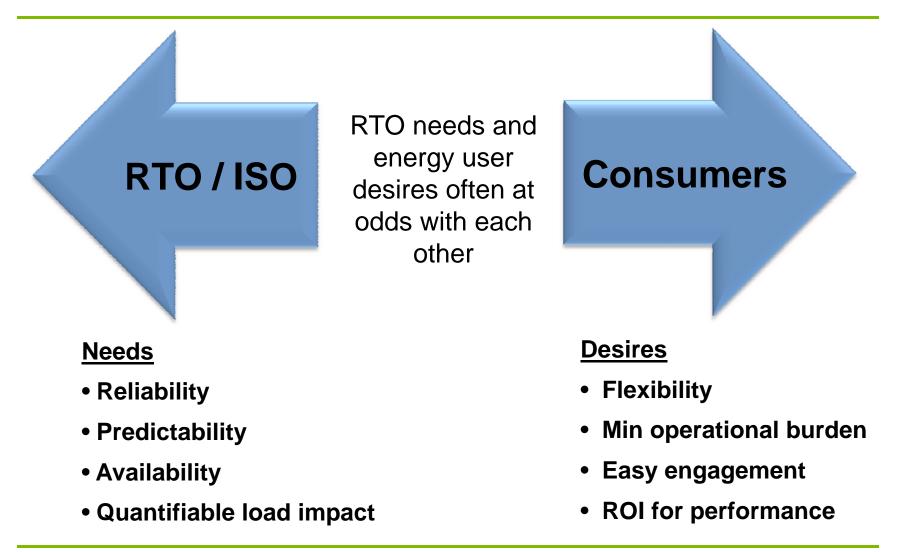
### Regulation Capacity Energy Spinning Reserves 10 minute 1 − 4 • 3 year Hourly forward markets response second (dav ahead or contracts response day of) Emergency / standby Voluntarily engage • Quick response but • Grid operator has full when hourly market short duration (<30 min) control to ramp load up programs prices get high or down • Standby payments for Called a few times • Flexible participation hours in market • Must respond to 2 per year second signals Mitigates need to Helps to control supply Controls short term build more generation costs and shave peaks spikes and keeps Continuously keeps frequency balanced frequency balanced



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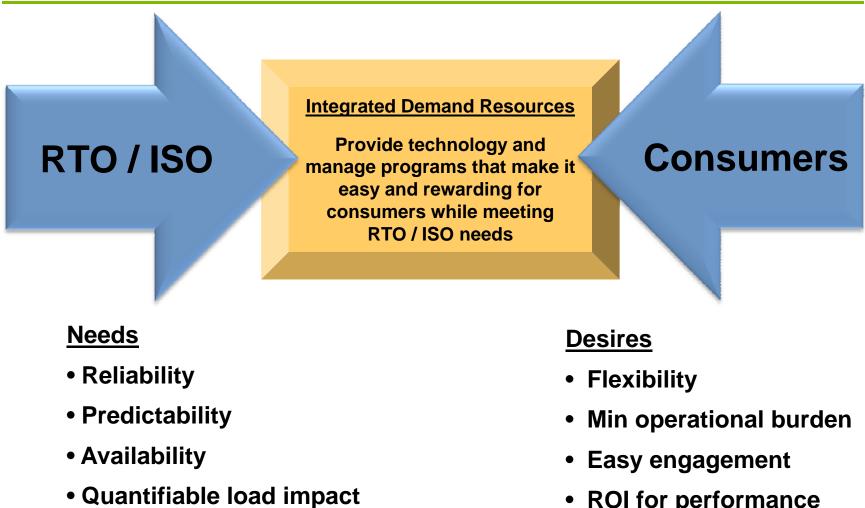


# DR Forces – RTO vs. Consumers





## We Help Bring These Forces Together

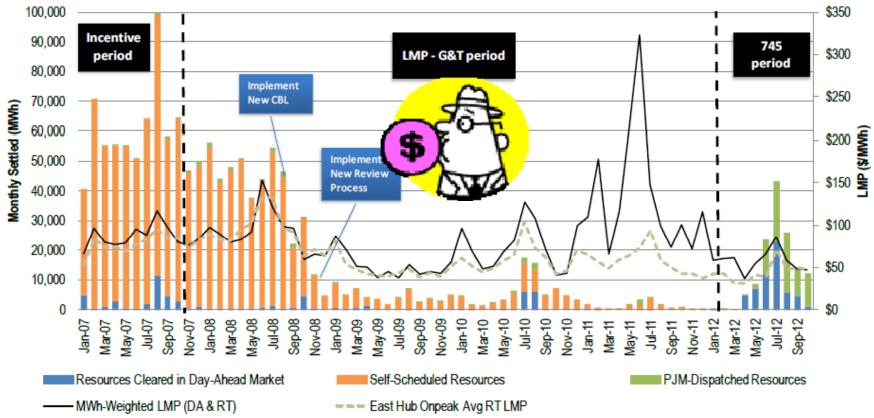


• ROI for performance



## Price Responsive DR – "You Get What You Pay For or Not"



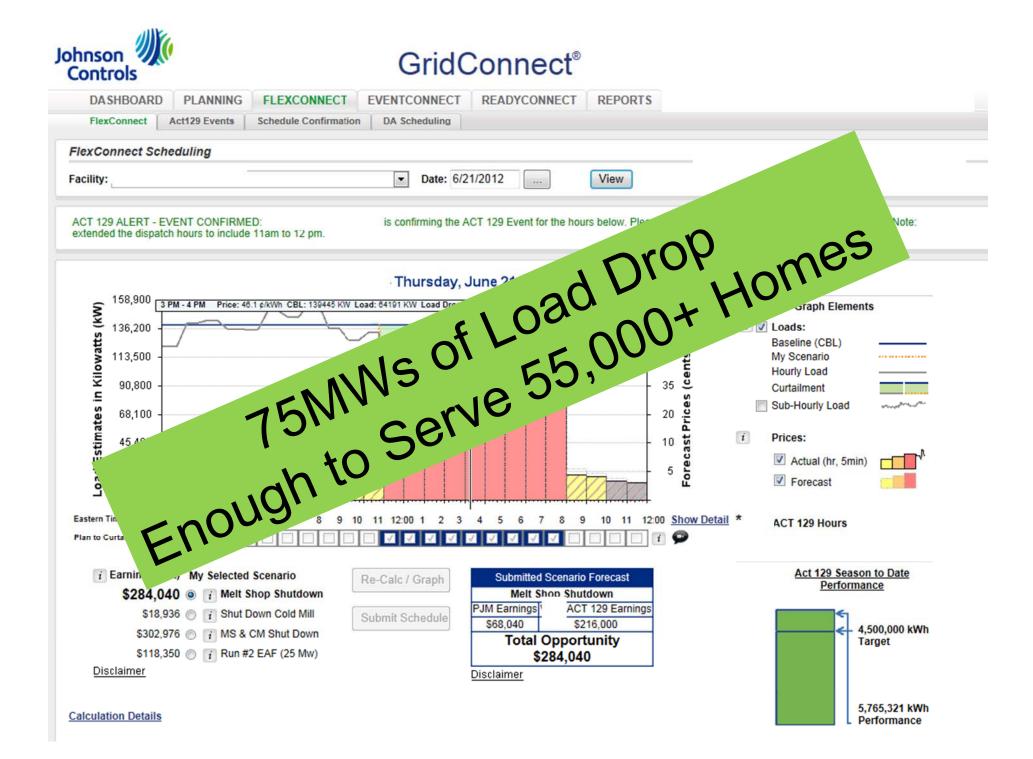


Source: PJM

Since 745 was implemented, Economic DR MWh delivered are up and large portion were committed in day-ahead market.

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Design "Inform & Motivate" vs. "Command & Control"

