



June 17, 2016

John Ollis and Tina Jayaweera
Northwest Power and Conservation Council
851 SW 6th Avenue, suite 1100
Portland, OR 97204

Dear John and Tina,

Thank you for seeking input on your proposal to establish a Demand Response Committee and System Integration Forum. PNUCC members have consistently engaged in many of the Council's advisory committees and forums to share their experience and learn from others. We agree with your thinking that there should be two separate groups to discuss demand response and system integration. Demand response can play a role in addressing system integration challenges, yet it is only one component. By creating separate groups the Council avoids confusion regarding the two distinct subject matters.

An important role of the Demand Response Advisory Committee should be to develop resource supply curves. As PNUCC and others commented during the development of the 7th Power Plan the lack of stakeholder involvement in creating the demand response supply curves resulted in an unlikely estimate of the cost and amount of new demand response in the Northwest. An early and appropriate task for this advisory committee should be to review and update the cost and availability estimates for demand response in the region.

The proposal language implies that Northwest utilities are significantly out-of-touch with demand response, claiming that 600 MW of demand response is "significantly more than currently developed or planned," and that "the region has... a general lack of understanding... in how to effectively deploy these resources." This perspective doesn't align with the current state of demand response in the region. As evidenced by the Council's adequacy assessment inputs, there are well over 600 MW of existing demand response in the Northwest (largely summer focused and located in the eastern part of the region), and over 100 additional megawatts planned by 2021.

In terms of understanding how to effectively deploy these resources, utilities are identifying contractual, as well as physical barriers to establishing demand response programs. And they are looking at ways to effectively remove potential barriers. PNUCC recommends that the Council work with utilities to accurately articulate the current state of demand response programs in the Northwest.

Additionally, from your proposal one could infer that you are suggesting the Council has a responsibility to develop resources: "forming a demand response advisory committee to advise the Council on developing the demand response resources indentified as cost-effective in the plan." While developing

resources is not a responsibility of the Council, investigating demand response opportunities and exploring possible strategies to address potential regional barriers to securing new programs (as stated in the Action Plan) in a collaborative forum could enhance the region's efforts to establish new demand response programs.

Lastly, PNUCC is concerned that the language used to describe the proposed System Integration Forum limits its scope. This forum should remain agnostic towards technology. The proposal suggests that the Council will focus on non-traditional solutions. While searching for non-traditional integration tools is a laudable goal, this forum should equally examine traditional and non-traditional solutions, or perhaps change its name to better reflect its mission.

Thank you for the opportunity to weigh in. We look forward to working with you and the Council in both of these new forums.

Sincerely,

A handwritten signature in black ink that reads "Shauna L. McReynolds". The signature is written in a cursive style with a large, stylized initial 'S'.

Shauna McReynolds
Executive Director

cc: PNUCC System Planning Committee
Steve Crow and Ben Kujala, NWPCC