

Thursday, February 3, 2011

Tendril, UISOL pilot lets PJM homes react to 5-minute pricing

Tendril and Utility Integration Solutions (UISOL) are bringing real-time LMPs to residential consumers in PJM as part of a pilot they are running with the RTO, the firms said yesterday. "This real-world demonstration will show the feasibility and ease with which residential customers can reduce their energy consumption in response to wholesale price signals that reflect grid conditions," said Tendril CEO Adrian Tuck.

The pilot will feature well informed Pennsylvania homeowners -- namely PJM employees, Tendril Senior Director of Segment Marketing Mak Tarnoff told us yesterday. "PJM is a real supporter of demand management," he added. "Because wholesale pricing, particularly five minute pricing, has never been pumped into residential homes, they want to make sure that it works right and all the interfaces are correctly in place."

Tendril reportedly does not want to start competing with utilities and others for retail consumers. The firm would have to become a PJM member once the initiative gets out of a pilot-phase -- but it and PJM plan to make the product available to existing load servers and aggregators.

The pilot will use Tendril's Connect platform and UISOL's Open Automated Demand Response price server, letting PJM test the end-to-end integration of a near-real-time-price DR program.

Consumers beyond RTO employees are interested in Tendril's product offerings. Studies by the firm found some want the cost savings it can offer while others are focused on environmental benefits. Some 14% are already interested in its dynamic pricing offerings but Tarnoff said that could grow with more education.

The pilot in PJM is not the first the firm has run -- and it found consumers typically save about 1.2 KW by responding to wholesale price signals. Just 1 KW of energy savings translates

into \$200, though savings will be split between the utility and consumers.

Large consumers have been responding to real-time LMPs for years but not residential ones as they lack the automated ability to respond. Tendril's Connect Platform software can manage multiple devices and match them up with a utility's existing distribution management system -- or be controlled via the platform directly.

"After all, a consumer can't just be sitting around looking at a display to try to change prices," said Tarnoff. "This has to be automated. It has to be simple and it has to have a financial benefit for both the consumer and the utility sponsors."

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Texas moves fast to manage outage of 50 generators in storm

The winter storm that hit a broad swath of the country yesterday was particularly rough on ERCOT's grid as high demand led to rolling outages. The storm knocked out over 50 generation units with a combined capacity of over 7,000 MW, ERCOT said in a press release at noon. More capacity was vulnerable at that time due to the weather.

The grid was largely stabilized by mid afternoon but Texas PUC Chairman Barry Smitherman was still urging conservation into today.

The grid still had over 5,000 MW of generation out of service at the typical peak time. Peak were expected to hit around 54,900 MW between 7-8 PM last night and at 56,800 MW between 7-8 AM this morning.

If ERCOT's forecast bore out, the grid could have topped the all-time

winter peak -- 55,878 MW set in January of last year.

The situation prompted a statement from Gov Rick Perry who also asked consumers to conserve power.

"Because of winter weather conditions that have created an unprecedented demand on the state's energy grid, many Texans across our state are experiencing power outages today," said Perry.

The rotating outages were mostly limited in duration, running from 10-45 minutes though they could have stretched longer in areas due to equipment outages.

Rotating outages are controlled and grid operators use them to prevent generators from overloading and risking a domino effect and a statewide outage.

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ICC balks at PJM plan to dun ComEd customers for lines elsewhere

The Illinois Commerce Commission (ICC) does not want to see the state's consumers pay a flat rate for PJM's most recent regional transmission expansion plan (RTEP) lines. The PJM Board approved about \$1.25 billion of new lines in December and filed with FERC to assign the costs of them early last month.

PJM is still using postage-stamp allocation for lines above 500 KV, a system the ICC took FERC to court over. The court ordered the federal regulator to take another look at the allocation method and that case on remand is still pending.

The RTEP lines include 10 facilities at or above 500 KV costing \$479 million and located in Indiana, Maryland, New Jersey, Virginia and West Virginia.

None of the lines are in Chicago-based Commonwealth Edison's territory but due to the size of that city, its consumers would have to pay 15.58% of their cost, or \$74.63 million.

PJM's filing did not show cost causation from -- or any corresponding benefits to -- the ComEd zone, and that violates the Federal Power Act and clear precedent, alleged the ICC.

The Illinois commission and most of western PJM believe the US Court of Appeals effectively threw out the postage stamp allocation method but that view is far from universal among parties in the FERC proceeding.

The costliest project in the group would rebuild a line in Dominion's

Virginia territory that was used to meet the utility's needs before it joined PJM. ComEd consumers would pay for 15.58% of the line while Dominion's would pick up 13.61% of the cost.

AEP got two big projects in nearby Indiana approved but PJM did not do the cost-benefits analysis ICC believes is needed before the consumers it represents should have to pay for transmission. One of the lines in a package that AEP got approved was below the 500 KV threshold and PJM did such an analysis that found Illinois consumers would have to pay just 5.91%, nearly 10% less than they would under the postage stamp system.

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1 story in 20 seconds

GridPoint pairs

solar, data system: GridPoint is helping Dallas-based Franklin Products meet half of its power needs with a new solar panel array at its factory and distribution facility. Franklin makes upholstery products for the airline industry. Its new solar installation can produce up to 140,000 KWH/year. GridPoint is coupling the solar array with its intelligent monitoring solution that records and displays current and historic energy production of the customer's system.

[\[Comments\]](#)

House Republicans craft bills to strip EPA of carbon authority

Efforts are continuing in this Congress to strip EPA of its ability to regulate CO2 under the Clean Air Act with several bills released this week. A draft bill in the House that would stop EPA in its tracks was released yesterday by House Energy & Commerce Chairman Fred Upton, R-Mich, Energy & Power Subcommittee Chairman Ed Whitfield, R-Ky, and Senate Environment & Public Works Ranking Member James Inhofe, R-Okla.

That bill would overturn the Supreme Court case *Massachusetts v. EPA*, that gave the agency the ability to regulate CO2 if it found that the gas posed a health threat. Overturning that decision would strip the EPA's authority to regulate carbon emissions from power plants and other sources, even cars

where regulations are further along.

"We firmly believe federal bureaucrats should not be unilaterally setting national climate change policy and with good reason: EPA's cap-and-trade tax agenda will cost jobs, undermine the competitiveness of America's manufacturers, and, as EPA has conceded, will have no meaningful impact on climate," said the bill's sponsors in a statement. "In other words, all cost with no benefit."

Whitfield and Upton plan to hold a hearing on the draft next week.

The House energy committee ushered through the Waxman-Markey bill to regulate greenhouse gases last Congress and its authors had harsh words for the new majority's proposal.

"The Republicans have a lot of

power, but they can't amend the laws of nature," said Energy & Commerce Ranking Member Henry Waxman, D-Calif. "Gutting the Clean Air Act is only going to make our problems worse."

Wyoming Sen John Barrasso, R, introduced another piece of legislation that would strip EPA of the authority to regulate greenhouse gases barring explicit Congressional authorization. Barrasso's bill would let EPA continue to regulate tail-pipe emissions.

"It's time for the administration to face the facts: Americans rejected cap-and-trade because they know it means higher energy prices and lost jobs," said Barrasso. "Washington agencies are now trying a backdoor approach to regulate our climate by abusing existing laws."

[\[Comments\]](#)

Direct Energy to expand Pittsburgh office, add new staff

Direct Energy plans to hire about 70 workers -- a majority of them in the Direct Energy Business (DEB) headquarters in Pittsburgh, the firm said.

It also plans to expand its workspace by about 9,100 square feet. Pittsburgh is quickly becoming one of the nation's energy hubs, said the firm.

"The business is growing," Michael Senff, VP of North American sales & marketing for DEB told us yesterday. "We continue to have good momentum coming out of 2009 and 2010 and we expect that to continue into 2011 and beyond." He believes one reason for the growth was the way lawmakers and regulators set up the market.

"There are many reasons why we've seen this growth. One is the positive

regulatory environment in Pennsylvania and other markets we operate in," said Senff. "We've had several new market entries up and down the northeast coast and we're gaining traction in our small business customer segment. We continued to post positive year-over-year results and we see the growth happening well into the future."

Direct Energy Residential plans to move to Pittsburgh this year.

"Moving our residential energy business for the northeast to Pittsburgh seemed an obvious move and a good one," said Direct Energy Residential VP, Cory Byzewski. "We've got big plans to grow our residential business this year and a lot of work to do to make it happen."

[\[Comments\]](#)

Compete's Massey reacts to pro-market Michigan PSC findings

The Compete Coalition wants to see Michigan lawmakers react to the PSC's report this week that power shopping in 2010 was strong (RT, [Feb-02](#)). "With a growing waitlist, Michigan should reconsider the law that has made consumers captive to monopoly utility providers," said William Massey, Compete's counsel.

The market waitlist now includes nearly 3,100 customers, with 1,191 in Detroit Edison territory and 1,902 waiting for choice in Consumers Energy's footprint, according to our review yesterday of both firm's wait lists.

"Absent a legislative change, the 10% cap makes it impossible for consumers

to lower their electric rates by exploring the market and selecting a competitive supplier,” noted Massey.

Both territories are actually just above the 11% mark as of yesterday. Michigan’s power market is competitive but only 10% of sales can be bought by choice customers. The cap was put in place in 2008 and by the end of 2009, one territory reached the cap and the other was near the limit (RT, [2009-Dec-08](#)).

Now that shopping is at the cap, the only way for new customers to exercise choice is if some customers move back to IOU service.

“This threshold was quickly reached, leaving countless consumers on the sidelines,” said Massey.

The report shows that about 8,500 customers -- residential and C&I -- shop.

The numbers released by the PSC “are the clearest indication yet of the benefits derived in Michigan by a competitive electricity market,” said Massey. “Competition is yielding significant economic and environmental benefits in Michigan because it stimulates competitive prices, energy efficiency and conservation and clean energy development.”

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Oregon retail Power market grows slightly in November

Retail power shopping in Oregon saw the share of shopping grow in one territory and hold steady in another.

Pacific Power & Light (PP&L) saw a bump in share from 7.1% to 7.2% while Portland General Electric (PGE) held steady from October to November at 10.9%.

The number of customers improved in both territories.

The 0.1 percentage point bump in the PP&L territory translates to an increase of 585 customers while 152 customers took competitive deals in the PGE footprint.

[\[Comments\]](#)

Oregon power shopping - November 2010

C&I direct access load	Cost of service	Market options	Direct access
Portland General	87.1%	3.9%	9.0%
Pacific Power & Light	99.3%	0.0%	0.7%

Portfolio options	Portland General		PP&L	
	Customers	Customer %	Customers	Customer %
Fixed renewable	12,811	1.6%	9,604	1.7%
Renewable usage	60,989	7.6%	23,943	4.3%
Renewable future	2,431	0.2%	-	0.0%
Habitat	-	0.0%	4,744	0.9%
Habitat rider **	9,189	1.1%	-	0.0%
Time of use	2,082	0.3%	1,716	0.3%
Total choosing	87,502	10.9%	40,007	7.2%
Total eligible	804,745		552,965	*

Source: Oregon PUC Electric Rates & Planning

* As of Jan 1, 2010

Georgia Power, EPRI to study solar’s effects on running grid

Georgia Power and EPRI teamed up for an 18 month study of the impact solar panels have on utility power distribution. The 3’ by 5’ panels will be put on power lines in seven cities in Georgia Power’s territory. EPRI will monitor each module’s output and sunlight input at one-second intervals for the entire 18 months to determine how much power they generate and how well they perform under diverse weather conditions.

The panels will remain in place at the end of the project and Georgia Power will continue to monitor long-term results.

This research plans to:

- Identify any effects on the operation

of Georgia Power’s distribution system;

- Understand the feasibility of widespread solar installations on distribution lines, and
- Look at variables such as passing clouds.

“An installation of this size will not create a noticeable increase in the amount of energy on our distribution system,” said Scott Gentry, Georgia Power’s coordinator for this project. “However, the data we collect from each module will provide useful information on PV generation as it relates to the utility’s grid.”

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Abbreviations: To see a glossary of *Restructuring Today’s* abbreviations, go to www.restructuringtoday.com/glossary.

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