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**DEFENSE LOGISTICS AGENCY Energy:
Demand Response and
Non-Firm Rate Options**

Larry Fratis

Agenda

- DLA Energy - Demand Response Program
- How the Program Works
- Availability
- New Initiatives/New Ideas
- Non-Firm Rate Options
- Questions

DLA Energy Demand Response Program

An approach to...

- Establish Master Agreements with vendors
- Assist customers in understanding DR
- Provide customers an easier/faster means to participate in DR Programs
- Create a uniform strategy to enroll federal customers in DR Programs

How the Program Works

- Vendor(s) works with the customer to determine what DR program works best for the installation
- Customer selects the DR program and vendor, and then notifies DLA Energy
- DLA Energy contacts the selected vendor
- Selected vendor sends the agreement to DLA Energy for signature

How the Program Works Cont'd

- DLA Energy signs the agreement and forwards a copy to customer and vendor
- Vendor issues future credits to customer utility account number(s) and notifies DLA Energy

Where the DLA Energy DR Program Applies

- Anywhere in the U.S. where DR programs are available, through ISO's, RTO's and/or local utilities
- Currently have 62 customers across PJM, ISO New England, ERCOT, CA and New York ISO
- Total MW's enrolled: 181
- Total credit received since program inception: \$8.5 million

New Initiatives/New Ideas

- Energy Efficiency (EE)
 - Assist customers bid EE into Capacity Markets (where available)
 - Credits would appear on utility bill
 - Navy Facilities Engineering Command, Washington, D.C. for delivery years 2014-2015/2015-2016/2016-2017
- Utility Rebates
 - Initial stages of market research
 - Small scale in nature

Non-Firm Rate Options

- Hourly (LMP/LMBP)
 - Day Ahead
 - Real Time (RT)
- Heat Rate
- Block and Index

Non-Firm Rate Options Cont'd

- Hourly Rate - Generally the utility default option for large commercial and industrial customers in restructured states
 - Very little price risk to supplier
 - Very high price risk to customer
 - Recommended for customers capable of reducing/shedding/shifting their load at peak (high price/demand) times
 - Not recommended for customers who can't

Non-Firm Rate Options Cont'd

- Heat Rate
 - Used in Texas for NASA/JSC
 - Contract price based on Natural Gas Index
- Block and Index
 - Used for 20+ installations in PJM (as an aggregate) and Fermi National Lab
 - Provides a blend of fixed price and index

Installation Energy Electricity Team

Larry Fratis	<u>lawrence.fratis@dla.mil</u>	703-767-8528
Cindy Ralph	<u>cindy.ralph@dla.mil</u>	703-767-8566
Jezabel Avilés	<u>jezabel.aviles@dla.mil</u>	703-767-8531
LaTonya Beach	<u>latonya.beach@dla.mil</u>	703-767-8532
Bryan Simmons	<u>bryan.simmons@dla.mil</u>	703-767-8531
Bob Knudson	<u>james.knudson@dla.mil</u>	703-767-8536
Clare Sanchez	<u>clare.sanchez@dla.mil</u>	703-767-8567

Electricity URL: <http://www.desc.dla.mil/main/a/iscd.htm>

Fax Number - 703-767-8757

Questions?