

# EnerNOC Provides Key Demand Response Resources to Southern California Edison

## EnerNOC Delivers 110 Megawatts of Turnkey Commercial & Industrial Demand Response

### Program Rules

**Program Name:** EnerNOC Demand Response in SCE

**Program Period:** Year-round

**Program Hours:** 11:00AM - 7:00PM, weekdays

**Dispatch Notification:** 3 hours

**Dispatch Duration:** 1-4 hours

**Demand Response Strategy:** Curtailment only

**Response Methods:** Automatic and manual. EnerNOC automatically controls many customers from its Network Operations Center(s).

### The Big Picture

Southern California Edison Company (SCE) is the largest electric utility in California, serving more than 14 million people over a 50,000 square mile area. During SCE's 120-year history, it has continuously evolved and innovated to serve its customers better and to ensure reliable, cost-effective energy. It has one of the largest and broadest demand-side reduction portfolios in the U.S., including wide-ranging energy efficiency offerings, dynamic rates, and demand response (DR).

In 2009, SCE expanded an existing demand response contract with EnerNOC, which serves as a key third-party demand response provider for SCE. Under this contract, EnerNOC will supply SCE with up to 110 megawatts (MW) of demand response capacity.

“Third-party demand response programs like EnerNOC’s have proven to be a valuable part of our portfolio mix,” says Larry Oliva, director of tariff programs & services. “They’re very engaged. They work closely with us. And they’re doing a great job building our DR capacity, helping us meet our load obligations, and providing greater reliability.”

EnerNOC works to assist appropriate SCE business customers, focusing on commercial and industrial sites capable of reducing their demand by 100 kilowatts (kW) or more on demand. Ultimately, the incentives these customers can earn from participating in EnerNOC’s demand response program help their bottom line by providing a valuable financial boost during a difficult business climate.

### A Strong Commitment to Demand Response

No one has to convince Southern California Edison of the value of demand response. It has the largest peak load of any utility in California, as well as one of the broadest demand-side portfolios in the business— including extensive demand response offerings for residential and commercial customers. These programs help SCE manage the ever-growing demand for energy in its region, without the expense, complication, and environmental impact of building new peak generation.

“Demand response programs are an essential part of providing clean, cost-effective technology solutions to further enhance the reliability of the electric power grid.”

—Lisa Cagnolatti, Vice President, Business Customer Division

In 2007, SCE signed a 2-year agreement with EnerNOC to provide 40 MW of demand response capacity. In 2008, SCE expanded this contract to include a total of 110 MW through 2012, an expansion approved by the California Public Utilities Commission (CPUC) in 2009. This ongoing relationship highlights SCE's commitment to demand response—and to successful third-party DR programs. “Demand response programs are an essential part of providing clean, cost-effective technology solutions to further enhance the reliability of the electric power grid,” said Lisa Cagnolatti, SCE vice president, business customer division.

When delivering demand response, SCE's critical need is clear—exceptional customer service. It relies on third-party providers like EnerNOC to deliver the advanced capabilities and responsive service that preserve and deepen the overall customer relationship.

“I think third-party DR providers like EnerNOC can reach customers through new and innovative means,” says Oliva. “They can build strong relationships with national accounts. And they can bring a high level of service to a broad range of customers who need more direct involvement and engagement.”

For example, the mid-range of SCE's commercial, institutional, and industrial customer base use enough electricity to achieve significant benefits from DR, explains Oliva. “But they may not be large enough to have the systems and staff necessary to do DR on their own.”

For these customers, third-party DR programs like EnerNOC's are well-situated to reach those customers and offer customized approaches to DR participation, like enabling technology to automate the load reductions.

The enrollment process often begins with a face-to-face meeting between a likely prospect and a local EnerNOC representative. “Ultimately, we rely on our third-party DR providers like EnerNOC to serve as an additional source of information about DR, and to explain its advantages,” says Oliva. “And customers have responded.”

## The Results

The response to EnerNOC's DR program from SCE customers has been encouraging. EnerNOC has fulfilled its initial contract of 40 MW to SCE and continues to enroll new customers to achieve its total 110 MW commitment to SCE through 2012.

Among the companies enrolled in EnerNOC Demand Response in SCE is Mission Produce, a thriving cold storage company based in Oxnard, CA. For participating in the program, Mission Produce receives annual payments of approximately \$25,000. But the company's motivation for participating goes beyond the bottom line. “Our people know about EnerNOC's demand response program, and why we're participating in it,” says Jake Nixon, process improvement and project manager. “They're really supportive and know that we're doing it for all the right reasons—not only because it makes sense financially, but also because it's good for our community.”

## The Benefits

The primary benefit that EnerNOC can bring to SCE's service area is the delivery of reliable, price-responsive demand response capacity via a turnkey demand response program. To achieve this goal, EnerNOC staff work with diverse customers to evaluate and enroll them, and perform the many incremental, specialized steps required to ensure a successful implementation.

## The benefits to SCE customers of EnerNOC's program include:

### A Full End-to-End Solution

Ultimately, demand response helps reduce the need for additional supply-side capacity resources, and helps avoid the complex financial and environmental challenges of building new generating units. This benefit is even more critical in California, where utilities must pursue all cost-effective alternatives (including energy efficiency, demand response, and renewables) before building new generation.

### A Customer-Friendly Program

EnerNOC's level of expertise and experience helps it design a program that meets the needs of SCE's customers. EnerNOC has successfully implemented demand response at thousands of diverse sites. So it can identify innovative strategies that help commercial and industrial customers reduce energy use while minimizing impact on their operation. "EnerNOC studied our facility carefully and we found that some simple adjustments could let us shed hundreds of kilowatts," says John Rouse, vice president of operations at the Aquarium of the Pacific, an EnerNOC Demand Response in SCE customer. "They integrated demand response seamlessly with our existing equipment. And they did all the work, which made signing up a very simple process." During a demand response dispatch, EnerNOC can reduce energy use automatically and remotely from its Network Operation Center (NOC), making the load-reduction process smooth and reliable for customers.

### Other Energy Savings Opportunities

During the process of working with SCE customers to implement demand response, EnerNOC also helps identify opportunities for energy efficiency programs. "Part of DR involves gaining full knowledge of a customer's facility," says Oliva. EnerNOC can help customers identify other opportunities for sustained energy efficiency savings. These savings go beyond the payments earned by participating in demand response.

### The Future

Identifying, evaluating, and enrolling eligible SCE customers is an ongoing effort for EnerNOC, which continues to work to make more load reduction available on demand.

“ Our people know about EnerNOC's demand response program, and why we're participating in it. They're really supportive and know that we're doing it for all the right reasons—not only because it makes sense financially but also because it's good for our community.”

—Jake Nixon, Process Improvement Project Manager