New Jersey Energy Master Plan
Strategy Template
2005-2020

Commercial Peak Load Management Program

<u>SUBMITTED BY</u>	
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Objective

Provide commercial consumers a low cost user friendly web based portal that will control peak load usage in "real-time" based on various independent triggers and thresholds; "real-time" spot market LMP prices, "real-time" demand consumption based on utility tariff, commodity based "block & index" contracts, and various ISO sponsored programs. Controls to include thermostats, and power controllers that attached to HVAC and lighting loads.

Strategy

The strategy will be to drive multiple monetary value streams (in addition to just ISO based program payments) to commercial consumers in order to drive up participation through greater savings and payback. The convergence of a peak demand control program integrated with a performance based commodity contract will ultimately kill two birds with one stone. It will reduce peal load while reducing the built in risk (extra price) of a bundled commodity contract. The consumer wins with lower electricity commodity contract and the State wins with a manageable peak load control program.

Responsible Party

BPU supported by Utilities and PJM

Timeline of Action

Ongoing

Strategy Outcome

This strategy will help commercial consumers on multiple levels;

- Consumers will understand that controlling load is crucial for effective energy management long term.
- Consumers will learn that controlling peak demand through smart triggers will drive up savings more so than the limited hours of ISO based programs.
- Consumers will learn how to control peak demand charges
- Consumers will learn how to trigger on RT price indexes.
- Consumers will lean to get comfortable structuring index based contracts.

Implementation Cost

Meter, Controls, Communication should not exceed $20K per customer and should provide a 24 month payback. Consumers should be 500kW in size or above to participate.

Source of Funding

BPU funds

Indicators

1. Reduction of bundled based contracts being structured in the commercial marketplace of New Jersey.

2. The growth of a robust elastic price index market at the wholesale and retail level.

3. 3rd Party energy suppliers offering flexible performance based commodity contracts that reward consumers for taking control (and risk) out of their load portfolio.

4. Lower retail costs for consumers.