

1/31/2023

City of Lake Worth Beach Demand Response

Terminology & Quanta View of DR

- Quanta Technology welcomes the opportunity to clarify and answer questions regarding the proposed Demand Response Consulting Services
- Demand Response programs are designed to reduce or shift customer loads at desired times. Further information can be found:
 - "Demand Response Consulting Support Proposal" by Jesus Gonzalez, Diana Prkacin
 - "About Demand Response" by Veronika Rabl

Could you please share documentation of any Demand Response programs that Quanta has previously implemented? (Please include details, e.g., size of D-R program relative to mean and peak load; number of years program in place; incentives offered; cost savings to utility, cost savings to customers; utility type (MOU, IOU), etc.)

Demand Response Programs

- Quanta Technology's experience with DR Programs revolves around:
 - Design and technology evaluation
 - Pilot projects

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- AMI based DR implementation
- Quanta also has extensive experience with Virtual Power Plants and DERMS which incorporate demand response. Examples include:
 - DERMS for Community Solar PV Aggregation and Control
 - DERMS as Aggregator of Aggregators
 - Customer Microgrid Support
 - Charge Management System
- Several of our consultants have extensive DR experience. Some examples include:
 - Veronika Rabl, Executive Advisor: Over 30 years of Demand Response and Energy Efficiency experience (technology development and testing, program design, benchmarking, support for utility implementation)
 - Phillip Vallejo, Principal Advisor: Worked on Demand Response programs for Florida Power & Light for over 8 years. Programs were oriented around load shaving via device control.
 - Lou Santilli, Principal Advisor: Worked with Progress Energy / Duke Energy for 20+ years with 5 years direct Demand Response experience utilizing pager-controlled DR switching on A/C, pool pumps, and water heaters as well as commercial/industrial dispatchable energy programs

Could you please share documentation on any virtual-net metering, community solar, and/or virtual power plant programs that Quanta has implemented?

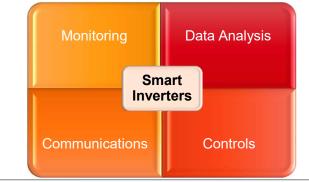
DERMS for Community Solar PV Aggregation and Control (ComEd)

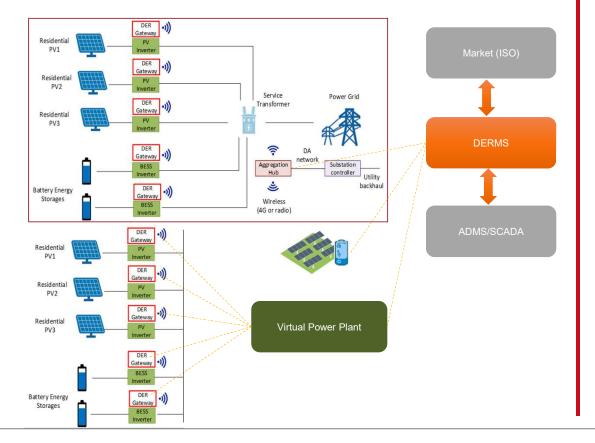


PV Inverter Network Controller DNP Utility Interface

Working a pilot project with ComEd to develop a control platform for Chicago Housing Community

- Aggregating (grouping) 17 distributed roof-top PV systems on 16 buildings
- Providing single point of controls for the Utility dispatcher
 - Smart inverter autonomous functions: Volt-VAR, Volt-Watt, Ramp rate
- Data collection and transfer, for large groups of PV inverters





DER Management: DERMS and VPP

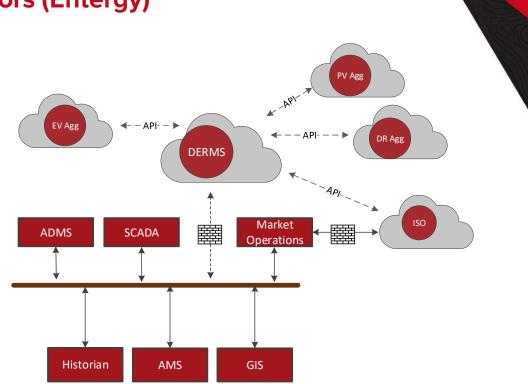
- DERMS is an application platform designed to manage device information, monitor and enable optimization and control of DER and DR.
- DERMS should aggregate, simplify, optimize and enable DER and DR functionality.
- VPP is a local DERMS (subset) which mainly focuses on managing behindthe-meter assets for grid-connected and market functions
- Transactive Energy and Community Energy systems

DERMS Applications

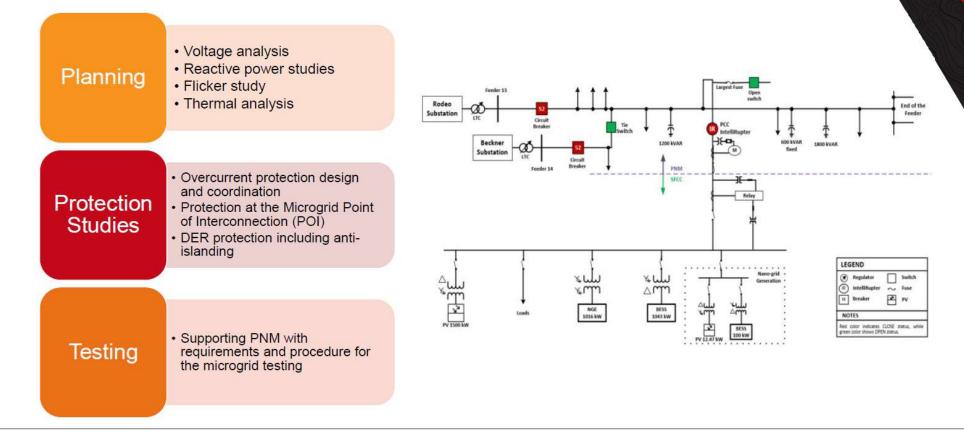
EV Charging Stations (Electrification)	 Platform for monitoring and control Fleet Management for EV charging systems Demand Side Management and Integration in market 	Third-party Aggregators Resource monitoring
Customer Owned DERs	 Monitoring of behind the meter PV systems Smart Inverter Functions for Volt-VAR / Volt-Watt Schemes Front-of-meter DER (developers) 	Utilizing New Functions Impact Mitigation
Non-Wires Alternative Programs	 Grid support controls Performance tracking of NWA projects Contractual obligations 	Financial Transactions Resource Optimization
Microgrids & Energy Storage Systems	 Coordinated operation Optimization and participation in market Reliability enhancement 	Operating procedures Market Interface

DERMS as Aggregator of Aggregators (Entergy)

- **Overview:** Pilot project encompassing Cloudhosted company-wide DERMS platform for managing multiple existing grid-edge programs and resources (DER, DR, DSM)
 - DER: Rooftop PV, EV
 - DR programs for C&I customers
 - Smart thermostats and DSM
- DERMS architecture, specification and procurement support
- Integration support:
 - Market participation (MISO)
 - Integration to ADMS
 - Historian

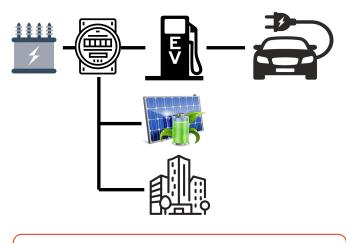


Customer Microgrid Support Pilot Project (Public Service Company of New Mexico)



Q U A N T A - T E C H N O L O G Y . C O M

Charge Management System (Southern California Edison Metrolink)

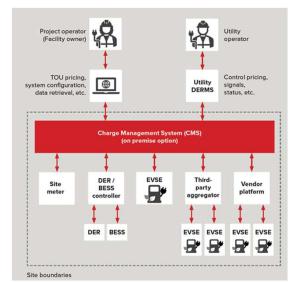


Unlock more Charging Capabilities with less System Upgrades!

One interface for facility operator, for managing EVSEs, DERs/BESS, controllable loads, etc.

Vendor agnostic! Capable of integrating platforms from different vendors!

- Pilot Project encompassing a CMS for managing over 50 chargers
- CMS monitors the loading of the service transformers, performs dynamic demand response, and dispatches DER/BESS, to:
 - perform grid support,
 - minimize the facility operating costs, and/or
 - provide charge resiliency.
- Capable of integration of different resources including site meters, BESS/DER/EVs/third party aggregators, etc.
- Flexible design



Could you please describe Quanta's experience with any prosumer programs or rate structures that encourage community-side assets?

Prosumer Programs / Rate Structures

- Quanta Technology is not involved in regulatory proceedings such as rate design
- Quanta treats all customer-oriented programs as prosumer programs



Would the D-R program proposed by Quanta explicitly encourage people to invest in behindthe-meter energy storage systems? If so, how?

Behind the Meter Storage Systems

- Specific program recommendations would be made at the conclusion of the study
- In general, if benefits are found from load shifting, behind-the-meter energy storage options may be pertinent. For example:
 - Batteries
 - Thermal storage
 - Storage water heating

In what ways could a D-R program designed by Quanta reduce our utility's near and long term purchased power costs?

Purchase Power Cost Reduction

- Quanta Technology as part of the DR project's data collection task, will review LWB PPA agreement(s) and system load profile to determine potential savings
- Generally speaking:
 - Reduction in system peak demand lowers costs incurred via typical demand charges
 - Load shifting can take advantage of time-differentiated rates



What connection does Quanta see between your design for a D-R program and international efforts to reduce burning of fossil fuels?

DR & Fossil Fuel Reduction

- One of the most effective decarbonization approaches is to shift the load from fossil to renewable generation
 - DR programs could be designed to shift loads like EV charging or water heating from evening hours to mid-day solar or night-time wind
- Program design for decarbonization is not included in the proposed scope of work
- Quanta Technology partners with utilities to develop IRP and helps set realistic expectations for transitioning to renewables

In Quanta's opinion, as international pressure increases for drastically reducing fossil fuel emissions, would it be prudent to expect changes in the pricing and/or taxing structures for purchasing of wholesale electricity? (Examples might include time of use wholesale pricing, or changes to amount-based pricing, or changes in taxation.) If so, how would Quanta design a D-R program to anticipate, and take advantage of, these expected changes?

Wholesale Pricing Impacts

- Quanta believes it would be prudent to expect changes in the pricing/taxing structure for electricity, including wholesale purchases, as pressure to reduce fossil fuel emissions accelerates
- DR Programs can be designed with a capability to adapt to changes once these have been identified



What imminent advances in technology and in energy pricing does Quanta anticipate over the next 5-10 years?

Imminent Technology Advancements

- Quanta Technology anticipates technology advances in all aspects of grid operations, customer interfaces, and technologies throughout the grid.
 - AMI 1.0 transitioning to Advanced Grid Infrastructure (AGI) supporting DA, Distributed Generation, Electrification, DR, Street Lighting/Smart City
- We anticipate rapid advancements in communications technology that will facilitate more flexible pricing and dispatch
- Numerous resources are included in the Quanta Technology Website: <u>www.quanta-technology.com</u> under Virtual Library→Articles & White Papers. Some examples include:
 - Grid Modernization for Public Power and Cooperatives
 - Smart Meters and Grid Modernization: A Guide to a Successful AMI Implementation
 - Workforce Transformation: Powering the Utility of the Future
 - Predictive-Maintenance Practices: For Operational Safety of Battery Energy Storage Systems
 - Microgrid Protection: An Overview of Protection Strategies in North American Microgrid Projects
 - Operational Frameworks for Utility Integrated Microgrids
 - Microgrids are for Real
 - Design for Distributed Energy Resources



How would these advances/changes factor into Quanta design of a D-R program design?

Imminent Technology Advancements & DR Programs

- A demand response technology assessment is included in the project
- Our DR program design will reflect the best of available technologies and approaches





Would it be wise to implement D-R simultaneously with a Time of Use rate structure? Please address pros and cons of a simultaneous design.

DR & Time of Use Considerations

- Decisions on rates/incentives must be done as part of the DR program design
 - TOU is not required to have a DR program
 - TOU can be an effective tool to encourage desired DR measures
- We are not aware of any cons with simultaneous implementation



How would bi-directional charging of electric vehicles be incorporated into Quanta's D-R program?

Bi-Directional EV Charging

- Bi-directional charging of electric vehicles is not commercially available for implementation
- It would be premature to include as part of our recommendation



Finally, if the City of Lake Worth were to set up its D-R with a performance reward, that is, where the implementor of the program received a benefit for each incremental increase in participation (i.e., "NegaWatts" produced), how would Quanta design that program?

DR Performance Reward Programs

 Performance based rewards may be an outcome as we develop a better understanding of incremental benefits and impacts during the study period



Why Choose Quanta Technology?

FULLY INDEPENDENT

Vendor agnostic Freely delivers the best-fit solution

EXCEPTIONAL INDUSTRY EXPERIENCE

Extensive depth and breadth



A TRUSTED ADVISOR Leverage our experience to protect your project success

HOLISTIC APPROACH TO TECHNOLOGY ADOPTION

Focus on people, process, end-customers, and technology

CUSTOMER PARTNER MINDSET

Focus on customer needs, trust, and relationships Integrated team members

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Thank You For Your Time Please Do Not Hesitate To Contact Us With Any Questions



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