

Comments on

DRAFT NARUC MANUAL ON DISTRIBUTED ENERGY RESOURCES COMPENSATION

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This is an excellent manual on rate design in relation to distributed energy resources (DER).

The section in the manual on Transactive Energy (TE) suggests that TE focuses on a series of short-term transactions (Page 47). However, TE actually focuses on both short-term and long-term transactions; the latter being far more important in assuring coordination of customer investments in DER and with utility investments in transmission, distribution and generation¹.

TE provides a two-way subscription retail tariff² (rate design). The key element of this tariff is long-term subscriptions between customers and suppliers that recover both fixed and variable costs for a subscribed level of delivered energy shaped to the customer's typical usage. Spot transactions modifying the forward subscribed baselines at highly variable prices also recover fixed and variable costs while encouraging efficient operation and use of energy.

A vision and roadmap to 2030 for implementation of TE is provided in a recent SEPA 51st state submission³. A pilot project to test the feasibility of this vision and rate design is underway in California⁴.

I would be happy to assist NARUC in developing this TE approach as an additional alternative in the NARUC rate design manual.

¹ <https://bakerstreetpublishing.com/downloads/transactive-energy-a-sustainable-business-and-regulatory-model-for-electricity/>

² http://www.temix.net/images/SGIP_Transactive_Retail_Tariffs_2015.pdf

³ http://www.temix.net/images/51_State_II_20160308_Submission_Narrative_copy_2.pdf

⁴ http://www.temix.net/images/GFO-15-311_Retail_Automated_Transactive_Energy_System.pdf