



MEMORANDUM

To: IEA DSM Task XIII Participants
 From: Ross Malme, Task XIII Operating Agent
 Date: May 21st, 2004
 RE: May 10, 2004 Valencia Experts Workshop Meeting Minutes

On Monday, May 10th we began our journey on IEA DSM Task XIII in Valencia Spain, a beautiful city and the birthplace of Paella, one of the most famous dishes from Spain. Valencia's is rich with historical structures dating back to the Roman Empire, which are set against the Mediterranean Sea. It is also home to one of Spain's the Polytechnic University of Valencia, who with Red Electrica, the System Operator in Spain were our hosts during our first Expert's Meeting for Task XIII. [I tried to make this seem less superalitive which seems a bit over the top for me – if you disagree, you may want to change the first paragraph back. I think what I say here is gracious enough without seeming to be overly obsequious.]

A total of seven (6) IEA DSM Programme member countries participating in Task XIII attended the workshop including, Spain, Italy, Japan, Norway, Denmark and the USA. In addition we had two countries in Canada and South Africa attend the workshop as observers. We are hopeful that both of these countries will decide to join us in the important work of Task XIII. Sweden, Korea, Netherlands and Australia, which are participating in Task XIII, were not able to attend this Experts Workshop. The OA will followup with each of them to assure project continuity.

Ross Malme called the meeting to order at 9:00 AM Monday, May 10, 2004. The people listed below attended the meeting.

Carlos Alvarez (Meeting Host)	U. P. V. (Spain)
Carmen Rodriguez Villagarcia (Meeting Host)	Red Electrica (Spain)
Walter Grattieri	CESI (Italy)
Mitsuharu Sugano	Tokyo Electric Power Company (Japan)
Jiro Misumi	Tokyo Electric Power Company (Japan)
Kazuhiko Serita	Heat Pump & Thermal Storage Technology Center of Japan (Japan)
Ove S. Grande	Enova (Norway)
Mallika Nanduri	Natural Resources Canada (Canada)
Hans Nilsson	DSM Programme Chairman (Sweden)
Denis Van Es	Energy Research Centre, University of Cape Town (South Africa)
Soeren Varming	ECON Analysis (Denmark)

Caspar Kofod	Energy Piano (Denmark)
David Kathan	FERC OMTR-East (USA)
Dan Delurey	Demand Response Coordinating Committee (USA)
Ross Malme	Task XIII Operating Agent – RETX (USA)
Pete Scarpelli	Task XIII Project Team – RETX (USA)
Dan Violette	Task XIII Project Team – Summit Blue Consulting (USA)

After each meeting attendee gave a brief introduction and short background of themselves, Carlos Alvarez welcomed everyone to Spain and the Universidad Politecnica de Valencia (UPV). Alvarez noted that he has been researching demand response (DR) as a professor at UPV for sometime and the university is very excited to host the first Task XIII Experts Workshop.

Prior to moving into the workshop presentations, we held a roundtable discussion on how to handle the intellectual property created from Task XIII. There was a concern that there could a free rider benefit could accrue to nations that are not direct funding participants if all intellectual property was put in the public domain. Conversely, others felt that the use of public funding from the nation leads to public disclosure, at least in the given country. Hans Nilsson noted that the IEA DSM encounters this challenge with almost every project. Nilsson indicated that they normally conclude that the best way to handle it is to provide participant protection to the intellectual property for a specific period of time (e.g. 12 months) before it is released into the public. Those in the room felt that this was a reasonable conclusion. (NOTE: We may need to seek a formal resolution from the ExCo to ratify this.)

Ross Malme then began to give a state of the nation report for Task XIII (see EW 5-10-04_Presentation 1_Project Status_Malme.doc). Malme provided an overview on how Task XIII was created and its current country enrollment/funding status. A few key issues discussed during the presentation are as follows:

- **Stakeholder Groups:** The Operating Agent recommended the formation of an “in country” stakeholder group. This group would help guide the Country Expert to ensure that Task XIII provides solutions that are relevant to its marketplace and assist with some of the data gathering functions. Most countries indicated that they have or intend to have a stakeholder group. Norway even provided a work plan that their stakeholder group has already reviewed (see SINTEF DRR Project Plan.pdf).
- **Task Information Plan:** Task XIII needs to formally develop and support a communication plan that promotes our work to others. This plan should include the writing papers, giving presentations, issuing newsletters, etc. The OA Project Team will develop a plan and seek implementation assistance from the project participants.
- **Next Expert Workshop:** The project plan has the next expert workshop scheduled for early 2005. However, we’ve been advised to try and hold it in

September 2004 because (a) ExCo meeting is in October and we'd like to show project results at the meeting; (b) many countries will begin 2005 budget cycles in October and project results would be helpful; (c) the OA wants to try and challenge our schedule as much as possible to try and move things forward faster and at a lower total cost. It was later determined that the next Expert Workshop would be held in September in Milan, Italy on Monday and Tuesday, September 20-21st. The OA will work with Walter Grattieri, Italian Expert from CESI on logistics and forward them under separate cover.

Pete Scarpelli gave the second presentation (see EW 5-10-04_Presentation 2_Task XIII overview_Scarpelli.doc). Scarpelli's provided an overview of the various project tasks and their expected deliverables. The ensuing discussion demonstrated a need to review the Task Plan and re-issue it with the next level of detail describing action items for the various participants. The OA Project Team committed to releasing this by May 21, 2004.

Dan Violette then gave a presentation on the Environmental Scan document issued to each Country Expert prior to the meeting (see EW 5-10-04_Presentation 3_Environment Scan_Violette.doc). The purpose of this document was to give the OA Project Team a brief overview of each country's current market design, key players and key DR motivations. However, it appears that the document as drafted was a bit confusing. The OA Project Team will re-issue a new form by May 21, 2004. Caspar Kofod noted that some of the requested information may already exist in the "INDEEP" database.

The meeting adjourned for lunch at 1:15 PM. The UVP cafeteria made a wonderful paella for 20 people.

After lunch, we held some breakout sessions. While Malme, Violette, and Scarpelli held one-one discussions with each Country, Hans Nilsson gave an overview of IEA and the DSM Programme and Dave Kathan facilitated a discussion on regulatory structures. The country interview sessions provided an opportunity to learn a little more detailed information about each country (see EW 5-10-04_Country Interview Questions.doc), what their goals for DR are, and how the Country Expert can best support the project. The following themes were heard during most country interviews:

- The ultimate project results must be relevant to my market.
- The project needs to develop a methodology to create a "believable value of DR".
- The knowledge sharing and development of a network of experts will be a valuable ancillary benefit from the project.

Day One concluded around 6 PM. UVP hosted all conference participants for a very nice dinner downtown during the citywide celebration of Valencia's winning the Spanish Soccer Championship. Hola!

Ross Malme called Day Two to order at 8:30 AM. The meeting began with three separate roundtable discussions over breakfast. The sessions were (a) Stakeholder Groups hosted by Ove Grande; (b) Project Success Factors hosted by Dan Violette; and (c) Market Barriers hosted by Ross Malme.

Violette then lead a detailed discussion on estimating DR market potential and developing a DR valuation tool (see EW 5-10-04_Presentation 4_Market and Value Assessment_Violette.doc). Violette shared his experiences in using several models to

accomplish both functions and the pros/cons of each. He also indicated that to his knowledge no one has the work we are attempting to do. This means that we will need to be deliberate and contemplative as we consider the various ways to develop appropriate tools. During the ensuing discussion, we concluded that it would be helpful to develop several options for consideration by the next Experts Meeting in September. Dan Violette is planning a working group meeting on economic tools in August in Denmark on some of the economic tools we plan to deliver. More details on this will be forthcoming.

A lunch break was called at 1:00 PM.

Scarpelli provided a brief overview of the project portal the OA Project Team developed to house all of the project information (EW 5-10-04_Presentation 5_Project Portal_Scarpelli.doc). The portal can be found at www.demandresponseresources.com. The portal has both public and private information. The private information is password protected. Country Experts can request portal passwords by sending an email to Ross Malme (rmalme@retx.com) with a list of individuals and their email addresses that need passwords. The OA Project Team will send the password to each individual privately.

The conference was adjourned at 4:30 PM.

Action Items:

1. OA Project Team: re-issue task plan by May 21, 2004.
2. OA Project Team: re-issue Environmental Scan by May 21, 2004.
3. OA and Spain to issue joint press release on Experts Meeting by May 21st.
4. OA & Italy coordinate logistics for September 20th Experts Meeting.
5. Country Experts to respond to OA data request by June 30th.
6. Dan Violette to coordinate logistics for economic tool meeting in Denmark in August.
7. OA and Hans Nilsson to followup with Canada, Netherlands and South Africa to confirm their participation in Task XIII.
8. Next "Demand Response Dispatcher" Newsletter to be issued by OA by July 1st.
9. OA has scheduled workshops on Task XIII planned for Korea and Australia in early June.
10. Presentations on Task XIII are scheduled at Metering International meeting in Berlin. in September, PLMA Meeting In Orlando September and IEEE meeting in NYC in October.