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**INTERNATIONAL ENERGY AGENCY**  
**IMPLEMENTING AGREEMENT ON TECHNOLOGIES**  
**AND PROGRAMMES FOR DEMAND SIDE MANAGEMENT**

***Task XV: Network-Driven DSM***

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## **Task Status Report**

**Dr David J Crossley**  
**Operating Agent**  
**Energy Futures Australia Pty Ltd**

***Prepared for***  
***IEA DSM PROGRAMME***  
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Energy Futures Australia Pty Ltd  
11 Binya Close  
Hornsby Heights NSW 2077  
Australia  
Phone: + 61 2 9477 7885  
Mobile: + 61 411 467 982  
Fax: + 61 2 9477 7503  
Email: efa@efa.com.au  
Website: <http://www.efa.com.au>

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## **INTRODUCTION**

At its meeting in April 2004, the IEA DSM Executive Committee approved the initiation of the Network-Driven DSM Task and nominated David Crossley as the Operating Agent. The project is now referred to as Task XV of the IEA DSM Programme.

## **SUMMARY OF TASK OBJECTIVES AND SUBTASKS**

### **Objectives**

The objectives of Task XV, as approved at the April 2004 Executive Committee meeting, are as follows:

- to identify a wide range of DSM measures which can be used to relieve electricity network constraints;
- to further develop the identified network-driven DSM measures so that they will be successful in cost-effectively relieving network constraints at the distribution and/or transmission levels;
- to investigate how existing network planning processes can be modified to incorporate the development and operation of DSM measures over the medium and long term;
- to develop 'best practice' principles, procedures and methodologies for the evaluation and acquisition of network-driven DSM resources;
- to communicate and disseminate information about network-driven DSM to relevant audiences.

### **Subtasks**

The Workplan for the Network-Driven DSM Task comprises five Subtasks.

- Subtask 1: Worldwide Survey of Network-Driven DSM Projects.
- Subtask 2: Assessment and Development of Network-Driven DSM Measures.
- Subtask 3: Incorporation of DSM Measures into Network Planning.
- Subtask 4: Evaluation and Acquisition of Network-Driven DSM Resources.
- Subtask 5: Communication of Information About Network-Driven DSM.

## **BENEFITS OF PARTICIPATING IN TASK XV**

Participating in the Network-Driven DSM Task will enable countries to:

- understand the advantages and disadvantages of network-driven DSM measures as alternatives to network augmentation;
- gain information about network-driven DSM measures currently in use in other countries and about the relative effectiveness of these measures;
- understand the factors which lead to a network-driven DSM measure being effective;
- participate in further developing network-driven DSM measures so that they will be successful in cost-effectively relieving network constraints;
- identify modifications which can be made to existing network planning processes to incorporate network-driven DSM measures as alternatives to network augmentation;

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- understand the interaction between network-driven DSM and the operation of competitive electricity markets;
- participate in developing business models, rules and procedures to achieve the successful implementation of network-DSM measures under different electricity market structures and regulatory regimes.

## **MAJOR ACCOMPLISHMENTS SINCE APRIL 2004**

### **Participating Countries**

The following countries have confirmed their participation in Task XV:

- Australia;
- France;
- Spain;
- USA.

Task XV is still open for participation and other countries are encouraged to consider participating in Task XV.

### **Participating Organisations within Countries**

At the time of writing, participating organisations within countries comprise the following:

#### ***Australia***

Eight electricity network businesses at both the transmission and distribution level, including: The Australian Gas Light Company, Country Energy, Energex, EnergyAustralia, Ergon Energy, Powerlink Queensland, TransGrid and TXU Networks (now SPI Networks).

#### ***France***

Agence de l'Environnement et de la Maîtrise de l'Énergie and Réseau de Transport d'Electricité.

#### ***Spain***

Red Eléctrica de Espana

#### ***USA***

Oak Ridge National Laboratory.

### **Legal Annexe**

At the time of writing, the Legal Annexe for Task XV has been drafted and comments on the draft have been received from the Task Experts. The Annexe will now be sent to the Executive Committee members from the participating countries for their approval. The annexe will then be sent to the IEA Legal Office for verification and acceptance.

### **National Participation Plans**

At the time of writing, National Participation Plans have been received from Spain and the USA. NPPs from Australia and France are currently being developed.

**WORK PLAN FOR THE PERIOD OCTOBER 2004 TO MARCH 2005**

**Timetable**

The timetable for the five subtasks which comprise Task XV is shown in Chart 1 below.

**Chart 1: Timetable for Task XV**

Subtasks	Months																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1 Worldwide Survey of Network-Driven DSM Projects	█	█	█	█	█	█	█	█	█									
2 Assessment and Development of Network-Driven DSM Measures									█	█	█	█	█	█				
3 Incorporation of DSM Measures into Network Planning							█	█	█	█								
4 Evaluation and Acquisition of Network-Driven DSM Resources																█	█	█
5 Communication of Information about Network-Driven DSM			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█

**Work Plan**

Over the next six months, the following work will be carried out in Subtasks XV/1 and XV/5.

**Subtask XV/1: Worldwide Survey of Network-Driven DSM Projects**

*Activity 1-1: Network-Driven DSM Projects in Participating Countries*

The country Experts will carry out a survey of the network-driven DSM projects implemented in their respective countries, using an information collection instrument developed by the Operating Agent. The information collected about each project will include: details about: the objectives of the project; the network-driven DSM measures employed; the market segments addressed; the regulatory regime under which the project was implemented, the level of success of the project; the cost of the project; and the impact of the project in terms of MW or MVA reduced. As the results of the survey are received, the Operating Agent will include them in a database of information about network-driven DSM measures.

*Activity 1-2: Network-Driven DSM Projects in Other Countries*

The Operating Agent will carry out a similar survey of network-driven DSM projects implemented in other countries. Information sources for this survey will include the IEA DSM Programmes’s INDEEP database, internet searches and personal contacts.

**Subtask XV/5: Communication of Information about Network-Driven DSM**

*Activity 5-1: Prepare and Circulate a Task Newsletter*

Information about the progress of the Network-Driven DSM Task will be provided to the country Experts through a regular newsletter.

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### ***Activity 5-2: Establish Information Databases about Network-Driven DSM***

The Operating Agent will establish and update databases containing relevant information about network-driven DSM projects and measures, and network planning processes, and will make these available to the country Experts through a secure web site.

## **EXPERTS MEETINGS**

The first Experts meeting for Task XV is scheduled to be held in Atlanta, Georgia, USA on 11 and 12 October 2004.

## **FINANCIAL REPORT**

### **Receipts**

Invoices have been sent to the participants for the first of two annual financial contributions to Task XV.

At the time of writing, full annual financial contributions have been received from two of the four participants and half a contribution has been received from one participant (two separate organisations are contributing half each of this contribution).

### **Expenditure**

Table 1 details the expenditure on Task XV. These figures comprise invoices actually paid at the date of writing.

<b>Table 1. Expenditure to 17 September 2004</b>	
Task Definition Phase	€11,700.00
<b>TOTAL</b>	<b>€11,700.00</b>

## **ISSUES TO BE CONSIDERED BY THE EXECUTIVE COMMITTEE**

### **Decision to Declare Task XV to be “In Force”**

There are sufficient countries committed to participating in Task XV to make the Task viable. The Operating Agent therefore recommends that the IEA DSM Executive Committee declare Task XV to be “in force” from 18 October 2004 and to be completed by 30 April 2006.