



Engaging a Demand Response Service Provider to Accelerate Program Adoption

Jason Jones

Manager, Demand Response Programs

KCP&L





- Redesigned in 2007
- Grew from 7 to 70 customers
- Primarily large customers
- Managing settlement and communications from spreadsheets
- Decided to contract demand response service provider (DRSP) to build back office systems and accelerate adoption of program



Goal of Engagement



- “Turbo charge” existing MPower program – Sell 30 MW of new capacity in six months
 - Not aggregating or dispatching load
 - Acting strictly as a sales, marketing and training agent for KCP&L
- Acquire this new capacity from small commercial market
 - KCP&L retains ownership of customer before, during and after sales process
 - Largest (Tier I) customers off limits
- Consult with KCP&L sales & marketing staff on selling to small commercial market
- Build infrastructure for dispatching DR and managing settlement and billing operations



Energy Curtailment Specialists

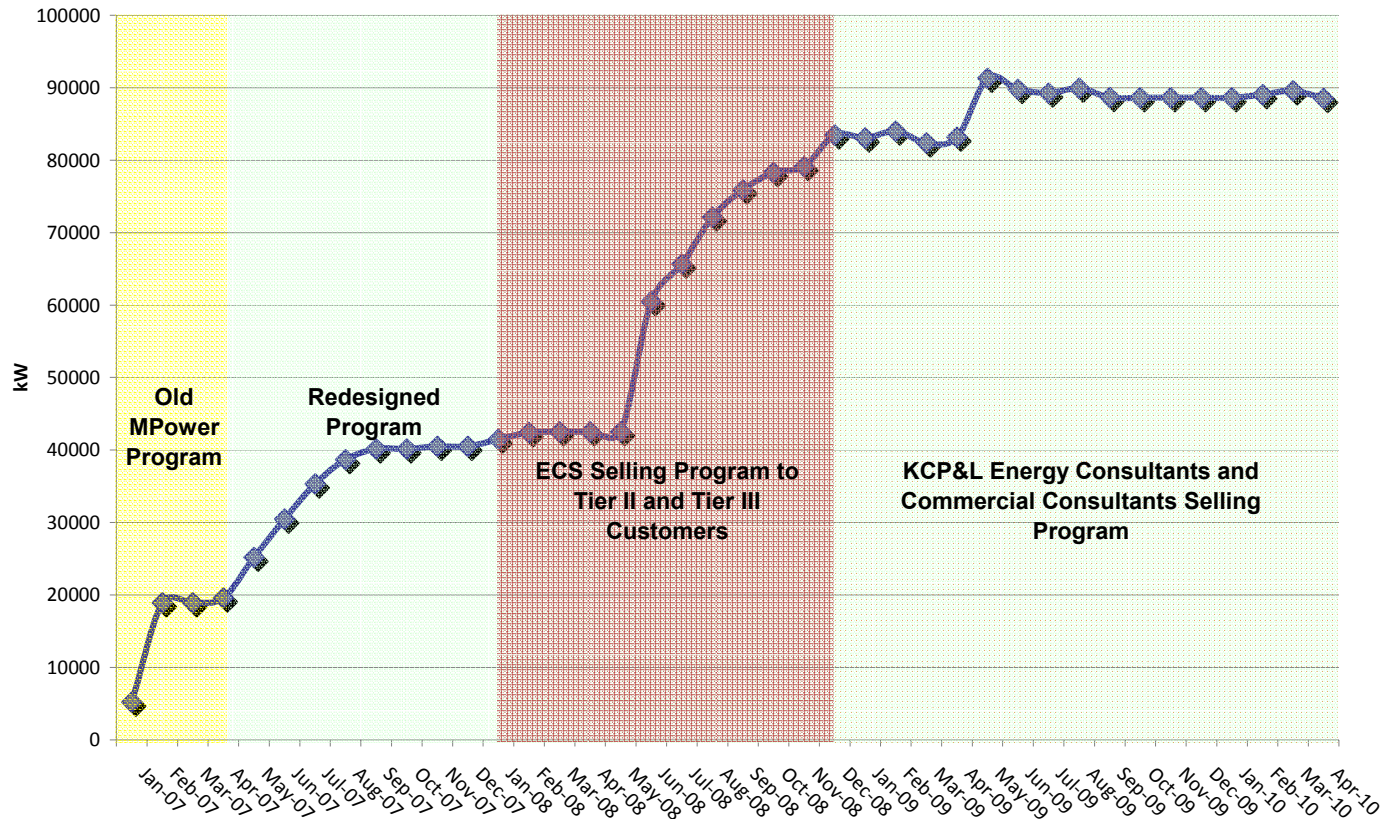


- Chose ECS because of “hands on approach”
- Focus was on selling, not on direct load control – heavy customer involvement
- Marketing tactics lent themselves to small commercial market
- Focused on hard-to-reach, small-commercial market



Results

- Goal achieved ahead of scheduled
- Contracted for additional 5 MW



Results



- Grew program from 68 to 475 customers
- Several consulting sessions conducted for KCP&L sales staff
- ECS marketing tactics incorporated into MPower marketing plan



Key Lessons Learned



- Tight contract and close relationship with utility limits DRSP's recruitment of free riders
- Utility must retain customer relationship – DRSP will be in and out in short time – Utility/customer relationship is long-term
- To avoid customer confusion, DRSP must represent itself as agent of utility and work hand in hand with utility sales force
- Even if large customers off limits to DRSP, lines will sometimes be crossed



Conclusions



- Use of DRSP is effective way to accelerate small commercial customer adoption of DR
- DRSP worked well as a utility sales/marketing agent
- Clear customer contact boundaries must be set to reduce customer confusion

