

US EPA ARCHIVE DOCUMENT

| Secondary Electric System Benefits from Clean Energy Measures |                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                         |                                                                                                                                                               |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Electric System Benefit                                       | Applicable Clean Energy Resources                                                                                                                                                                                                                                                                   | Considerations for Determining Whether to Analyze                                                                                                                                                                                                                                                                                                                                                                   | Who Usually Conducts Analysis?                                                                                                                                                          | When is Analysis Usually Conducted?                                                                                                                           |
| Avoided Ancillary Services                                    | <ul style="list-style-type: none"> <li>Resources that can start during blackout, ramp up quickly, or provide reactive power.</li> <li>Resources closer to loads.</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>Usually smaller benefits than traditionally analyzed benefits .</li> <li>Market price data available for some services in some markets (e.g., PJM).</li> <li>Ancillary service savings from clean resources often site-specific and difficult to estimate.</li> <li>Separating ancillary service value from capacity value in long run analysis may be difficult.</li> </ul> | <ul style="list-style-type: none"> <li>Utilities conduct in-depth modeling.</li> <li>PUCs and other stakeholders review utility's results and/or conduct own analysis.</li> </ul>       | <ul style="list-style-type: none"> <li>Resource planning and proceedings.</li> <li>Area-specific DSM program development.</li> </ul>                          |
| Wholesale Market Price Effects                                | <ul style="list-style-type: none"> <li>All clean resources .</li> <li>Resources that operate during peak hours.</li> </ul>                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Benefits depend on market/pricing structure and peaking resources and forecasted reserve margins.</li> <li>Actual market price data generally available.</li> <li>Studies to estimate benefits may be complex.</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>ISOs and utilities conduct in-depth modeling.</li> <li>PUCs, other stakeholders review utility's results and/or conduct own analysis.</li> </ul> | <ul style="list-style-type: none"> <li>Resource planning and proceedings.</li> <li>Area-specific DSM program development.</li> <li>Policy studies.</li> </ul> |
| Increased reliability and power quality                       | <ul style="list-style-type: none"> <li>Distributed resources.</li> <li>Resources close to load or with high power quality .</li> <li>All resources that operate as baseload units.</li> <li>All load reducing resources that increase surplus generating and T&amp;D capacity in region.</li> </ul> | <ul style="list-style-type: none"> <li>Historical reliability data often available.</li> <li>Historical power quality data rare.</li> <li>Studies for converting to dollar value complex and controversial.</li> <li>Benefits are especially valuable for manufacturing processes that are sensitive to power quality or regions where reliability is significant concern.</li> </ul>                               | <ul style="list-style-type: none"> <li>Utilities conduct in-depth modeling .</li> <li>PUCs and other stakeholders review utility's results and/or conduct own analysis.</li> </ul>      | <ul style="list-style-type: none"> <li>Usually ad hoc studies.</li> </ul>                                                                                     |

| Secondary Electric System Benefits from Clean Energy Measures                                                                                                                |                                                                                                                                                                     |                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                       |                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Electric System Benefit                                                                                                                                                      | Applicable Clean Energy Resources                                                                                                                                   | Considerations for Determining Whether to Analyze                                                                                                                                                                                                                        | Who Usually Conducts Analysis?                                                                                                                                                                                                        | When is Analysis Usually Conducted?                                                                                                 |
| Avoided or reduced risks of overbuilding (associated with long lead-time investments, such as the risk of overbuilding the electric system)                                  | <ul style="list-style-type: none"> <li>• Distributed resources with short lead times.</li> <li>• Resources close to load</li> <li>• All clean resources.</li> </ul> | <ul style="list-style-type: none"> <li>• Historical load and load variability data often available.</li> <li>• Modeling varies from simple to complex.</li> </ul>                                                                                                        | <ul style="list-style-type: none"> <li>• Utilities conduct in-depth modeling.</li> <li>• PUCs and other stakeholders review utility's results and/or conduct own analysis.</li> <li>• Policy and risk management analysts.</li> </ul> | <ul style="list-style-type: none"> <li>• Resource planning and regulatory review of planning.</li> <li>• Policy studies.</li> </ul> |
| Avoided or reduced risks of stranded costs (from deferring investment in traditional, centralized resources until environmental and climate change policies are implemented) | <ul style="list-style-type: none"> <li>• All clean energy resources.</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>• Modeling varies from simple to complex.</li> <li>• Studies to estimate benefits may be complex.</li> <li>• Regulatory uncertainty adds to complexity of analysis.</li> </ul>                                                    | <ul style="list-style-type: none"> <li>• Policy and risk management analysts.</li> </ul>                                                                                                                                              | <ul style="list-style-type: none"> <li>• Resource planning and regulatory review of planning.</li> <li>• Policy studies.</li> </ul> |
| Fuel and technology diversification                                                                                                                                          | <ul style="list-style-type: none"> <li>• All clean energy resources.</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>• Diversity metrics computable from generally available data</li> <li>• Portfolio analysis of costs vs. risks adds complexity.</li> <li>• Must consider existing supply resources, not just incremental new resources.</li> </ul> | <ul style="list-style-type: none"> <li>• States.</li> <li>• PUCs.</li> <li>• Utilities.</li> </ul>                                                                                                                                    | <ul style="list-style-type: none"> <li>• State energy plans.</li> <li>• Resource planning.</li> </ul>                               |