Outline – “Integration Economic Drivers In the Electric Energy Market”

**Purpose of paper:** To describe an integrated economic framework of both supply and demand alternatives. The paper will include a general overview, introduction of key economic drivers, state of technologies, barriers, scope and benefits of demand response in providing solutions in the energy market. Paper will included an extensive review of other industry work and analysis on the topic.

The following outlines the attempts to address the topic:

I. Overview of key elements and fundamental drivers

II. History and market transition
   a. Traditional Utility
      i. Obligation to serve
      ii. Regulatory Pricing
   b. Market Trends; US and International
      i. Changes in Economic Horizon
         1. RPS requirements
         2. Advances in technology
      ii. Increasing Awareness of Economic benefits
         1. Planning groups
         2. Development of load control devices

III. Market Fundamentals
   a. Commodity pricing
   b. Incentives provided to fulfill supply/demand

IV. Value considerations in Electric Energy Market
   a. Hourly Market prices
      i. Utility – avoided energy costs
      ii. Wholesale energy market – supplies, buyers, traders

V. Analysis framework – Mechanics applied
   a. Selection of examples to illustrate concept
      i. Load shifting or deferment
      ii. Curtailment

VI. Proposed Measurement

VII. Preliminary Analysis - based upon cursory assessment of prices in specified region

VIII. Summary of Results

IX. Next steps