ONCOR ENERGY STORAGE and MICROGRID

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DOE Electricity Advisory Committee

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TEXAS’ CHALLENGE: POWERING OUR FUTURE GROWTH

26M PEOPLE 2014
50M PEOPLE 2050

INCREASED INVESTMENTS
ECONOMIC GROWTH

7 OF THE FASTEST GROWING AREAS IN THE U.S.

TEXAS LEADS:

COMPETITION 1999
ENERGY INFRASTRUCTURE 2005
ADVANCED METERS 2005
ENERGY STORAGE NEXT STEP

ENERGY STORAGE WILL BRING

- RELIABILITY
- AFFORDABILITY
- FLEXIBILITY
- EFFICIENCY
- INDEPENDENCE
- SECURITY

ONCOR
Grid integrated energy storage is the only technology that allows utilities to accomplish all of the following:

- Improve reliability by providing backup power during short-term outages
- Defer transmission and distribution investment through extending grid element life and optimization of system
- More efficiently and flexibly use existing power resources
- Improve voltage regulation
- Address renewable integration and grid stability
Based on PUC-approved plans, utilities would install energy storage throughout the grid, resulting in improved reliability. Customers’ costs would be offset by an auction of this capacity to the competitive market, which could then provide power to customers when they need it the most.
INDIVIDUAL VALUE STREAMS CREATED BY STORAGE

MARKET
Renewable generation smoothing and dispatch
Demand and time-of-use energy management
Electric supply reserve capacity
Peak shaving/load following
Fast response ancillary services
Capacity firming
Frequency regulation
Energy arbitrage
Phase balancing
Carbon reduction

RELIABILITY
Support local grid during outages
Reduce SAIDI, MAIFI, SAIFI
Volt/VAR support – manage voltage & correct power factor to unity
Reduce cold-load pickup after grid outage
Transmission congestion relief
T&D asset investment deferral
Renewables grid integration

CUSTOMER
Increased reliability
Increased grid efficiency and flexibility
Technologically advanced grid infrastructure
Lower customer bills
UTILITY EXPERIENCE WITH ENERGY STORAGE

ONCOR’S INITIAL INSTALLATION

SAMPLE OF UTILITY PROJECTS

- Department of Energy
- Detroit Edison
- Duke Energy
- Pacific Gas & Electric
- San Diego Gas & Electric
- Southern Cal Edison
- United Kingdom
- Italy
Our Goal
Oncor has a goal to implement technologies, facilities, and operating procedures that improve distribution reliability, safety, efficiency, and the customer experience.

Purpose
The Neighborhood Storage Reliability Initiative will evaluate the effectiveness of deploying small-scale battery storage for the purpose of bridging short duration outages and improving local power quality.

Project Details
Six 25 kW Lithium Ion batteries have been installed, tested and monitored.

Capacity
These batteries are capable of bridging outages up to a few hours duration.

Project Timeline
Installations occurred Q2, Q3 and Q4 2014.

*Source: S&C Electric Company
BENEFITS OF NEIGHBORHOOD STORAGE RELIABILITY INITIATIVE

Neighborhood storage is a localized means of:

1. Keeping the lights on during short-term outages.
2. Closing the gaps and smoothing the variations between local household loads and renewable power sources.
3. Enhancing the quality of power delivered to customers.
4. No on-peak or EEA event recharging.

The Neighborhood Storage Initiative is one element of Oncor’s efforts to improve distribution reliability.
A microgrid is a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid. If desired, a microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode.

Microgrid Key Attributes (Defining Characteristics):
- Grouping of interconnected loads and distributed energy resources
- Can operate in island mode or grid-connected if desired
- Can connect and disconnect from the grid if desired
- Acts as a single controllable entity to the grid
ORIGINAL SITE – Early 2014

Existing Components:
- TOC 1
  - 2 – 175 kW Diesel Backup Generators
  - 1 – 50 kVA UPS
- Transformer Shop 2
  - 1 – 25 kW/25kWh NSRI Battery
- Meter Services 3
  - 1 – 45 kW Propane Backup Generator

Functions at the Site:
- TOC 1
- Transformer Shop 2
  - Inspect
  - Refurbish
- Environmental Lab
- Meter Services 3

Planned New Environmental Lab 4
## Legacy Grid Becomes Microgrid

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<thead>
<tr>
<th>Legacy</th>
<th>Revised to Microgrid</th>
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<td>• Utility service to each facility</td>
<td>• Single point of service to the entire site</td>
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<td>• Only the most critical loads served with traditional UPS and emergency generator</td>
<td>• Utility-grade distribution system on-site</td>
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<td>• Can be split into 3 distinct microgrids</td>
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<td>• Additional generation</td>
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<td>• Prioritize critical functions for operation during grid outages</td>
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<td>• Test the integration of solar PV, microturbine, and energy storage on a distribution system</td>
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Site:
- IntelliTeam on Grid Source
  - Primary Meter Point
  - 2 – Switchgear

Meter Services (1):
- 1 – 45 kW Propane Backup Generator
- 1 – 200 kW Diesel Backup Generator

Transformer Shop (2):
- 1 – 25 kW/25kWh Battery

TOC (3):
- 2 – 150 kW Diesel Backup Generators
- 1 – 50 kVA UPS
- Microgrid Control System

Environmental Lab (4):
- Microgrid Demonstration/Education Center
  - Solar
  - Battery
  - Microturbine
Oncor MicroGrids Within the MicroGrid
The Demand Side Operations platform improves the economics of distributed energy resources by leveraging ERCOT market signals, weather and forecasting information, historical energy usage data and real-time building information.
OUR ROLE IN THE MARKET

- Competitive ERCOT wholesale and retail electric energy market since 2002 for investor-owned players
- Regulated delivery utilities – do not generate, own, or sell electricity

**Reliable delivery through the application of technology**
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References

• ERCOT
  • www.ercot.com

• ERCOT Quick Facts

• ERCOT Power Forward – Annual State of the Grid Report

• Brattle Report –
  • http://www.brattle.com/system/publications/pdfs/000/005/087/original/The_Value_of_Distributed_Electricity_Storage_in_Texas_Chang_Pfeifenberger.pdf?1415626528

• Brattle Press Release – a nice summary of the report

• Full-length technical report to be released in 2015

• Website about Oncor Storage Concept
  • www.foundationgrid.org