UNDERTAKING

Undertaking

TO PROVIDE RESULTS OF POWER ADVISORY ANALYSIS AFTER FILING OF INTERROGATORY.

Response

For this analysis, Power Advisory used the same time period for shifting load out and the same base model, so the benefits (lower prices during periods when load is shifted out) are the same for these cases as for the High Case presented in our Report.

The analysis considered the two options identified by VECC in Exhibit I, Tab 4, Schedule 69, part d:

VECC 1 – load shifted to the remaining on-peak hours in the same day,
VECC 2 – Load shifted to the off-peak hours in the same day.

The results for this analysis are shown in the table below.

	Commodity Cost Changes for High Case Load Shifts: Response to VECC IR#69 d)		
Case	Average Price Impact		Total Cost Change
	Reduction (shift out) ($/MWh)	Increase (shift in) ($/MWh)	$M
Base	-$ 2.45	$ 0.84	-$ 2.44
VECC 1	-$ 2.45	$ 0.15	-$ 2.98
VECC 2	-$ 2.45	$ 0.27	-$ 2.85

Power Advisory had expected that the costs (price increases in periods of load shifting in) would be greater than in the High Case in our Report because we expected the hours the load was shifted into to have higher demand and therefore to be in a steeper portion of the supply curve than in our High Case. Our expectation about the load was correct, but our expectation about the steepness of the supply curve was not. This relates to the relatively small size of the load shift, which in all cases was 1% or less of the hourly demand, making it more likely that the supply curve would be relatively flat within the range of the shift.

For the first case (VECC 1), the load was shifted from the afternoon peak period to the end of the morning peak period, because these are the remaining peak hours closest to the time of the shift. In this case, however, the price increase from the shift was noticeably less than in the High Case in our Report. This case impacted the least steep portion of the supply curve.

For the second case (VECC 2), Power Advisory's analysis shifted the load into the period from 8 PM to 11 PM, which would be the first off-peak (by the definition given in the interrogatory) hours available in the same day after the load is shifted off. This case also impacted a relatively flat portion of the supply curve. The price increases in those hours were less than they were in the High Case in our Report, though they were higher than in the first case above.