

DR18.10 ADR Development and Deployment for HVAC Distributors

OPPORTUNITY

What was the project's purpose?

This project worked to increase the market availability of OpenADR Alliance certified controls solutions by engaging heating, ventilation, and air conditioning (HVAC) distribution sales channels. The goal of this project was to increase the market availability of OpenADR Alliance certified controls solutions by engaging HVAC distribution sales channels.

Project objectives and activities were developed to directly address distributor feedback from the 2013-2015 SCE Upstream HVAC with Automated Demand Response (ADR) Pilot, in order to remove critical barriers and advance ADR development and deployment. Project objectives consisted of:

- **Identify OpenADR-certified HVAC control solutions** for each distributor and understand sales practices.
- **Engage with HVAC distributors** to inform them of Auto-DR Program requirements and opportunities to utilize incentives.
- **Technical support** to make selected controls solutions more ADR-capable out-of-the-box, and more easily ADR-enabled during installation.
- **Refine upstream ADR program design** - Incentives, project delivery, application and enrollment are vital ADR program elements, and need to more closely reflect distributor business models and evolving market conditions.

FINDINGS

What were the major findings?

Market Capacity for Selling OpenADR Certified and ADR-Capable Products. Feedback from distributors highlighted that choosing the right technology and making an effective and efficient sales proposition was a major barrier to selling OpenADR certified technologies. Assistance is still necessary to help distributors choose additional products develop sales strategies.

Inform and Educate HVAC Distributors. Distributor staff varied in the level of understanding of ADR programs, but most controls staff were familiar with ADR and the concept of dynamic tariffs. Staff understood the potential market opportunity of customer demand from CPP.

Technical Support. SCE can mitigate stranded asset risk by limiting total incentives paid to cloud-only solutions without on-site VENS each year. Following internal deliberations, SCE ADR Program Manager moved to update its policy to waive stranded asset testing for Express Auto-DR applications, which apply to customers 499 kW of peak demand and smaller

RECOMMENDATIONS

What was recommended?

The team concluded that **distributor incentives** would best facilitate sales of OpenADR products.

Second, the team recommends **streamlining and simplifying steps during project delivery** and application processing to minimize distributor and contractor burden. Project delivery could be streamlined by offering a **single DR strategy option**, automate or remotely connect controls to the DRAS, and having the distributor or contractor confirm controls installation and connection to the DRAS.

The team also **developed new incentives** recommendations based on an updated analysis of incremental measure costs of thermostats and EMS.