# TABLE OF CONTENTS

LIST OF TABLES ............................................................................................................. v

LIST OF FIGURES ........................................................................................................... viii

ABSTRACT ....................................................................................................................... xi

RESUMEN ....................................................................................................................... xiii

RESUM ........................................................................................................................... xv

CHAPTER 1: INTRODUCTION ........................................................................................1

1.1 Background .....................................................................................................1
1.2 Motivation ........................................................................................................2
1.3 Objectives ........................................................................................................4
1.4 Organization of the Dissertation ......................................................................5

CHAPTER 2: STATE OF THE ART: DEMAND RESPONSE IN THE UNITED
STATES AND EUROPE ..............................................................................................7

2.1 Chapter Overview ............................................................................................7
2.2 Demand Response Overview ..........................................................................7
2.3 Classification of Demand Response Actions ...................................................9
2.4 Classification of Demand Response Programs .............................................10
   2.4.1 Operation Programs .......................................................................12
   2.4.2 Economic Based Programs ............................................................14
2.5 Demand Response in the United States .......................................................15
   2.5.1 Operation and Market Organization in the United States of
        America ..............................................................................................16
   2.5.2 DR Programs Offered by System Operators .......................................20
      2.5.2.1 New York ISO ........................................................................20
      2.5.2.2 ISO – New England .................................................................23
      2.5.2.3 PJM ................................................................................29
      2.5.2.4 Electric Reliability Council of Texas ......................................31
      2.5.2.5 Southwest Power Pool ............................................................36
      2.5.2.6 Midwest ISO ........................................................................37
      2.5.2.7 California ISO .......................................................................41
   2.5.3 DR Programs Offered by Utilities .......................................................43
      2.5.3.1 Arizona ...............................................................................45
      2.5.3.2 California ...........................................................................47
CHAPTER 7: ECONOMIC AND ENVIRONMENTAL EVALUATION OF FLEXIBILITY .........................................................................................................176
7.1 Chapter Overview........................................................................................................... 176
7.2 Electricity Market Overview in Spain .............................................................................. 177
7.2.1 Market Organization ................................................................................................. 177
7.2.2 How Do Customers Pay for Electricity in Spain? .................................................. 178
7.2.2.1 Components of the Electricity Bill ........................................................................... 179
7.2.2.2 Hourly Periods of the Contract .............................................................................. 179
7.2.3 Operation Markets in Spain ...................................................................................... 182
7.3 Economic Evaluation of Flexibility in the Meat Industry ........................................... 184
7.3.1 Cost-Benefit Analysis for the Customer .................................................................. 184
7.3.1.1 Flexibility Costs Evaluation ................................................................................ 185
7.3.1.2 Participation in Operation Markets Simulation .................................................. 186
7.3.2 Extrapolation of Results to the Whole Segment ..................................................... 193
7.4 Environmental Impact of DR ....................................................................................... 194
7.5 Conclusions of the Chapter ......................................................................................... 196

CHAPTER 8: CONCLUSIONS ............................................................................................... 198
8.1 Conclusions and Contributions of the Dissertation .................................................... 198
8.1.2 Development of a New Methodology: Technical and Economic ............................................................... 199
8.1.3 Validation of the Methodology: Application to the Food Industry ............................................................... 199
8.1.4 Use of Flexibility: Simulation of Customers Participation in Operation Markets in Spain ............................................................... 200
8.1.5 Impact on the System: Extrapolation of Results to the Meat Industry Segment in Spain ................................................................................................. 201
8.2 Future Research ....................................................................................................... 201

LIST OF REFERENCES ....................................................................................................... 203

APPENDICES ..................................................................................................................... 212
Appendix A: Abbreviations ............................................................................................... 213

ABOUT THE AUTHOR ................................................................. End Page
LIST OF TABLES

Table 1. System operators in the United States of America.............................................17
Table 2. Main characteristics of electricity markets in the U.S........................................19
Table 3. Summary of the DR programs offered by the New York ISO............................23
Table 4. Summary of the DR programs offered by the ISO – New England...................28
Table 5. Summary of the DR programs offered by the PJM Interconnection..................31
Table 6. Summary of the DR programs offered by the Electric Reliability Council of Texas ..............................................................................................................35
Table 7. Summary of the DR programs offered by the Southwest Power Pool ..............37
Table 8. Summary of the DR programs offered by the Midwest ISO .............................40
Table 9. Summary of the DR programs offered by the California ISO ............................42
Table 10. Ranking of the most suitable industrial segments for DR................................80
Table 11. Emission factors for different sources of energy and countries.....................105
Table 12. Emission factors for different periods in Spain..............................................105
Table 13. Example of identification parameters card on customer flexibility..................108
Table 14. Technical aspects of primary frequency regulation service..........................116
Table 15. Technical aspects of secondary frequency regulation service......................117
Table 16. Technical aspects of voltage control service...............................................118
Table 17. Bonus coefficients for special regime generators in Spain............................119

Table 18. Technical aspects of restoration by means of blackstart capability
service..................................................................................................................120

Table 19. Cost of generating electricity for different technologies in the U.K..............122

Table 20. U.S. average levelized costs (in $ of US$ and €) for plants entering
service in 2016....................................................................................................124

Table 21. Classification of the different food production activities.............................131

Table 22. Classification of main processes in the food industry................................132

Table 23. Meat production around the world (2005), in thousands of tons ..............143

Table 24. Consumption of electricity (% of total) in three different cured meat
factories in Spain .................................................................................................144

Table 25. Breakdown of electricity consumption in different cured meat
production factories............................................................................................152

Table 26. Identification parameters card of customer flexibility for strategy 1..........154

Table 27. Ratios of speed, consumption and power increment in drying chambers.....161

Table 28. Identification parameters card of customer flexibility for strategy 2..........162

Table 29. Variation of humidity during the test in drying rooms ..............................167

Table 30. Variation of temperature during the test in drying rooms ..........................167

Table 31. Set point parameters for different drying chambers in a cured-ham
factory ..................................................................................................................170

Table 32. Characteristic points in the psychrometric chart for the different
chambers .............................................................................................................171

Table 33. Factor and correlation coefficient of the power equation............................172

Table 34. Ratios of speed, power and time after applying the proposed actions..........173

Table 35. Definition of periods for peak-shoulder-valley contracts in Spain............180
Table 36. Definition of periods in seasonal contracts in Spain ........................................ 182
Table 37. Costs of flexibility for a customer in the meat industry ................................. 186
Table 38. Inputs for the IEA task XIII tool – segment of meat products ..................... 194
Table 39. Emission factors for a six-period contract in Spain ...................................... 195
Table 40. Avoided emissions into the atmosphere for one customer ............................. 196
LIST OF FIGURES

Figure 1. Different types of demand response actions.................................9
Figure 2. Classification of demand response programs.................................11
Figure 3. Number of entities offering DR and coincidental peak load reduction .......15
Figure 4. Map of system operators in the U.S..............................................18
Figure 5. Map of the electricity markets in the U.S.......................................18
Figure 6. Electric utility demand-side management programs in the U.S. (1989-2007) .................................................................43
Figure 7. Savings obtained through electric utility DR programs in the U.S. (1989-2007) .................................................................44
Figure 8. Map of studied states where DR programs have been developed by utilities .................................................................45
Figure 9. Regional power markets in Europe.................................................63
Figure 10. Demand response forecast in UCTE countries from 2008 to 2020........65
Figure 11. Methodology for developing DR programs based on customer profiling ......77
Figure 12. Segmentation methodology developed by IIE-UPV ..........................79
Figure 13. Production of ceramic tiles: demand characterization by end-uses ......82
Figure 14. Production of ceramic tiles: load curves on different types of days ..........83
Figure 15. Identification of typical days in a commercial customer ......................85
Figure 16. Screen shot of FLEXMOD DEIT. .................................................90
Figure 17. Theoretical model for technical evaluation of flexibility (flat shape) ...............94

Figure 18. Example of a flexibility application on a non-flat shape customer .................96

Figure 19. Economic evaluation of flexibility: cost-benefit analysis for customers ....... 103

Figure 20. Example of a flexibility application by superposition .................................107

Figure 21. Classification of operation markets in power systems ...............................112

Figure 22. U.S. average levelized cost for plants commencing service in 2016 .......... 123

Figure 23. Use of energy in the food industry in Canada, 2007 .................................143

Figure 24. Drying processes in a typical cured ham factory .......................................147

Figure 25. Meat drying process scheme .................................................................148

Figure 26. Psychrometric chart for a drying room ......................................................149

Figure 27. Scheme of processes in a typical cured meat products factory ............... 151

Figure 28. Typical load curve for a cured meat factory ...........................................153

Figure 29. Effect of interrupting the cooling process in a typical cured meat factory ...........................................................................................................155

Figure 30. Effect of reducing fan speed in drying chambers at a cured meat factory ...........................................................................................................162

Figure 31. Pre-evaluation test performed in a cured ham factory ...............................166

Figure 32. Load curves obtained during the campaign of interruptions .......................168

Figure 33. Relationship between the speed and the power required by fans .......... 172

Figure 34. Participation of customers in the MIBEL electricity market ................. 178

Figure 35. Prices in the Spanish balancing market from November ‘09 to November ‘10.................................................................187

Figure 36. Participation hours in balancing markets ...............................................188
Figure 37. Monthly results of customer participation in the Spanish balancing market

Figure 38. Prices in the Spanish secondary regulation market (availability)

Figure 39. Prices in the Spanish secondary regulation market (delivery)

Figure 40. Participation hours in secondary regulation

Figure 41. Monthly results of customer participation in the secondary regulation market