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## What is E1st?

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Growing population in Brooklyn-Queens Requires a new substation OR

Peak load reduction by 52 MW in ANY WAY

Photo by Meric Dağlı on Unsplash

Competitive bidding EE, PV, CHP, battery storage, fuel cells \$1 bn saving at a cost of \$200 m 

#### S = D

- Not only in aggregate but also coincidentally
- S aligns with given D
- S means fuel availability AND infrastructure to deliver it

- D is not fixed:
  - Consumers have certain willingness to pay for energy and might be happy to limit their demand

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• If they are given the chance



#### A (yet theoretical) commonsense





#### **Barriers of equal treatment**

- Mental: new, not reliable
- Structural: smaller units, multitude of actors, various technologies
- Regulatory: limited access to markets, biased incentives





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## Efficiency First (E1st) is not just another name for energy efficiency.

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Efficiency First gives priority to demand-side resources whenever they are more cost effective from a societal perspective than investments in energy infrastructure in meeting policy objectives. It is a decision principle that is applied systematically at any level to energy-related investment planning and enabled by an 'equal opportunity' policy design.

## Investments and policies



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# Investment into what?



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No.	Case	
1.	Ecowatt programme (voluntary Demand Response through instant messaging)*	
2.	Using ToU (Time-of-Use) tariffs to engage consumers and benefit the power system	
3.	Social Constraint Management Zones to harvest demand flexibility	
4.	Demand flexibility in District neating networks	
5.	FACE (French fund for rural electrification) allowing Demand-Side Management projects as an alternative*	
6.	Participation of Demand Response (DR) in French wholesale electricity market	
7.	Enabling rules for Demand Response (DR) aggregators	
8.	Decoupling utility sales and revenues	
9.	Energy Efficiency Obligation Schemes as a way to involve energy companies in behind-the-meter investments*	
10.	Replacing a polluting power plant with behind-the-meter resources	
11.	Updating distribution system planning rules in Colorado and Nevada	
12.	Assessing the value of demand-side resources	
13.	Water heaters as multiple grid resources	
14.	Building Logbook – Woningpas: Exploiting efficiency potentials in buildings through a digital building file	
15.	Optimising building energy demand by passive-level building code	
16.	Energy Efficiency as infrastructure*	
17.	Deferring T&D (Transmission & Distribution) infrastructure investments through local end-use efficiency measures	
18.	Building energy performance requirements of the Irish Heat Pump System grant	
19.	Fabric First approach under the Better Energy Communities grant scheme	
20.	Linking KES (Kenewable Energy Sources) support to building energy performance	



#### **Categorizing the best practices**



## Best practices

3

6

**Allowing E1st**: allowing experiments or voluntary schemes promoting alternatives to investments in energy infrastructures

 Enabling E1st: ensuring a level playing field between supply- and demand-side resources by removing the barriers to use and/or by revising the rules, criteria or conditions that make demandside resources disregarded

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 Requiring E1st-proof assessments: Requiring the consideration/analysis of demand-side resources as alternatives to investments in energy infrastructures

**Evidence-based approval**: Approving only the investment or option that get the best rank in a substantiated cost-benefit analysis (e.g., based on cost-effectiveness or multi-criteria analysis), regardless of whether it is a behind-the-meter or in-front-of-the meter asset

**Encouraging E1st**: Providing incentives in favour of demand-side resources (recognising its hard-to-quantify benefits)

**Requiring E1st**: Requiring a minimum EE level/investment prior to investments in energy systems

### Efficiency First (E1st) in the pipeline

1. "A more circular energy system, with "energy-efficiency-first" at its core"

(Creating the foundation for a climate-neutral economy: An EU Strategy for Energy System Integration - draft) enefirst.

2. **TEN-E Revision**: not proposing grid projects but bottlenecks/problems and assess all options:

- Reduction of demand (EE and DR)
- Higher utilization of existing network assets (smarting technologically and regulatory-wise)
- Capacity extension

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## Thank you

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