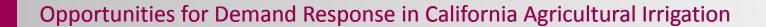


Gary Marks iP Solutions Corp.



Agenda

- Energy Data for California Agricultural Irrigation
- Potential Solutions for Demand Response and Permanent Load Shifting
- Potential and Challenges for Acceptance of Demand Response and Permanent Load Shifting
- Permanent Load Shifting vs. Demand Response





ENERGY DATA FOR CALIFORNIA AGRICULTURAL IRRIGATION



Energy Data for California Agricultural Irrigation

- Annual electrical energy consumed by California agricultural irrigation is approximately 10 billion KWhs.
- The "on-farm" component, the main focus of this presentation, accounts for nearly 75% of the total.
- Virtually all of it is consumed during the months of highest grid stress.



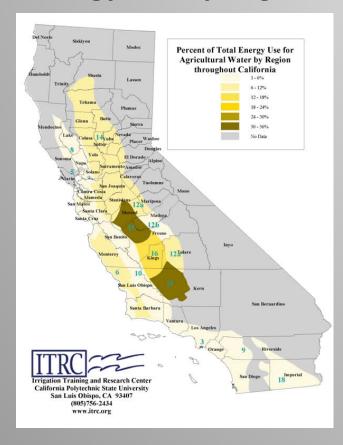
Additional Background Data

- 50,000 Irrigated Farms
- 100,000 Irrigation Pumps
- 8 Million Irrigated Acres
- 30 Million Acre-Feet Applied Annually

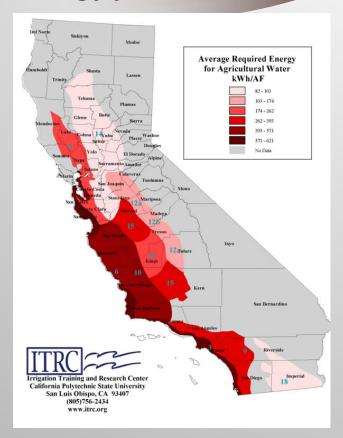


Pareto Principle Regional Skews

Energy Use by Region



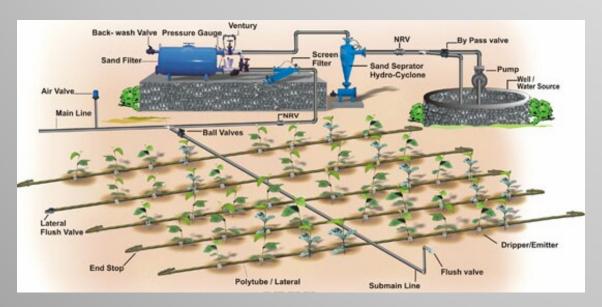
Energy per AF of Water





Skews and Trends by Water Source and Irrigation Method

- Greatest energy use comes from on-farm sources, especially on-farm ground water sources.
- There is a continuing trend toward drip/micro irrigation,
 which saves water but actually *increases* energy use.
- These two reinforce one another.





Pareto Principle of Grower Size and Utility Coverage

- Approximately 14% of the farms irrigate 84% of the acreage.
- Utility coverage of the growing regions in California is dominated by a few utilities but especially PG&E





POTENTIAL SOLUTIONS FOR DEMAND RESPONSE AND PERMANENT LOAD SHIFTING



Definitions

- Demand Response: Peak-load shifting based on "events and/or dynamic price data
 - Manual or Slow DR:
 - Scheduled in advance
 - Human controller acceptable
 - Fast or Auto DR:
 - Real-time response to events and/or dynamic price data
 - Requires automation
- Permanent Load Shifting :
 - Load permanently shifted off-peak
 - Time-of-Use (TOU) Rate Programs



Conditions

- Agricultural irrigation schedules are "intrinsically" flexible.
- TOU rate plans are common in California agriculture.
 - 80% of PG&E agricultural revenue
 - 70% of SCD agricultural revenue
- Nearly all pumps are manually controlled.



Solutions (Requirements)

- On-farm Source
 - More flexible than agency source
- Adequate Irrigation System Capacity
 - Does it need to run 24/7 during peak ET periods?
- Automatic Controls
 - Required for AutoDR
- Storage
 - Water pumped into storage during off-peak periods
 - Gravity fed or lower-power booster pumps during peak periods
- Variable Frequency Drives
 - Improve efficiency
 - Reduce stress on wells and pumps
- Capacity Generated by Other Efficiency Measures
 - Efficiency measures may free up capacity that can contribute to TOU or DR participation



Irrigation System Capacity

- Optimally it has sufficient capacity to irrigate crops during peak evapotranspiration (ET) periods without running constantly.
- If not, then there may still be potential for shifting load during non-peak ET periods.



Automatic Controls

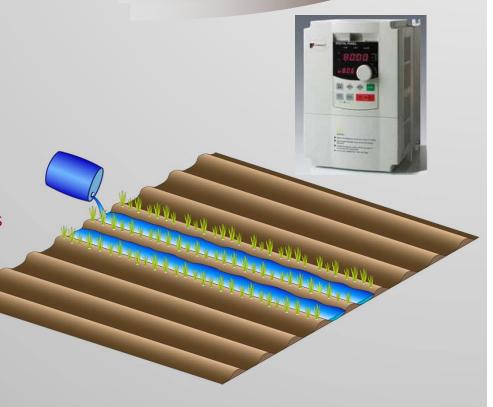
- Schedule discipline for slow DR and TOU plans.
- Required for AutoDR
- Minimal local controller with remote Demand Response Automation Server (DRAS) client
- Robust local controller with resident DRAS client (e.g. OpenADR)
- May "piggy-back" on other use such as remote monitoring and/or efficiency controls.





Variable Frequency Drives

- Efficiency: Avoid pressure shedding
 - Match pump to distribution requirement
 - Using the same pump for different distribution systems or blocks
- Variable speed for flood irrigation
 - Improve efficiency
 - Reduce speed for DR or TOU peak periods
- Soft start/stop potential
 - Reduce stress on pumps and wells
 - Increase potential for DR and TOU program participation







Other Efficiency Measures

- Still Significant Potential for Overall Pumping Plant Efficiency (OPPE)
 Improvements
 - 35% of well pumps and 51% of other irrigation pumps still have low efficiency (less than 50%)
 - The Advanced Pumping Efficiency Program (APEP) administered by the Center for Irrigation Technology (CIT) in Fresno resulted in less than 14% of California's agricultural irrigation pumps tested and less than 0.7% retrofitted during the 2002-2008 phase.
- Reduction in Friction losses
 - Reduce friction losses in and around pump assembly (part of OPPE)
 - Reduce mismatch between pump discharge pressure and distribution system requirements
 - Reduce flow rates for flood irrigation (where possible)
- Reduction in Water Application
 - Improve application uniformity (drip/micro conversions)
 - Improve irrigation scheduling through environmental monitoring
 - Weather, soil moisture, etc.
 - may go the other way (It may be determined that more water is needed)







POTENTIAL AND CHALLENGES FOR ACCEPTANCE OF DEMAND RESPONSE AND PERMANENT LOAD SHIFTING



Potential for Acceptance

- Water Source
 - On-farm source with excess capacity
 - On-farm source without excess capacity
 - Off-farm (agency) source
- Permanent Load Shifting vs. Demand Response
- Manual DR vs. AutoDR
- ROI for Grower



Grower ROI

- Financial incentives must match the cost
 - Significant if system upgrade is required
- Other potentially compelling motivations when combined with TOU or DR
 - Energy Efficiency or Demand Management (reducing peak-load fees)
 - Remote Pump Monitoring and Control



Permanent Load Shifting vs. Demand Response

- Permanent Load Shifting in the form of TOU rate plans are already widely accepted among California growers.
- Manual Demand Response through aggregators has gained some acceptance in the last few years.
- AutoDR has gained little or no acceptance.
 - Automatic controls of any kind are rare in California agricultural irrigation.