



Distributed Capacity Procurement: A New Tool for Utilities

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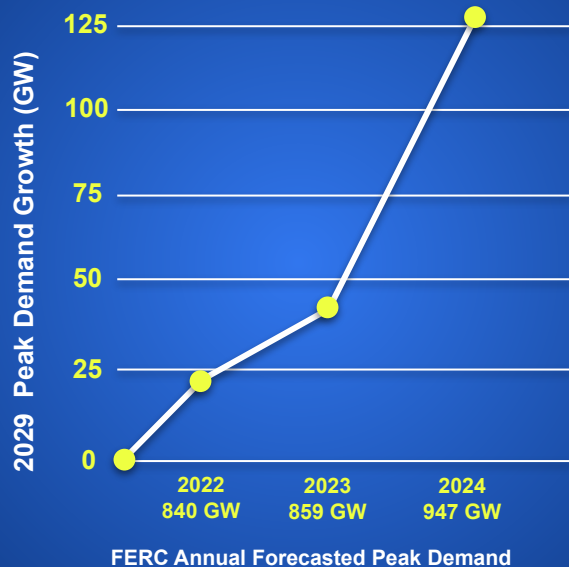
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Distributed Capacity Procurement:
A **New Tool** for Utilities

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Utilities face the dual challenge of **maintaining affordability** and **building fast** enough to support economic growth.

Nationwide 5-year load growth forecast has increased **by a factor of five**



Near-Term Load Drivers

	Data Centers	Manufacturing	Electrification
Arizona Public Service	●		
CASIO	●		●
Duke	●	●	
ERCOT	●	●	
Georgia Power	●	●	
ISO-NE			●
MISO	●		●
NYISO	●	●	●
Pacific Northwest	●	●	
PJM	●	●	●
SPP	●		

Source: Grid Strategies Strategic Industries Surging: Driving US Power Demand, December 2024

Distributed Energy Resources

Powering the Grid of Tomorrow

DERs are small-scale power generation or storage technologies located near end-users such as: solar panels, battery storage, smart thermostats, and electric vehicles.

How DERs Work:

- ✓ Generate or store energy locally
- ✓ Connect to the grid through smart inverters and meters
- ✓ Communicate with utilities to balance supply and demand in real-time
- ✓ Provide excess energy back to the grid when needed

How DERs Support the Grid and its Customers

- ✓ Enhance grid flexibility and reliability
- ✓ Reduce strain on centralized power plants
- ✓ Empower customers to transform their buildings into productive grid assets

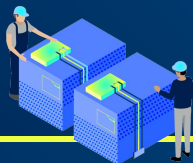


DERs have the potential to provide up to **20% of total electricity generation by 2050 (U.S. EIA)** and **reduce peak demand by up to 50% (NREL)**.

The Math Behind the Impact

What if utilities deployed DERs quickly and at scale?

Annual Breakdown



If each **utility deployed 1MW** of accredited capacity **on 500 buildings**, that would result in **500MW of new capacity**.

The Long-Term Potential



If **50 utilities** repeated this **every year**, we'd achieve an annualized deployment rate **25 GW**.

That's ~2% of today's entire U.S. **grid capacity deployed in 12 months!**

The Future Grid

Immediate Impact: While we wait for large-scale transmission infrastructure and centralized plants to come online, DERs can fill critical capacity gaps now.

Cost-Effective Growth: Strategically placed DERs help avoid expensive and lengthy infrastructure upgrades.

A Balanced Grid: Combining utility-led DER deployment with centralized solutions builds a smarter, more adaptive grid.

Distributed Capacity Procurement

The path to unlock grid value at scale by accelerating utility-led DER deployment in your territory



- ✓ **Affordability:** Lowers system costs through grid value maximization and competitive local supply chain.
- ✓ **Reliability:** Enhances resilience, provides backup power, and improves community preparedness.
- ✓ **Clean Energy:** Accelerates solar, storage, and efficiency adoption, reducing emissions and bills.
- ✓ **Equity:** Prioritizes underserved communities, to promote energy justice, and reduce energy burden disparities.
- ✓ **Economic Development:** Attracts investments, creates jobs, and stimulates innovation in the territory.
- ✓ **Faster Time to Power:** Leverages modular DERs for rapid response to grid needs and electrification efforts.

How it Works:

Roles & Responsibilities

Our goal is to help utilities accelerate the deployment of distributed assets, delivering flexible system-level capacity that reduces costs to all customers by smoothing peak demand and avoiding or deferring the need for CTs/peakers, as well as reducing costly T&D system upgrades as demand grows rapidly.

Sparkfund simplifies the delivery of grid value at scale with key support functions that include:

- ✓ Host engagement
- ✓ Value chain management
- ✓ Data and analytics
- ✓ Admin, safety, and compliance

THE DCP MODEL

