POSCO ICT

CASE STUDY
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POSCO ICT

POSCO ICT, Demand Response Project

Jun-ho Jeong, Head of TEO Business Planning Dept.

Introduced products

Operating system for demand managing businesses & DRMS

(Demand Response Management System)

Company information

Name: POSCO ICT

Establishment: January 2010

Address: POSCO ICT 255 Pangyo-ro Bundang-gu Seongnam-si Gyeonggi-do

Business field: Development and distribution of system software, automation, smart grid, etc.

Intro: As POSCO's affiliate specializing in IT and engineering, POSCO ICT provides ICT & engineering fusion technologies for existing industries such as manufacturing, railroad, transportation, environment, and energy.

Demand for power has been rapidly increasing regardless of season, while the expansion of power supply facilities is revealed to be limited. Accordingly, public concern over a major blackout during times of peak demand is ever growing. At the same time, the public is riveted to DR (Demand Response) projects that allow efficient energy management in the energy market, which previously focused only on energy supply, and the projects are expected to enable the exchange of the energy saved in the process.

In other words, DR projects are based on a nationwide peak-time power management model that begins with the recruitment for businesses and companies seeking to reduce power consumption. When demand for power soars, the businesses and companies reduce their power consumption by the predetermined amount and receive an incentive that is equal to the power plant operating cost saved by the reduced consumption.

The IT & engineering expert, POSCO ICT, introduced the operating system for demand managing businesses & DRMS (Demand Response Management System) provided by I-ON Communications, in order to proceed with this year's DR project. The following is part of our interview with Junho Jung, Manager of the TEO Business Plan Team at POSCO ICT, who shared with us the details of the 'DR Project of POSCO ICT', which lasted for approximately 3 months (April to June 2015).

I-ON communications

■ The background and objectives of the project

POSCO ICT invests a lot of resources in energy efficiency projects above all projects in various industries. We started this project to create momentum for the future growth of POSCO ICT through the demand response exchange market, a solution to the current energy market's unbalanced focus on supply.

The following are the objectives of this project. The first is to efficiently manage resources in demand and secure resource reliability. The second is to link the systems of the Korea Power Exchange and the Korea Electric Power Corporation in order to enable the monitoring and accurate estimation of demand for power. The third is to establish a system that provides real-time information based on organized and accurate data, for our potential customers who will participate in the demand response exchange market.

■ Reasons for introducing the operating system for demand managing businesses & DRMS

While we were preparing a demand management project aimed at reducing electricity demand, one of the most important tasks was to establish a good operating system for demand managing businesses, within the deadline. To create such system, we first went over our project objectives in minute detail. Because we had to bring success to this new project with limited resources, we found it very important to find the right partner with the right passion and capacity for this project.

In this process, we met with several successful companies, but I-ON Communications stood out. From business planning to the development stage, I have always thought that I-ON Communications has great capabilities for technology development and is the most reliable partner that I have worked with. And even at this very moment, I think the same. My impression indeed proved right, over the course of this project. I-ON Communications understood the complex demand management market and was capable of creating results from the perspective of users.

■ Effects of the operating system for demand managing businesses & DRMS

I may be speaking too soon because the project only ended recently, but after introducing I-ON Communications' operating system for demand managing businesses & DRMS to our company, I strongly feel that they are great solutions for not just the Korean market but also the international market.

Only a few companies in the current demand response exchange market have the right system, and I believe that the operating system for demand managing businesses & DRMS that we established through this project are the only system that

can fully meet the needs of clients.

Thanks to the success of this project, the clients who participated in our demand response project are enjoying systematic data-based management and the resulting benefits from it. And POSCO ICT believes that this will lead to the success of our future demand response projects.

■ Future plans

POSCO ICT will continuously develop our demand response projects. The previous project ended successfully, but there are still improvements to make in order for us to manage in-demand resources and participating customers more efficiently. And it is our hope to discuss our future development plans with I-ON Communications. Last but not least, we thank I-ON Communications for their great work in the last project, and we hope to continue such a great partnership with I-ON Communications in our future DR projects.

■ Summary of POSCO ICT Project
(3 months from April to June 2015)

Project background	Create momentum for the future growth of POSCO ICT in the current demand response exchange market, which is a solution to the recent unbalanced focus on supply
Project objectives	1. Efficiently manage resources in demand and secure resource reliability 2. Link the systems of the Korea Power Exchange and the Korea Electric Power Corporation in order to enable the monitoring and accurate estimation of demand for power 3. Establish a system that provides real-time information based on organized and accurate data, for our potential customers who will participate in the demand response exchange market
Reasons for introducing DRMS	1. Able to build an operating system for demand managing businesses, within the deadline 2. Shares the project goals of POSCO ICT and has the willingness and capabilities to develop reliable technologies 3. Understands the complex demand management market and capable of creating results from the perspective of users
Effects of DRMS	The needs of our clients are met, and the clients who participated in our demand response project are enjoying systematic data-based management and the resulting benefits from it.