

# DRAM

DEMAND RESPONSE *and* ADVANCED METERING Coalition

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## Demand Response and Advanced Metering Coalition (DRAM) Applauds Federal and State Actions and Announces Newest Member

**Coalition of utilities, metering and communications companies and public interest groups  
says recent developments demonstrate a growing consensus on smart meters and  
time-based rates as significant energy policy tool.**

(Washington, June 6, 2002) A Coalition focused on promoting the utilization of “smart” metering technology, which allows both electricity users and energy companies to benefit from the lower costs to produce and provide electricity during off-peak periods, commented today on what it sees as increasing consensus among public officials on the significant potential for “time-based pricing” and “advanced metering” to help address the nation’s energy challenges.

The Demand Response and Advanced Metering Coalition (DRAM) is a diverse group of utilities, metering manufacturers, metering and communications technology companies, and public interest groups. It serves as an advocate for policy which supports increased deployment of advanced meters and communications systems that would, among other benefits, enable energy providers to offer their customers time-based rates with off-peak discounts, allowing consumers to save on their electricity bills by varying their demand in response to price signals. DRAM also announced today that E-MON, a member of the MeterSmart family of companies, had joined the Coalition.

“We applaud several governmental actions, including one taken today by the State of California”, said Chris King, Co-Chair of DRAM and Chief Strategy Officer of eMeter. “At its meeting today, the California Public Utilities Commission (CPUC) unanimously approved a rulemaking to ‘consider a strategic approach to the orderly development of demand-responsiveness capability’ and noted that the first step for such development ‘starts with the meter’” In its decision, the Commission also stated, ‘...demand-responsive capability can be a tool in mitigating the effects of a dysfunctional market, as well as for controlling costs, even in a completely vertically integrated and regulated market’.”

Several recent Federal level developments were also highlighted by George Roberts, Co-Chair of DRAM and Director, Regulatory Relations and Strategy, for SchlumbergerSema. “Several weeks ago, in its release of its National Transmission Grid Study, the United States Department of Energy (DOE) called demand response a ‘currently underutilized’ approach and said that ‘without meaningful participation by the demand side, today’s market is, at best, half a market’. It cites demand response as an option that should be considered as part of transmission planning designed to address transmission constraints. The study goes on to issue a call to action to all parties – the Federal Energy Regulatory Commission (FERC), the states, and industry – to work together to develop new technologies and programs that will allow homes and businesses to see and respond to price signals and seize savings for themselves while creating benefits for all consumers.”

Roberts also pointed out that FERC has come out squarely in support of demand response as it continues its rulemaking proceeding on Regional Transmission Organizations (RTO) and electric market design. He noted that in the RTO Cost-Benefit Study FERC recently conducted, the agency found that an additional \$20 billion in benefits could be captured by incorporating demand response efforts as well as conventional supply-side options into RTO planning and operations.

“All of this is evidence that policy makers have come to realize that is time to change the present electricity system.” said Chris King. He went on to explain that, while the cost to produce and provide electricity varies widely during the course of the average day and also can be different over the course of a year, at present most users pay a uniform average rate – no matter when they consume. “Time-based pricing would give participating consumers the choice to lower their bills by using less energy on peak.” Said King. “Moreover, fewer peaking power plants would be needed and peak power prices would be reduced, lowering costs for all consumers. The technology exists today to change the present situation and move in this new direction. What is needed is public policy that will help make it happen – and happen fast enough to serve as an option for dealing with seasonal capacity constraints in various parts of the country.”

“Advanced metering, combined with the Internet and other communication technologies, allows everyone to get the information they need and want,” added Dan Delurey, Executive Director of DRAM. “Not only will consumers have the opportunity to save energy and lower their bills, but it will enable new developments in the area of smart appliances and smart homes. It will also let energy companies optimize their systems and avoid building or using facilities that are only needed a few times a year to meet peak demands.”

Delurey also welcomed E-MON into the Coalition, noting their industry leadership in advanced submetering systems. DRAM members include eMeter, SchlumbergerSema, Siemens, Puget Sound Energy, Echelon, the Alliance to Save Energy, and Pacific Gas & Electric Company.

More information on DRAM, as well as links to pertinent DOE and FERC documents and other resources, can be found at [www.dramcoalition.org](http://www.dramcoalition.org) or by contacting Dan Delurey at [dan.delurey@dramcoalition.org](mailto:dan.delurey@dramcoalition.org) or at 202.441.1420.