

DRAM

DEMAND RESPONSE *and* ADVANCED METERING *Coalition*

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Demand Response and Advanced Metering To Receive Boost From New Energy Bill

(Washington, DC August 8, 2005) The Energy Bill signed into law by President Bush today includes among its many provisions several that will help increase the role of demand response in the nation's energy portfolio, and increase the deployment of the technologies that will be needed for that to happen, according to the Demand Response and Advanced Metering Coalition (DRAM).

“We are glad to see that Congress was able to recognize the importance of demand response as a new electricity policy option and that it proceeded to include provisions in the Energy Policy Act of 2005”, said Stephen Johnston, CEO of SmartSynch, a member of the DRAM Coalition. “During these past weeks as the bill was being finalized, electricity use was soaring across the country and a number of utilities and electric systems broke records for usage – some more than once in the same week. Recognizing that it doesn't make sense any longer to risk reliability and make customers pay higher than necessary costs, Congress has given its seal of approval to demand response, whereby customers are provided with choices and incentives for reducing their peak electricity usage.”

Chief among the provisions that DRAM points to is the Smart Metering Section of the Act, which DRAM characterized as creating new direction and guidance for all parties involved in demand response – utilities, States, DOE, FERC and providers of demand response technologies and services. These provisions include:

- O A declaration that it is the official policy of the U.S. to encourage demand response and adoption of devices which enable it.
- O A requirement that electricity customers be given a choice to be on time-based rates and provided with advanced meters that allow such rates to be utilized.
- O A requirement that States conduct investigations on demand response and advanced metering.
- O A requirement that FERC conduct annual assessments by region of demand response resources and the penetration of advanced metering and other technologies.
- O A requirement that DOE submit a report to Congress within 180 days of enactment that recommends how to achieve specific national levels of demand response by 2007.

“We believe that these provisions will stimulate much new activity focused on demand response”, said Geoff Williamson, Senior Vice President of Invensys, another DRAM member. “At this point, much is known about demand response and in its current form it has been demonstrated to be something that customers will accept if not embrace. The new Energy Bill will give everyone in the demand response community a renewed sense of opportunity to work together to ensure that more of this valuable asset can be adopted and deployed.”

Another provision in the Act will also stimulate the deployment of advanced metering according to DRAM. The organization points to the bill’s directive that all federal buildings and facilities be equipped with Advanced Metering. DRAM sees this as not only helping federal agencies to better monitor and manage their energy use and conservation efforts, but also take advantage of demand response incentives to reduce their on peak usage and reduce their overall electricity bills.

Questions regarding the demand response and advanced metering provisions of the Act can be directed to Dan Delurey of DRAM at 202.441.1420. The DRAM Coalition is also planning briefings on these new provisions. Interested parties can learn more about these by contacting info@dramcoalition.org.

Members of the DRAM Coalition include: eMeter, DCSI, Echelon, Landis + Gyr, EMON/MeterSmart, Silver Spring Networks, Elster Electricity, Hunt Technologies, SmartSynch, Comverge, Electric City Corporation, and Invensys. More information can be found at www.dramcoalition.org.

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