

# Demand Response and Smart Grid Coalition Hails FERC Release of Report on Potential for Reducing Peak Demand

(Washington, DC June 18, 2009) The Demand Response and Smart Grid Coalition (DRSG) hailed the release today by the Federal Energy Regulatory Commission (FERC) of the first-ever national assessment of demand response potential. The evaluation, "A National Assessment of Demand Response Potential," was ordered by Congress in 2007 to better understand and identify the savings and benefits of reducing electricity during peak demand periods, when the costs of producing and delivering power are the highest, when emissions are the greatest, and when the reliability of the grid is most likely to be threatened.

The FERC assessment finds the potential for reducing peak electricity demand across the country to be between 38 gigawatts (GW) and 188 GW, representing up to 20 percent of national peak demand, depending on how extensively demand response is applied. According to FERC, this can reduce the need to operate hundreds of power plants during peak times.

The study also makes recommendations for overcoming barriers to increasing use of demand response. By reducing electricity consumption at peak times like hot summer afternoons, when the most expensive generators are called into service, demand response can lower the cost of producing electricity.

"This Assessment is essential to getting the attention for demand response that it deserves in terms of it being an important part of the solution to many of the challenges facing the electricity industry and the nation today," said Dan Delurey, Executive Director of DRSG. "It makes no sense to operate our electricity system in a way that that does not put particular focus on reducing peak demand. Said another way, we will not have a smart grid until such focus is applied. Demand response is the smart grid 'in action' and many of the benefits sought from a smart grid will come as a result of demand response helping to optimize the way that the grid is planned and operated."

"We look forward to the next step at FERC, also requested by Congress, which is the development of a National Action Plan on Demand Response," said Delurey. "We anticipate that this Action Plan will be something that brings together all parties to create and implement a road map for demand response that in turn will help make the smart grid a reality."

More information on demand response and smart grid, including how it relates to energy efficiency, renewable energy and climate change, is available on the DRSG website at [www.drsgcoalition.org](http://www.drsgcoalition.org).

## **About DRSG**

The Demand Response and Smart Grid Coalition (DRSG) is the trade association for companies that provide products and services in the areas of demand response, energy storage, smart metering and other smart grid technologies and services. DRSG works to educate and provide information to policymakers, utilities, the media, the financial community and stakeholders on how demand response, smart grid technologies and practices can help modernize our electricity system and provide customers with new information and options for managing their electricity use.

Members of the DRSG Coalition include: Aclara, Ambient, Amplex, CalAmp, Comverge, Conservation Services Group, Corporate Systems Engineering, CPower, Direct Energy, Echelon, Eka Systems, eMeter, Energy Capital Partners, Energy Curtailment Specialists, EnergySolve, EnerNOC, Enfora, Enspira Solutions, GE, Google, Honeywell, IBM, Ice Energy, Itron, KMC Controls, Landis+Gyr, Lutron Electronics, Oracle, PCN Technology, Sensus, Silver Spring Networks, SmartSynch, Steffes, Tendril, Trilliant Networks, and Ziphany. More information is available at [www.drsgcoalition.org](http://www.drsgcoalition.org)

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