



FEDERAL ENERGY REGULATORY COMMISSION

September 17, 2009

Docket No. RM05-5-017

News Media Contact

Barbara A. Connors - 202.502.8680

FERC Acts to Expand Demand Response with New Measurement Standards

The Federal Energy Regulatory Commission (FERC) laid the groundwork for expanding the use of demand response in organized wholesale markets today when it proposed standards for measuring and verifying the performance of demand response services.

FERC is proposing to incorporate, by reference, business practice standards adopted by the North American Energy Standards Board for an array of demand response services in organized wholesale markets administered by regional transmission organizations and independent system operators. The standards – for energy services, capacity services, regulation services and reserve services – categorize these services, and require system operators to publish details of how they will measure and verify their performance.

“Consumers benefit when demand response providers know what is expected of them, and when market operators can measure and verify how they perform,” FERC Chairman Jon Wellinghoff said. “Standardizing these performance measures will make it easier for organized markets to implement the demand response programs that will help reduce consumers’ electricity bills.”

The initial standards establish a template for a system operator to disclose how it measures the performance of the demand response services in how much they reduce electricity load, how long it takes for them to reach their load reduction goals, the length of time those load reductions were sustained and whether those measurements meet market operators’ standards. The goals are to enhance transparency, provide consistency and reduce transaction costs for customers that participate in demand response programs, particularly customers that operate in more than one organized market.

Today’s action comes in the form of a notice of proposed rulemaking (NOPR) that also asks whether FERC should establish a deadline for development of more detailed technical standards. Comments on the NOPR, *Standards for Business Practices and Communication Protocols for Public Utilities*, are due 30 days after publication in the *Federal Register*.

(30)

R-09-32

