



# FEDERAL ENERGY REGULATORY COMMISSION

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NEWS MEDIA CONTACT  
Mary O'Driscoll - 202.502.8680

## **New FERC Study Assesses State-by-State Potential for Demand Response**

The Federal Energy Regulatory Commission (FERC) today released a national assessment of demand response that estimates the potential for demand response, both nationally and for each state, through 2019.

The assessment, *A National Assessment of Demand Response Potential*, finds the potential for peak electricity demand reductions across the country is between 38 gigawatts (GW) and 188 GW, up to 20 percent of national peak demand, depending on how extensively demand response is applied. This can reduce the need to operate hundreds of power plants during peak times.

The study also makes recommendations for overcoming barriers to more 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. The assessment will be sent to Capitol Hill Friday to fulfill FERC's first Energy Independent and Security Act of 2007 reporting requirement on demand response. Congress also directed FERC to develop a National Action Plan on Demand Response, which is due to Congress in June 2010.

"This study takes a flexible, real-world approach to gathering information on the potential for demand response," FERC Chairman Jon Wellinghoff said. "It also makes available to the public an easy-to-use spreadsheet model, complete with data inputs and assumptions, so that states, utilities and other interested parties can make updates or modifications based on their own data and policy priorities."

To estimate the potential for demand response under several types of programs, the assessment follows four scenarios in five- and 10-year horizons: Business as Usual, Expanded Business as Usual, Achievable Participation, and Full Participation. In comparing the Full Participation scenario with the Business as Usual scenario, the report estimates that demand response programs could reduce the projected 2019 peak load by as much as 150 GW. The results under the four scenarios illustrate how the demand response potential increases under various assumptions, such as the number of customers participating and the use of "smart" electric appliances with "dynamic" electric rates that change with system conditions.

The assessment also provides, for the first time, estimates of demand response potential for each of the 50 states and the District of Columbia. It estimates the demand response potential for residential and other types of electric customers in each state and analyzes the effect of using technologies, such as programmable thermostats, to assist consumers achieve the estimated potential.

The study and spreadsheet model are available on the FERC website: [www.ferc.gov](http://www.ferc.gov).

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