

The National Action Plan on Demand Response-a Roadmap for Implementing Demand Response

PLMA Conference on Demand Response: A Growing and Maturing Resource
November 9, 2010

Mary Ann Ralls
Senior Regulatory Counsel



**National Rural Electric
Cooperative Association**

A Touchstone Energy* Cooperative 

National Action Plan on Demand Response

- NRECA is the national service organization for more than 900 not-for-profit rural electric utilities that:
 - Provide electric energy to approximately 42 million consumers in 47 states or 12 percent of the nation's population
 - Generate approximately 50 percent of the electric energy they sell and purchase the remaining 50 percent from non-NRECA members

National Action Plan on Demand Response

- Provide service in 2,500 of 3,141 counties in the U.S.
- Own and maintain 42 percent of the nation's electric distribution lines, covering 75 percent of the U.S. landmass
- Serve an average of 7 consumers per mile as compared to the IOU average of 35 consumers per mile and the publicly-owned utility average of 47 consumers per mile

National Action Plan on Demand Response

- Co-ops operate Demand Response programs to:
 - Keep power costs lower
 - Maintain reliable operation

National Action Plan on Demand Response

- 72% have at least one demand response program
- 36% have interruptible contracts
- 32% have direct control over appliance
- 32% have time-of-use rates
- 27% have irrigation programs

National Action Plan on Demand Response

- 21% have energy storage programs
- 9% have market-based contracts
- Over 70% of co-ops have begun AMI roll-out in at least part of their systems

National Action Plan on Demand Response

- EISA '07-Directed FERC to develop a demand response implementation plan for regions, states and localities (local utilities) which identifies and provides:
 - Technical assistance to states to maximize available DR
 - National communications program framework including consumer education
 - Tools, model regulations and support materials to implement DR programs

National Action Plan on Demand Response

- 3 functions are intended to focus on:
 - Enabling price-responsive Demand Response
 - Facilitating market penetration of developing smart grid technologies and programs
- Both DOE and FERC participate in implementing NAPDR
- Biggest role left to a coalition

National Action Plan on Demand Response

- Does not encourage mandating DR programs
- Properly recognizes that DR implementation is a local issue
- Does not equate DR with dynamic pricing –there is no one-size-fits-all definition or approach
- Does not dictate a single message-rather a framework for creating messages that local DR providers may use
- Specifies that cost-effectiveness analyses/tools be made available to help inform on DR programs
- Leaves implementation to a coalition
- Does not include advocacy as an implementation role of the coalition

National Action Plan on Demand Response

- Out of the 3 functions, the most important is developing/identifying analytical tools and resources
- Why? Because you have to have a DR program before you start to communicate/educate consumers about it, which means that you need tools to decide:
 - What your plan will be
 - Is it cost-effective
 - What is the goal
 - Best ways to achieve it
 - What has/has not worked before, what motivates/resonates w/consumers

National Action Plan on Demand Response

- NAPDR products that would be the most helpful:
 - Tools and resources to assist in implementing successful DR programs
 - Planning and decision-making
 - Cost benefits analysis
 - M&V
 - Metrics to gauge the success of a program
 - Communications
 - Market research
 - Narrative case studies/lessons learned
 - Guidelines and templates for developing communication and education plans

National Action Plan on Demand Response



Thank You!

For questions and comments

Mary Ann Ralls

(703) 907-5837

maryann.ralls@nreca.coop