



NEW ENGLAND DEMAND RESPONSE INITIATIVE

Program Overview

Across the nation, there is a growing awareness that rapidly changing regional electricity markets cannot succeed unless they efficiently integrate customer-based, demand-side responses into their operations.

The **New England Demand Response Initiative** is developing a comprehensive, coordinated set of demand response programs for New England's regional power markets. The Initiative is a broad-based, facilitated process among public and private decision-makers in the region's markets for power and demand response. Participants include the region's Independent System Operator; the six state public utility commissions; power generators, marketers and customers; technology experts; and EPA and the region's state environmental regulators.

The ultimate aim of the NEDRI process is a power system that is more competitive, more productive, more reliable, and better for the environment, due to better market rules and greater investments in load response capability and energy efficiency throughout the region.

NEDRI's Sponsors and Financial Supporters: The Initiative reflects an unprecedented degree of cooperation among many decision-makers who need to work together to promote effective demand response strategies. NEDRI is sponsored and supported by:

- The New England and New York Independent System Operators;
- The US Department of Energy and US Environmental Protection Agency;
- The public utilities commissions of the six New England states, acting through the New England Conference of Public Utility Commissioners (NECPUC);
- The air directors of the six New England states, and New Jersey, acting through NESCAUM; and
- The Energy Foundation

These sponsors have thus far committed significant technical assistance and more than \$300,000 to the Initiative. In June 2002, the Federal Energy Regulatory Commission also announced an initiative to help fund and work with NEDRI and its sponsors to implement demand response in the region, and develop best practices for the nation.

Comprehensive Approach to Demand Response

The Initiative is developing a coordinated set of policy reforms and market and regulatory strategies for a robust demand response capability in New England. These will include:

- Market-based, economic demand-side programs, including demand-side bidding and demand sale-backs in wholesale markets;
- Reliability-focused programs, investments and market rules (including routine ancillary services, emergency balancing resources, and transmission congestion relief programs);

- Real time pricing options, retail rate design, advanced metering and demand responsiveness in retail power markets, and
- Energy efficiency investments and market transformation programs, and financial means and performance standards to support them.

NEDRI Professional Team: The project is supported by an expert technical team assembled by the Regulatory Assistance Project and DOE's Lawrence Berkeley National Laboratory. Team members and consultants include:

Conveners: NEDRI Policy Director -- Richard Cowart, Regulatory Assistance Project
NEDRI Facilitator – Jonathan Raab, Raab Associates, Ltd.

Technical team: Richard Cowart, Chuck Goldman, Eric Hirst, Jeff Schlegel, Frederick Weston, Jim Lazar, Brendan Kirby

NEDRI Participants:

NECPUC

Connecticut Department of Public Utility Control
Maine Public Utilities Commission
Massachusetts Department of Telecommunications and Energy
New Hampshire Public Utilities Commission
Rhode Island Public Utilities Commission
Vermont Public Service Board

System Operators

Independent System Operator-New England
New York Independent System Operator
PJM Interconnection

Environmental Regulators

CT Department of Environmental Protection
MA Department of Environmental Protection
Northeast States for Coordinated Air Use Management
US Environmental Protection Agency

State Energy Offices

Massachusetts Department of Energy Resources
Vermont Department of Public Service

Advocates

Environment Northeast

Maine Public Advocate
Low-Income Network
Pace University Energy Project
Union of Concerned Scientists

Utility, Market, and Other Participants

AES New Energy
Associated Industries of Massachusetts
Competitive Energy Services
DRAM/Peregrine Energy
Green Mountain Energy
Health and Education Facilities Association
E-Cubed
Mirant
Massachusetts Energy Buyers Coalition
Massachusetts Technology Council
National Association of Energy Service Companies
National Grid
Northeast Energy Efficiency Partnerships, Inc.
Northeast Energy Efficiency Council
Northeast Utilities
PG&E Energy
Site Energies
United Illuminating
Vermont Energy Investment Corporation

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