

## CCET “Demand Response Project”: Media Questions and CCET Answers

### **Q. What companies and organizations are participating in the CCET Demand Response (DR) Project and what are their roles?**

- A. CCET is responsible for developing and implementing the pilot project. Individual CCET members participate in different ways.
- CenterPoint Energy (CNP) will allow use of broadband communications technology and new digital meters in areas where these technologies are deployed in CNP’s Houston market. CNP will gather data from controlled air conditioning load cycling, water heaters and pool pump switching and report the meter readings to the Electric Reliability Council of Texas (ERCOT). CNP will make data available to the retail companies involved in the pilot.
  - Oncor Electric Delivery will do the same in its Dallas market.
  - TXU Energy, Direct Energy and Reliant Energy will market program offers and provide customer support for the pilot to their customers in the Oncor and CenterPoint service areas.<sup>1</sup>
  - Comverge, which provides advanced metering and grid management, and CURRENT Group, a provider of broadband over power lines, will provide equipment and services to the retail companies involved in the pilot.
  - American Electric Power (AEP) will contribute to the funding needed to manage the project.
  - Austin Energy, the municipally-owned electric utility serving Austin, has an demand response project under way. It will coordinate the work with the DR Project and share selected outcomes with the other participants.

### **Q. What will be required of consumer participants?**

- A. Consumers who participate in the pilot will benefit directly from state-of-the-art electric grid technologies designed to improve customer service and reliability. They will agree to have their air conditioning cycled off and on. If they have swimming pools and electric water heaters, these appliances will be turned off during selected periods of critical peak demand. In the future, this kind of program will give consumers better control over their energy use and costs. Transmission and distribution businesses, such as Oncor and CenterPoint, will have added flexibility in responding to requests for load reduction from ERCOT.

### **Q. What technologies will be used in the project?**

- A. The DR pilot will use advance metering, two-way communications and advanced thermostats and switches. These technologies will allow residential customers to

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<sup>1</sup> TXU Energy, Reliant Energy and Direct Energy are unregulated retail electricity providers that market electricity in areas of Texas where competition is allowed. CenterPoint Energy and Oncor Electric Delivery are regulated utilities that deliver electricity to customers of the retail providers.

reduce energy consumption and possibly reduce the need for new power plants. New thermostats will allow customers to monitor and make better decisions about their use of electricity.

**Q. Who will have access to the information gathered from the research?**

A. Selected data will be shared with ERCOT and all Texas retail electric providers to enable them to develop new market models and competitive retail offers involving demand response. Upon completion of test results, information that is not competitively sensitive will be shared with the public through the media. Public information resulting from the research will be posted on the CCET web page – [www.electrictechologycenter.com](http://www.electrictechologycenter.com) – as well.

**Q. What will determine the success of this project?**

A. The project will be a huge success if retail electric companies throughout Texas use information developed in the pilot to develop new pricing and demand management options for consumers.

**Q. What are the compelling reasons for such a research project?**

A. Texas' leading electric market participants are launching this project as part of an ongoing statewide initiative to provide consumers with the most efficient, reliable and secure electrical service possible. The demand response project also presents a unique opportunity for the Texas electric industry and state leaders to gain insight into what actions are most effective in easing congestion on the transmission grid during peak periods. Demand response, as a component of electricity load-management strategies, is an important element of energy efficiency programs in Texas. There is a strong potential that it will reduce the cost of electricity, which would benefit all ERCOT consumers.

**Q. How long will this project be active?**

A. At least two years, but it may result in an ongoing endeavor to provide consumers with the most efficient, reliable and secure electrical service possible. Maintaining and improving energy efficiencies is a goal that will never cease.