

NEWS RELEASES

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Demand Response Law Conference Gathers National Energy Stakeholders

More than 100 participants attended the first annual Law of Demand Response Conference in Washington, D.C. to discuss and develop legal positions and explore the legal foundations of routine demand response (DR) load management operations, and the potential creation of a viable market for DR in the electric power industry.

Speakers at the Dec. 1-2 conference included Cathy Zoi, Acting Under Secretary and Assistant Secretary for Energy Efficiency and Renewable Energy, U.S. Department of Energy, and Federal Energy Regulatory Commission Chairman Jon Wellinghoff.

The conference was sponsored by the Peak Load Management Alliance, a national non-profit alliance of utilities, technology companies and curtailment service providers, and The George Washington University Law School. Husch Blackwell LLP, counsel to PLMA and organizer of the event, selected key legal issues and speakers for the two-day discussion. Participants attended from all geographic regions of the country and industry sectors.

"While DR is increasingly understood in policy and technical circles, the law that must legitimate and advance markets for DR is just beginning to evolve," said Jim Hoecker, Husch Blackwell attorney, former Federal Energy Regulatory Commission Chairman and Demand Response conference chair. "We aim to help that evolution and promote a better understanding of this energy product. This is where smart grid investment can have an immediate pay off."

Demand response — the decision not to consume energy in response to price and other factors — holds enormous potential to balance the power system, integrate variable-output renewable resources into the grid, and increase the efficiency of the electric industry. If provided to the market with certainty as a

new source of supply, DR can lower consumer prices. Congress has directed development of DR as a national policy, but the legal foundation of DR is still rudimentary at the federal and state levels. Many key questions remain about the future of DR and the legal implications of DR for regulation of the electric power industry.

Among the significant issues discussed at the conference were:

Whether DR is a function of interstate commerce, or principally subject to state law, or both.

The legal issues and methods of addressing privacy concerns that surround the data and communications about energy consumption that consumers must share in order to make demand reductions available to the market.

Whether property rights in DR commitments can be created by contract and traded as a commodity.

Hoecker and other members of the firm's Energy department are working with industry leaders to identify the legal challenges to successful implementation of demand response and to facilitate development of solutions among all sectors interested in and affected by those issues.

Husch Blackwell's Energy attorneys represent clients across the energy spectrum, serving their regulatory, transactional, commercial and litigation needs. Firm clients include investor-owned utilities and utility cooperatives, independent power companies and developers, oil and gas producers and processors, energy and energy-related product marketing, storage, trading and distribution companies, and interstate and intrastate pipeline companies. Husch Blackwell energy clients are active in the power, natural gas, coal and other traditional energy commodity sectors, as well as in renewable energy sectors such as biofuels, wind, biomass and solar.