

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

(Docket No. AD06-2-000)

Assessment of Demand Response Resources

(March 15, 2006)

AGENCY: Federal Energy Regulatory Commission (Commission).

ACTION: Notice of Issuance of Voluntary Survey.

SUMMARY: Pursuant to the Energy Policy Act of 2005 (EPAcT 2005) section 1252(e)(3),<sup>1</sup> the Federal Energy Regulatory Commission (Commission) is required to prepare a report, by appropriate region, that assesses demand response resources, including those available from all consumer classes. To gather information for this report, a voluntary survey will be issued to 3,372 respondents to gather information on advanced metering (AMI) and demand response (DR) and time-based rate programs.

DATES: E-Mails and Letters will be sent to the survey respondents by March 16, 2006. Responses should be made by April 12, 2006. Extensions will be granted on a case-by-case basis by contacting the [Demand Response Team](#) (anytime).

FOR FURTHER INFORMATION CONTACT:

David Kathan  
Office of Energy Markets and Reliability  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

---

<sup>1</sup> Energy Policy Act of 2005, Pub. L. No. 109-58, § 1252(e)(3), 119 Stat. 594, (2005) (EPAcT section 1252(e)(3)).

Docket No. AD06-2-000

(202) 502-6404

DRSurvey@ferc.gov

SUPPLEMENTARY INFORMATION:

Docket No. AD06-2-000

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Assessment of Demand Response Resources

Docket No. AD06-2-000

NOTICE OF ISSUANCE OF VOLUNTARY SURVEY  
ON ADVANCED METERING AND DEMAND RESPONSE PROGRAMS.

(March 15, 2006)

1. Take notice that a survey of demand response (DR) and time-based rate programs/tariffs, and advanced metering infrastructure (AMI) is being issued to gather information to assist in the preparation of a report for Congress that assesses various aspects of demand response in the United States as specified in the Energy Policy Act of 2005 (EPAcT 2005) section 1252(e)(3).<sup>2</sup> The survey will be sent to 3,372 electric power businesses and organizations who directly serve end-use customers. E-mails will be sent to each respondent along with follow-up letters. Responses would be appreciated by April 12, 2006 to provide sufficient time to process and analyze the results by August 8, 2006, the date set by Congress for submission of the report.

2. This survey is the first nationwide effort to gather information on the dispersion of advanced metering and demand response programs. Industry cooperation is important for us to obtain as accurate and up-to-date information as possible to respond to Congress, as

---

<sup>2</sup> Energy Policy Act of 2005, Pub. L. No. 109-58, § 1252(e)(3), 119 Stat. 594, (2005) (EPAcT section 1252(e)(3)).

Docket No. AD06-2-000

well as to provide information to states and other market participants. We, therefore, strongly encourage all potential survey respondents to complete the survey.

3. Towards this end, the survey has been designed to be as user-friendly as possible. To ease the burden of responding, the survey will be conducted using the Internet and will allow respondents to enter information via a web-survey instrument. The survey will use three web-based forms that collect general corporate information, inventory AMI at the utility, and inventory DR and time-based programs/tariffs.<sup>3</sup> The survey has been divided into three sections to allow different people within an organization to enter information on AMI, DR, and time-based rate programs and/or tariffs.

## **I. Background**

4. Section 1252 (e)(3) of EAct 2005 requires the Commission to draft and publish a report, by appropriate region, that assesses DR resources, including those available from all consumer classes. Specifically, EAct 2005 requires that the Commission identify and review:

- (A) saturation and penetration rates of advanced meters and communications technologies, devices and systems;

---

<sup>3</sup> The final versions of the corporate information, AMI, and demand-response and time-based rate programs/tariffs surveys can be accessed at:

<http://www.ferc.gov/industries/electric/indus-act/gen-inf-sec.pdf>,  
<http://www.ferc.gov/industries/electric/indus-act/ami-sec.pdf>, and  
<http://www.ferc.gov/industries/electric/indus-act/drs-tbr.pdf> .

Docket No. AD06-2-000

- (B) existing demand response programs and time-based rate programs;
- (C) the annual resource contribution of demand resources;
- (D) the potential for demand response as a quantifiable, reliable resource for regional planning purposes;
- (E) steps taken to ensure that, in regional transmission planning and operations, demand resources are provided equitable treatment as a quantifiable, reliable resource relative to the resource obligations of any load-serving entity, transmission provider, or transmitting party; and
- (F) regulatory barriers to improved customer participation in demand response, peak reduction and critical period pricing programs.

5. On November 3, 2005, a notice was issued requesting comments on proposed survey questions. A survey was proposed because adequate information on this subject is not collected by other sources. Twenty-nine comments were filed on the draft survey.

Docket No. AD06-2-000

## II. Discussion

6. We appreciate all the useful comments submitted on the survey questions. Within the limits of the available survey instrument, we have made revisions to reduce the burden in responding and to ensure the information is more accurate. In certain cases, we did not make suggested changes because more detailed information is needed to respond to specific items in the EAct or to provide useful data. We trust that with the changes that have been made, the survey should not be onerous to complete, and we encourage all potential respondents to complete the survey so that we can obtain the most precise information possible.

7. The following summarizes the major changes to the survey and addresses the concerns expressed by commenters:

- (1) New survey software is being used to make navigation among sections of the survey faster and easier.
- (2) To make entering information simpler, the survey asks all respondents to enter general company information only once, and provides for the entry of company name and utility identification number to allow data linkages among data from all survey parts.
- (3) The demand response and time-based rate program sections of the survey also have been combined, as suggested by commenters.

Docket No. AD06-2-000

- (4) The survey is going to regulated and non-regulated entities that own or operate end-use meters that are used for billing purposes and to entities that offer DR programs and/or time-based rates. In response to commenters, the latter now includes third-party curtailment service providers and ISOs/RTOs.
- (5) In the interest of reducing possible confusion and to ensure more direct comparison, the commercial/industrial (C/I) customer definition used in the draft surveys has been revised. The final survey asks respondents to report their data into five categories: Residential, Commercial, Industrial, Transportation, and Other. These categories are relatively standard and with the exception of the “Other” category are identical to the categories used by the Energy Information Administration (EIA) in their form EIA-861, “Annual Electric Power Industry Report.”
- (6) The survey has been revised to eliminate the need for state level reporting on demand response and time-based rate programs/tariffs, as suggested by commenters. The final survey will allow respondents the flexibility to list demand response and time-based rate programs/tariffs that cross state boundaries.
- (7) State level reporting will be requested on AMI information. We received comments from state commissions that state level data will be important for

Docket No. AD06-2-000

their consideration of smart metering required in EPCAct section 1252. We trust that larger, regional companies will be able to easily report or estimate their AMI data by state.

- (8) In response to requests in comments, the final demand response and time-based rates/tariffs section of the survey adds questions with regards to expected impact on energy usage, and the total maximum demand of participating customers. This information will provide useful information for determining the size and impact of demand response and time-based rate programs/tariffs.
- (9) The final version of the AMI section of the survey continues to request data on the number of installed meters by frequency of measurement and frequency of data retrieval, and does not provide a specific definition for advanced metering. Although several parties requested a specific definition of advanced metering, there was a lack of consensus in the comments on the definition on advanced metering. Consequently, Commission staff determined that a broader data collection would be useful and appropriate to support the development of the final report and to support future policy deliberations.
- (10) A glossary of terms and list of acronyms have been added and instructions for completing the survey have been significantly revised. When

Docket No. AD06-2-000

respondents access the survey on the website, they will be able to access and download the glossary of terms, a list of acronyms used in the survey, and instructions for each section of the survey. Respondents will also be able to download a copy of the entire survey instrument to help them organize their collection of the data and to help them complete the web survey online as quickly as possible.

- (11) The final survey incorporates many of the general suggestions commenters made, such as providing response space throughout to give respondents the opportunity to provide more information on the purpose and applicability of the programs. Commission staff wants to receive information on all programs, regardless of size and encourages potential respondents to take the survey even if they have only one program.
- (12) The Commission is very interested in achieving as high a response rate as possible to this survey. The Commission is aware that some potential respondents do not have email and/or Internet access. These respondents will receive a letter informing them of the survey and providing them with hard copies of all the information they need to participate in this important national study.
- (13) In response to comments related to security, there are a number of steps that will safeguard both the data collection and the data itself. First,

## Docket No. AD06-2-000

Commission staff has assigned each respondent a utility identification and a password. This identifying data is required for completion of each section of the survey and will allow automated compilation and verification of validity of the survey data. The survey instrument itself is powered by Snap Survey Software. This is a tool the survey contractor has used extensively without ever encountering a security breach. Respondents completing the survey via FERC-727 and FERC 728 will be working on the survey contractor's website. The survey contractor's server hosting company uses network intrusion detection in a signature based model. They also use a state based layer 3 firewall with notification and alerting of abnormal events. The administrator at the contractor's server hosting company is a Certified Information Systems Security Professional. The survey contractor, who has extensive general expertise and knowledge about demand response programs across the country, will also be conducting validity checks on the data as the forms are completed and after all the data is collected to ensure early and timely detection of unusual data entries.

- (14) The Commission received a comment from one large company indicating that based on a preliminary “dry run” of activities necessary to complete the draft FERC-727, the company did not believe that the Commission’s estimate of reporting burden associated with completion of this survey

## Docket No. AD06-2-000

accurately reflected the actual effort that will be required to complete the survey. The commenter indicated that the data collection and input required for it to complete FERC-727 would require approximately four hours. Although the Commission burden estimate for this information collection was questioned by only one commenter, Commission staff is revising its burden estimate for FERC-727 from one hour to four hours for two primary reasons. First, as described previously, a number of commenters asked for FERC-727 to collect data on various additional aspects of demand response and time-based rate programs/tariffs to ensure the meaningfulness of the data and the survey has been revised to accommodate these reasonable requests. Second, Commission staff anticipates that many of the largest potential respondents to the survey (such as Pacific Gas and Electric) will also be the largest contributors to total national demand response. Commission staff thereby revises its burden estimate for FERC-727 and predicts that it will take all respondents 1 hour or less to enter the data they have compiled from their businesses into the Web-based form but that many will need as many as 3 non-continuous hours to collect data for a number of the questions being asked in the final FERC-727. The total estimated reporting burden for FERC-727 and FERC-728 is estimated to be five hours maximum. The Commission expects that the majority of the respondents will take significantly less time

Docket No. AD06-2-000

to complete the survey because of the smaller size and less extensiveness of their programs. Other details regarding this data collection are as follows.

### **III. Data Collection Information**

8. Office of Management and Budget (OMB) regulations require that OMB approve certain reporting, record keeping, and public disclosure (collections of information) imposed by an agency.<sup>4</sup> Accordingly, pursuant to OMB regulations, notice is given to the public that OMB has reviewed and approved the final survey under section 3507(d) of the Paperwork Reduction Act of 1995.<sup>5</sup>

9. The OMB has approved the Commission's burden estimate and the calculation of the information collection costs and determined that the survey meets its information collection requirements. The OMB authorization numbers for collecting this information via FERC-727 and FERC-728 are displayed on the forms themselves and shown below.

---

<sup>4</sup> 5 C.F.R. § 1320.10 (2005).

<sup>5</sup> 44 U.S.C. § 3507(d) (2005).

Docket No. AD06-2-000

Data Collection	No. of Respondents	No. of Responses	Hours Per Response	Total Annual Hours
FERC-727, Demand Response and Time Based Rate Programs Survey, OMB No. 1902-0214	3,372	1	4	13,488
FERC-728, Advanced Metering Survey, OMB No. 1902-0213	3,372	1	1	3,372
Totals	3,372	2	5	16,860

10. Total Annual Hours for Collection: The reporting burden for this survey is estimated at 16,860 hours.

11. Information Collection Costs: The surveyed organizations collect all the information requested in FERC-727 and FERC-728 as part of their customary and usual business practices. There were no comments on the cost of responding to FERC-727 and FERC-728. Therefore, the Commission concludes that its calculation of the average annualized cost for all respondents being projected to be \$910,440 (16,860 hours x \$54 per hour) is accurate

Docket No. AD06-2-000

12. Title: FERC-727, Demand Response and Time-Based Rate Programs Survey and FERC-728, Advanced Metering Infrastructure Survey

13. Action: Proposed Information Collection. The respondent shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

14. Respondents: Business or other for profit, publicly-owned utilities, and electric cooperatives, RTOs/ISOs.

15. Frequency of Responses: On occasion.

16. Necessity of Information: On August 8, 2005, Congress enacted EAct 2005. Section 1252 (e)(3) of the EAct 2005 requires the Commission to draft and publish a report, by appropriate region, that assesses demand response resources, including those available from all consumer classes. Commission staff has reviewed public information to determine the availability of saturation and penetration data on advanced metering with the regional specificity required by the EAct 2005. The review included an assessment of the EIA-861, which collects aggregate information on energy efficiency and load management. The EIA-861 does not include any information on advanced metering. Moreover, there are no publicly available saturation and penetration data on advanced metering at the level required by the EAct 2005. The Commission is dedicated to establishing clear market rules to govern electric markets. The information collected

Docket No. AD06-2-000

through this survey will assist the Commission in carrying out its goal of developing robust and efficient energy markets.

17. Internal Review: Internal review at the Commission shows that there is specific, objective support for the burden estimates associated with the information requirements. The Commission will review the data resulting from the survey to ensure that the survey results meet the congressional requirements of the report on DR in EAct 2005. This conforms to the Commission's plan for efficient information collection, communication, and management within the electric industry.

18. Interested persons may obtain information on the reporting requirements of the survey by contacting the following: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426 (Attention: Michael Miller, Office of the Executive Director, 202-502-8415, fax: 202-273-0873, e-mail: Michael.miller@ferc.gov. To submit comments concerning the collection of information and the associated burden estimates including suggestions for reducing this burden, please send your comments to the contact listed above and to the Office of Management and Budget, Room 10202 NEOB, 725 17th Street, N.W., Washington, D.C. 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission), fax: 202-395-7285, e-mail: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov)).

Docket No. AD06-2-000

19. The "public protection" provision of the Paperwork Reduction Act<sup>6</sup> requires each agency to display a currently valid OMB control number and to inform respondents that a response is not required unless the information collection displays a valid OMB control number on each information collection. This provision has two legal effects: (1) it creates a legal responsibility for the agency; and (2) it provides an affirmative legal defense for respondents if the information collection is imposed on respondents by the Commission through regulation or administrative means in order to satisfy a legal authority or responsibility of the Commission. If the Commission should fail to display an OMB control number, then it is the Commission not the respondent who is in violation of the law. "Display" is defined as publishing the OMB control number in regulations, guidelines or other issuances in the Federal Register (for example, in the preamble or regulatory text for the final rule containing the information collection).<sup>7</sup> Therefore, the Commission may not conduct or sponsor, and a person is not required to respond to a collection of information unless the information collection displays a valid OMB control number.

#### **IV. Document Availability**

20. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the

---

<sup>6</sup> 44 U.S.C. § 3512 (2000); 5 C.F.R. § 1320.5(b) (2005); 5 C.F.R. § 1320.6(a) (2005).

<sup>7</sup> See 1 C.F.R. § 21.35 (2005); 5 C.F.R. § 1320.3(f)(3) (2005).

Docket No. AD06-2-000

contents of this document via the Internet through the Commission's Home Page (<http://www.ferc.gov>) and in the Commission's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington D.C. 20426.

21. From the Commission's home page on the Internet, this information is available in the Commission's document management system, eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

22. User assistance is available for eLibrary and the Commission's website during normal business hours. For assistance, please contact the Commission's Online Support at 1-866-208-3676 (toll free) or 202-502-6652 (e-mail at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov)), or the Public Reference Room at (202) 502-8371, TTY (202)502-8659. E-Mail the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

Magalie R. Salas,  
Secretary.