



Citizens Utility Board

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STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA ON TODAY'S SUPREME COURT VICTORY FOR ELECTRIC CUSTOMERS

CHICAGO— Today's U.S. Supreme Court ruling in support of a money-saving efficiency program called Demand Response is a slam dunk for electricity customers in Illinois and across the country. Demand Response performs a vital service by helping to protect consumers from volatile electricity markets and reduce stress on the grid. Today's decision—one of the biggest in the history of electricity regulation—opens the door to a cleaner, more reliable and more affordable power grid. We applaud the Supreme Court for standing up for electricity customers.

Background:

*In 2014, a U.S. Court of Appeals in Washington, D.C., struck down FERC Order 745. Order 745 gave the Federal Energy Regulatory Commission (FERC) the legal authority to run an excellent efficiency program called "Demand Response."

*Demand Response is when power grid operators pay electricity users to shift their usage away from "peak" demand times—to help reduce stress on the grid and reduce power prices for everyone. Crain's Chicago Business reported that the former director of the Illinois Power Agency estimated that removing such a program could jack up future power prices by 20 percent.

*Big power generators like Exelon Corp. and Dynegy Inc., which profit off of high prices and high usage, opposed Order 745. They argued that demand response is an issue that should be regulated by state authorities rather than a federal agency.

*But on Monday, Jan. 25, the Supreme Court voted 6-2, upholding the authority of FERC to promote, regulate and develop Demand Response programs in the energy market. In its majority opinion, the Court said a key law, the Federal Power Act, "should not be read...to halt a practice that so evidently enables FERC to fulfill its statutory duties of holding down prices and enhancing reliability in the wholesale energy market."

*CUB (led by Policy Director Kristin Munsch) joined 10 other groups in filing an Amicus Brief in the case. "Demand Response has proven to be a cost-effective resource for system operators to use in balancing supply and demand," the brief said. "It provides not only critical support in emergencies, but reduces peak demand, which, in turn, provides economic benefits not only to those customers who reduce their demand but to all customers within a wholesale market."

Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, the nonprofit utility watchdog group has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more details, call CUB's Consumer Hotline, 1-800-669-5556, or visit CUB's award-winning website, www.CitizensUtilityBoard.org.

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