

DE 09-158 PSNH - PEAKSMARTPLUS DEMAND RESPONSE PROPOSAL

STATEMENT OF AUGUST G. "GUS" FROMUTH

Introduction

Gus Fromuth is the Managing Director of Freedom Energy Logistics, a New Hampshire based firm that specializes in direct enrollment of end users in NEPOOL and the New England Markets. Freedom Energy Logistics provides customers with high end energy management services, including demand response, in order to obtain electric power at wholesale prices. Along with colleagues, Mr. Fromuth pioneered this concept of direct end user access to the (ISO-NE) bulk power market, successfully working through the NEPOOL stakeholder process in 2003 to design and refine the ground rules for direct market participation by end users. Mr. Fromuth is also an executive of, and principal stockholder in, Halifax American Energy Company (HAEC), which is licensed and operates in five New England states as a re-seller of grid electricity directly to end users.

Mr. Fromuth was also recently elected as Vice Chairman of the Participants Committee of the New England Power Pool where he has the responsibility for advocating for the best interests of New England end-use participants.

II. Statement on whether the Commission should approve PSNH's request to continue its demand response program.

As the Commission has well noted:

PSNH's filing raises, inter alia, issues related to the merits of continuing the existing PeakSmartPlus program, and whether the proposed changes to the PeakSmartPlus program are reasonable and in the public interest.

The Commission should not approve PSNH's request to continue its demand response program. Plentiful competitive demand response options, such as those provided by Freedom Energy Logistics, exist for industrial and commercial customers such as those currently enrolled in PSNH's PeakSmartPlus program. It is neither necessary nor desirable to utilize scarce CORE funds to support the PSNH program.

National Grid's approach that provides information on demand response programs to its customers, while leaving the administration and implementation of ISO's demand response program to the private sector, is a far superior and enlightened alternative to what PSNH proposes. The time when it may have been reasonable for PSNH to be directly involved in these programs is long gone.

National Grid should be commended for its leadership role and insight on this matter.