Like a moth to a flame: Gas demand response sparks interest among utilities

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As the demand for natural gas grows, utilities face an increasing need for gas infrastructure. To address constraints on natural gas supply and pipeline availability, utilities are launching gas demand response (DR) initiatives. These programs, however, are still in their infancy—it's too soon to tell whether gas DR can provide reliability or economic value.

In an Association of Energy Services Professionals (AESP) webinar this past summer, The Landscape of Gas Demand Response (must be logged in as an AESP member to view), we discussed the challenges and opportunities of gas DR. While gas DR shows the potential to avoid price spikes, improve reliability, or defer the need for gas infrastructure investments, these approaches also face unique barriers:

- Particularly in the residential sector, there are few appliances suitable for gas DR, other than thermostats and water heaters.
- Natural gas metering capabilities are limited, and few utilities have gas advanced metering infrastructure.
- Whereas electric DR can reduce electricity prices for customers, gas DR may not reduce the wholesale price of natural gas, due to the current regulatory and market structure.

We can't yet say whether gas DR can overcome these challenges, but E Source Demand Side Management Service subscribers can read our new publication, Fired up or burned out: An overview of emerging gas demand-response initiatives, which highlights three case studies from utilities pursuing gas DR. The report goes into detail about how SoCalGas, Con Edison, and National Grid are administering gas DR programs and the results of these programs thus far.

AESP members can watch the webinar recording from earlier this year in the AESP Resource Library. Let us know in the comments below if and how your utility is approaching gas DR.
