

AGREEMENT REACHED ON JCP&L INTEGRATED DISTRIBUTED ENERGY RESOURCE MANAGEMENT PILOT

Jersey Central Power & Light (JCP&L) today announced that the New Jersey Board of Public Utilities (NJBPU) approved a stipulated agreement with the NJBPU staff and the Division of Rate Counsel on the company's Integrated Distributed Energy Resource (DER) Management Pilot program.

Through the Integrated DER Pilot, JCP&L will develop the expertise and resources needed to integrate customers and their electric equipment with smart grid utility operations. The Pilot focuses on integrating load management devices for both residential and commercial customers served by substations in selected high growth areas of JCP&L's service area. It will be operated based on criteria similar to JCP&L's existing air conditioner cycling program and additional input involving loading conditions on local distribution circuits. This industry leading initiative is a co-development effort between the company and BPL Global, Ltd. to demonstrate an integrated approach to demand response and smart grid efficiency, based on Electric Power Research Institute's (EPRI) Intelligrid architecture. It combines JCP&L distribution design and operations expertise with BPL Global, Ltd. software systems and device technology.

Participants will have Integrated DER Pilot technology installed in their facilities providing JCP&L with the ability to monitor and control non-critical customer electrical loads such as air conditioning. The Integrated DER Pilot program will control an estimated 8 megawatts of direct load - 5 megawatts from approximately 3,500 residential customers and 3 megawatts from 30-90 commercial and industrial customers. Customer enrollment is expected to begin later this year, with full enrollment anticipated by 2009. Participation in the Pilot is voluntary, with customers receiving incentives for participating.

“The Integrated Distributed Energy Resource Management Pilot will demonstrate the value and viability of targeted peak load management as a source of system reliability and energy efficiency for our distribution circuits,” said Steve Morgan, president, JCP&L. “The Pilot program incorporates smart grid technology and is also consistent with demonstrating alternative means of cost-effectively addressing critical goals related to demand response in the New Jersey Energy Master Plan.”

JCP&L, a subsidiary of Akron, Ohio based FirstEnergy Corp. (NYSE:FE), serves 1.1 million customers in 13 New Jersey counties.

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