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July 23, 2010

VIA EMAIL
North American Energy Standard Board
Attn: Executive Committee
801 Travis Street, Suite 1675
Houston, TX 77002

Re: NAESB REQ Phase II, M&V for Demand Response Programs, Retail
Electric Quadrant

To: DSM-EE Retail DR Working Group
Please find attached the comments of Energy Curtailment Specialists, Inc. ("ECS") in reference to the above. Should you have any questions, please do not hesitate to contact me directly. ECS thanks NAESB for the opportunity to submit our comments.

Respectfully,
/s/ B. Marie Pieniazek
B. Marie Pieniazek
Authorized Agent for
Energy Curtailment Specialists, Inc.
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(518) 470-6692

July 23, 2010

North American Energy Standard Board
Attn: Executive Committee
801 Travis Street, Suite 1675
Houston, TX 77002

Re: Comments of Energy Curtailment Specialists, Inc., on Recommendations to NAESB Draft Recommendations for Phase II Proposed Measurement and Verification Business Practice Standards for Retail Electric Market Demand Response

Pursuant to the Request for Informal Comments on the Draft Recommendations for Phase II Measurement and Verification Business Practice Standards for Retail Electric Market Demand Response programs, dated July 9, 2010, Energy Curtailment Specialists, Inc. (“ECS”) respectfully submits the following comments on the proposed draft recommendations for Phase II Measurement and Verification Business Practice Standards for Retail Electric Market Demand Response programs.

I. Introduction

On July 9, 2010 an information comment period was opened pertaining to the draft recommendations for Phase II proposed Measurement and Verification business practice standards for Retail Electric Market Demand Response programs. The Phase II standards developed are meant to add additional technical details for measurement and verification to Retail Electric Market demand response programs.

ECS would like to commend the additional work and technical standard developments that have been proposed by the Retail Electric Demand Response Working Group for demand response. ECS would like to convey their agreement, and full support, for the Retail Electric Demand Response Working Group’s commendation that in the event that a conflict between the business practices developed by the Retail Electric Quadrant and the Wholesale Electric Quadrant, for products that are bid into wholesale markets, arise that the Wholesale Electric Quadrant Standards should take precedence.

II. Overview of Energy Curtailment Specialists, Inc.

ECS is one North America's largest full service demand response and energy management service companies, and a leading demand response provider for commercial, industrial, and institutional customers. ECS has more than 2,000 Megawatts of demand response reduction under contract in its capacity-based programs and several hundred additional Megawatts participating in economic and ancillary based demand response programs. ECS provides demand response services in New York, New England (Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island), PJM Interconnection ("PJM") (Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia), California, Missouri, Kansas, as well as a robust program in Ontario, Canada.

ECS actively participates in a range of reliability-based, economic price response, and ancillary services demand response market opportunities pursuant to contracts with its end user customers, and ECS is an active Curtailment Service Provider ("CSP") in the demand response programs of PJM, ISO New England, and the New York ISO. ECS has also entered into agreements with a variety of utilities both inside RTO/ISOs and in bilateral markets to provide demand response services to utilities and their customers.

III. Comments on Proposed Phase II Retail Demand Response Standards

ECS agrees with the Retail Demand Response Standards, which are set forth in the proposed Phase II changes. The proposed further technical standards further establish a framework for transparency, accountability, and consistency for measurement and verification. ECS concurs with Retail Electric Demand Response Standards that the focus of the Model Business Practices is on measurement and verification performance for demand response and the Model Business Practices is not intended to address demand response program design. Clearly program design needs to be established and decided through Retail Rate Structure.

Measurement and Verification Development

As outlined during FERC's April 2007 "Demand Response in Wholesale Markets" Technical Conference, baseline development must be balanced to provide simplicity, accuracy, minimization of gaming, predictability, and consistency. Clearly Phase I Retail and Wholesale Demand Response Standards development shows some consistency

across ISO/RTO's and Retail Tariffs, as many of the ISO/RTO's and Utilities utilize some, if not all, of the baseline methodologies. ECS believes that the five baseline methods, as outlined in Phase I, and incorporated into Phase II Retail Electric M&V Demand Response Standards provide all of the five criteria as outline above. ECS supports Phase II development efforts, as these efforts have focused on providing more technical details for each of the established baselines and is not seeking to eliminate or bar the use of one baseline over another for some or all demand response products.

IV. **Conclusion**

In conclusion, ECS would like to thank NAESB and the Retail Electric Demand Response Working Group for allowing us the opportunity to submit our comments on the Phase II proposed Measurement and Verification Business Practice Standards for Retail Electric Market Demand Response.

Respectfully submitted,

/s/ **B. Marie Pieniazek**

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Authorized Agent for

Energy Curtailment Specialists, Inc.

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