



## NORTH AMERICAN ENERGY STANDARDS BOARD

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April 8, 2010  
Filed Electronically

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E., Room 1A  
Washington, D.C. 20585

RE: "Draft National Action Plan on Demand Response" (Docket No. AD09-10-000)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") herewith submits these comments in response to "Draft National Action Plan on Demand Response" issued by the Federal Energy Regulatory Commission ("FERC" or "Commission") on March 11, 2010. The comments are supportive of the discussion draft and describe the NAESB standards development related to demand response programs.

The report is being filed electronically in Microsoft® Word® 2003 and in Adobe Acrobat® Portable Document Format (.pdf). The report is also available on the NAESB web site ([www.naesb.org](http://www.naesb.org)). Please feel free to call me at (713) 356-0060 or refer to the NAESB website ([www.naesb.org](http://www.naesb.org)) should you have any questions or need additional information regarding NAESB work products.

Respectfully submitted,

*Rae McQuade*

Ms. Rae McQuade  
President & COO, North American Energy Standards Board



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April 8, 2010

cc:

Chairman Jon Wellinghoff, Federal Energy Regulatory Commission  
Commissioner Philip D. Moeller, Federal Energy Regulatory Commission  
Commissioner John R. Norris, Federal Energy Regulatory Commission  
Commissioner Marc Spitzer, Federal Energy Regulatory Commission

Mr. Thomas R. Sheets, General Counsel of the Commission, Federal Energy Regulatory Commission  
Mr. Joseph McClelland, Director, Office of Electric Reliability, Federal Energy Regulatory Commission  
Ms. Jamie L. Simler, Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission  
Mr. Mason Emmett, Senior Legal Advisor, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission  
Dr. David Kathan, Economist, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Ralph Cleveland, Chairman and CEO, North American Energy Standards Board  
Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. David Cook, General Counsel, North American Electric Reliability Corporation  
Mr. Andrew Rodriguez, North American Electric Reliability Corporation

**UNITED STATES OF AMERICA**  
**FEDERAL ENERGY REGULATORY COMMISSION**

**National Action Plan on Demand**                    )  
**Response**    )  
  )

**Docket No. AD09-10-000**

**COMMENTS OF THE NORTH AMERICAN ENERGY STANDARDS BOARD**

The North American Energy Standards Board (“NAESB”) is pleased to provide these comments in response to the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) Notice Announcing Release of Draft National Action Plan on Demand Response.<sup>1</sup>

NAESB appreciates the acknowledgement of its work given in the report:

- “In addition, the North American Energy Standards Board (NAESB) and NERC have already undertaken standard and protocol efforts for the smart grid.”
- “Efforts to standardize measurement and verification are already underway. NAESB is currently leading an effort that has produced a document describing model business practices for the measurement and verification of demand response. NAESB is also working with NERC to ensure that NERC’s demand response data collection effort conforms to a consistent measurement and verification standard.”

As you have noted, NAESB is active in both the smart grid efforts managed by the National Institute of Standards and Technology (“NIST”), and in the development of business practices standards as described in our 2009 and 2010 annual plans for both retail electric<sup>2</sup> and

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<sup>1</sup> The notice and the draft national action plan are *available at* <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12290434>, and <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12290602>

<sup>2</sup> The 2009 and 2010 Retail Electric Annual Plans are *available at* [http://www.naesb.org/pdf4/draft\\_retail\\_2009\\_annual\\_plan.doc](http://www.naesb.org/pdf4/draft_retail_2009_annual_plan.doc);

wholesale electric<sup>3</sup> markets. NAESB and the North American Electric Reliability Corporation (“NERC”) work closely together to ensure that the work products and terminology used are consistent. Where needed, the standards follow the joint development process supported by both NERC and NAESB<sup>4</sup>. Below is a synopsis of the work done to date for both smart grid related efforts and demand response related efforts.

### **Status of the Smart Grid related NAESB efforts**

NAESB has been actively involved in the development of both wholesale and retail electric market business practice standards to support three NIST/Smart Grid Interoperability Panel priority action plans (PAP): PAP03 – common price communication model, PAP04 – common scheduling mechanism, and PAP09 – standard demand response signals. These assignments were made during NIST meetings in September 2009. As a result of these assignments, NAESB formed a NAESB Smart Grid Standards task force. The NAESB Smart Grid Standards task force has drafted and recently approved four recommendations for NAESB business practices containing smart grid-related use case and data requirement standards. Consistent with the NAESB business practices/standard setting process, the recommendations are now out for industry comment<sup>5</sup> and will be the subject of consideration by both the NAESB retail and wholesale electric quadrant executive committees. As part of phase two of the smart grid effort, the NAESB task force is refining, extending and providing additional granularity for the data requirements. The membership in the task force is open, and any interested party is welcome to join the development activities.<sup>6</sup> Phase 2 will be done expediently and in coordination with the other groups such as Organization for the Advancement of Structured Information Standards (“OASIS”) and Zigbee Alliance, who have been tasked by NIST to provide the schemas and technical standards based on the NAESB-developed use case and data requirement standards.

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[http://www.naesb.org/pdf4/retail\\_2010\\_annual\\_plan.doc](http://www.naesb.org/pdf4/retail_2010_annual_plan.doc).

<sup>3</sup> The 2009 and 2010 Wholesale Electric Annual Plans are available at

[http://www.naesb.org/pdf4/draft\\_weq\\_2009\\_annual\\_plan.doc](http://www.naesb.org/pdf4/draft_weq_2009_annual_plan.doc),

[http://www.naesb.org/pdf4/weq\\_2010\\_annual\\_plan.doc](http://www.naesb.org/pdf4/weq_2010_annual_plan.doc)

<sup>4</sup> The joint development process used by NERC and NAESB is described and available at:

[http://www.naesb.org/pdf3/nerc\\_naesb\\_joint\\_development\\_process.pdf](http://www.naesb.org/pdf3/nerc_naesb_joint_development_process.pdf)

<sup>5</sup> The request for comments and the recommendations are available at

[http://www.naesb.org/pdf4/weq\\_030910\\_reqcom.doc](http://www.naesb.org/pdf4/weq_030910_reqcom.doc), [http://www.naesb.org/pdf4/req\\_030910\\_reqcom.doc](http://www.naesb.org/pdf4/req_030910_reqcom.doc). The comment period concludes on April 9, 2010.

<sup>6</sup> To join the NAESB Smart Grid Standards task force, please contact Denise Rager ([drager@naesb.org](mailto:drager@naesb.org)).

NAESB is also active in PAP10 - standard energy usage information, and the NAESB task force is developing a survey of current practices of energy usage communications between energy suppliers and consumers, including providers of intermediary services. Once the survey is drafted and distributed, NAESB will consolidate the use cases and requirements for existing and planned energy communications. The task force's role in PAP10 is different as compared to NAESB's role in PAPs 3, 4, and 9 in that the NAESB task force will be acting as a facilitator and gatherer of information, rather than as a standards developer. The NAESB task force is on schedule to have the survey developed and ready for distribution to NAESB membership and other groups on April 9, 2010. The NAESB task force will gather the results and plans to have reports responding to the tasks completed in the May-June 2010 time frame.

### **Status of the Demand Response related NAESB efforts**

NAESB continues to pursue the development of both wholesale and retail electric market standards to support demand response programs. The standards development related to demand response is assigned to the NAESB Demand Side Management- Energy Efficiency (DSM-EE) subcommittee, a joint group of both wholesale and retail electric market interests. The NAESB subcommittee has completed its first phase of work, and NAESB filed standards with the Commission on April 17, 2009<sup>7</sup> The standards addressed the measurement and verification characteristics of demand response products and services to be used in the wholesale electricity market, and were intended to provide a common framework for transparency, accountability and consistency. The standards were composed of 31 business practice standards and 40 definitions that focused on four product and service categories—energy service, capacity service, reserve service and regulation service—and established criteria for the use of equipment, technology and procedures to quantify the demand reduction value delivered. Further, these definitions play an integral role in the NERC demand response data collection efforts, known as the Demand Response Availability Data System (DADS). The definitions offer a basis for the industry to provide consistent reporting of historical demand response performance data. The Commission issued a notice of proposed rulemaking on the NAESB standards on September 17, 2009.<sup>8</sup> The retail electric standards that were developed in coordination with the wholesale standards were

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<sup>7</sup> The NAESB report to the FERC is available at [http://www.naesb.org/pdf4/ferc041709\\_dsm\\_filing.pdf](http://www.naesb.org/pdf4/ferc041709_dsm_filing.pdf)

<sup>8</sup> The Notice of Proposed Rulemaking is available at <http://www.ferc.gov/whats-new/comm-meet/2009/091709/E-1.pdf>

ratified by NAESB membership on November 16, 2009, subsequently published as part of the NAESB retail electric market standards Version 1.2<sup>9</sup> on December 31, 2009, and were provided to the National Association of Regulatory Utility Commissioners.

For a second phase of standards development, NAESB is now developing the more detailed technical standards for the measurement and verification of demand response products and services for the wholesale electric market. The wholesale electric standards development for the second phase is directed to glossary, performance evaluation methodology and the existing business practices. The retail electric market efforts are proceeding in tandem with wholesale efforts to support coordination. The retail electric standards development for the second phase is directed to glossary and to the comments received on August 28, 2009 that extend the existing business practices.<sup>10</sup> It is planned that the NAESB subcommittee will complete its work for the second phase in June 2010. The DSM-EE subcommittee and task force membership is open, and any interested party is welcome to join the development activities.<sup>11</sup>

Most recently, NAESB has also received a request R10002<sup>12</sup> that is under consideration by the two Executive Committees for assignment. The request addresses standards development for the creation of common interfaces and data structures necessary for enrolling demand response sites into a demand response program. In a related effort, the DSM-EE subcommittee is also developing standards for energy efficiency based from work of the National Action Plan for Energy Efficiency,<sup>13</sup> with an expected completion date by yearend 2010.

### **Conclusion**

With both the standards development in support of smart grid activities and the standards development for demand response activities, coordination among various groups is crucial. NAESB has a longstanding relationship with NERC that provides the basis for strong coordination and joint development of standards. Similarly, the NAESB activities that cross

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<sup>9</sup> The retail electric market standards for Version 1.2 is available at [http://www.naesb.org/req/req\\_final.asp](http://www.naesb.org/req/req_final.asp)

<sup>10</sup> A matrix of the summary of retail electric market comments on the retail DR standards is available at [http://naesb.org/pdf4/dsmee\\_group2\\_021810a3.doc](http://naesb.org/pdf4/dsmee_group2_021810a3.doc)

<sup>11</sup> To join the NAESB DSM-EE Subcommittee or its task forces, please contact Denise Rager ([drager@naesb.org](mailto:drager@naesb.org)).

<sup>12</sup> The request and the pending assignments is available at <http://www.naesb.org/pdf4/tr040210agenda.doc>

<sup>13</sup> The National Action Plan for Energy Efficiency Model Energy Efficiency Program Impact Evaluation Guide (November 2007) is available at [http://www.naesb.org/pdf3/napee\\_evaluation\\_guide.pdf](http://www.naesb.org/pdf3/napee_evaluation_guide.pdf) and the National Action Plan for Energy Efficiency Vision for 2025 (November 2008) is available at <http://www.epa.gov/cleanenergy/documents/vision.pdf>

both wholesale and retail electric markets are coordinated, and in many cases jointly developed. With the development underway for energy efficiency standards, NAESB is fortunate to have many groups participate, lend their expertise and identify foundational documents from which the standards will be developed.

Collaboration and coordination among standards and industry groups is at the forefront of smart grid development. NAESB is working with several groups to ensure that the work products of the various standards development organizations are consistent and supportive. Financial Information eXchange Protocol (FIX Protocol), CalConnect, Utility Communications Architecture International Users Group (UCAIug) and OASIS have been very active in the development of the NAESB smart grid business practice standards. FIX Protocol and UCAIug have contributed task force leadership and foundational work products to the NAESB efforts. Most notably, NAESB and OASIS are collaborating on a procedure that will ensure that we can build off each other's work products, thus providing a more comprehensive set of standards to support not only the smart grid standards development, but we are hopeful that our alliance will extend into other development efforts as well. To further our collaboration, both NAESB and OASIS are now members of each other's organizations.

We appreciate the opportunity to provide these comments, and to develop industry standards for the wholesale and retail market implementation of smart grid and demand response programs.

Respectfully submitted,

*Rae McQuade*

Rae McQuade  
President, North American Energy Standard Board