To: NAESB – REQ Executive Committee

From: ISO-NE, MISO, NYISO, PJM, IESO and ERCOT

RE: REQ-19 Measurement and Verification of Energy Efficiency Programs and REQ-24 Enrollment, Drop, and Account Information Change in Demand Response Programs

Date: July 10, 2012

**Formal Comment Summary:**

This document reflects the view of signing parties in support of the recommendations offered by the DSM/EE subcommittee to the REQ Executive Committee on annual plan items 3.b and 10.a, REQ-19 Measurement and Verification of Energy Efficiency Programs and REQ-24 Enrollment, Drop, and Account Information Change in Demand Response Programs, respectively. The ISO/RTO segment participated fully in the workgroup and DSM/EE process. During the DSM/EE subcommittee meeting, several amendments were made to the recommendations submitted to the subcommittee by the working groups. These amendments and the recommendations with amendments were supported unanimously by the stakeholders. As such, the final recommendations reflect the current industry consensus. Furthermore, the REQ-19 M&V standards also reflect the NAESB Board’s direction to harmonize Retail and Wholesale work products. In the standards and in the coordinated glossary committee work, there was significant effort to meet this requirement.

**Recommendation Comment:**

The ISO/RTO members of the DSM/EE subcommittee have participated fully in multiple recommendations brought to both the REQ and WEQ executive committees. The two working groups that developed the proposed recommendations have been meeting for well over two years. The ISO/RTOs have invested significant resources while participating in the development process, including participation in numerous group meetings and preparing work product and the final recommendation.

**REQ-19**

The development process for the Energy Efficiency Model Business Practices (REQ-19) underwent numerous challenges including areas such as scope and context. To that end, numerous stakeholders, unfamiliar with the NAESB process, experienced challenges that were eventually overcome through repeated attention to process and collaboration. Three ISO/RTO members offered at the May 30, 2012 DSM/EE Subcommittee meeting, amendments to the working group recommendation[[1]](#footnote-1) with a full explanation[[2]](#footnote-2) as to why these amendments were warranted. During the meeting the participants in the DSM/EE subcommittee discussed and accepted the amendments unanimously. No other amendments or discussion of informal comments took place during the meeting. It is the opinion of the signers of these comments, that the success of this process is reflected in the overwhelming support of the recommendation in both the working group and the DSM/EE subcommittee.

**REQ-24**

With regard to the Enrollment, Drop and Account Model Business Practices (REQ-24), the development process included numerous stakeholders familiar with retail programs. There were minor amendments to the working group recommendation that addressed constraining timing issues and editorial changes. All amendments were voted unanimously in favor without discussion. The final product was developed with full support of both the working group and DSM/EE subcommittee. The ISO/RTO members support these Model Business Practices noting that the requirements for retail DSM to participate in ISO/RTO markets may involve not only these REQ business practices; but also additional requirements established in the regional wholesale Governing Documents specific to enrollment requirements of the markets.

**Conclusion:**

In summary, the two recommendations, in their current form have the full support of the ISO/RTO signers. Importantly, the Energy Efficiency Model Business Practices complete more than 6 years of standards development work by the DSM/EE subcommittee and establish minimum criteria for the implementation of Measurement and Verification of Energy Efficiency in Retail markets, the first of its kind. The Energy Efficiency Model Business Practices are consistent with WEQ Standards for the same product in wholesale markets, an important directive from the NAESB Board. Lastly, with regard to both Model Business Practices, the development of the Glossary terms in collaboration between WEQ and REQ, improves upon prior definitions established in the WEQ and formalizes industry consensus on key terminology used in the field.

1. http://www.naesb.org/pdf4/dsmee053012w4.docx [↑](#footnote-ref-1)
2. http://www.naesb.org/pdf4/dsmee053012w3.pdf [↑](#footnote-ref-2)