

**Formal Comments of Southern Company
NAESB EC**

*Wholesale draft recommendation for Measurement and Verification of Demand
Response programs*

January 12, 2009

Below are the comments of Southern Company regarding the Wholesale draft recommendation for Measurement and Verification of Demand Response programs. Southern Company expresses its' appreciation to the NAESB-EE DSM subcommittee for the efforts placed into the drafting of this document.

Comments

At the December 2, 2008 meeting held in Birmingham, a motion was adopted to show that the proposed standards apply solely to markets administered by ISO/RTOs. This action was predominantly driven by reaction to the reluctance of the subcommittee to entertain certain modifications to the document.

In the time following the December 2, 2008 meeting, further contemplation has been given to the document and the potential for having two separate standards for M&V of Wholesale Demand Response programs, one for ISO/RTO and one for non-ISO/RTO.

It is Southern Company's opinion that as written, the document appears to be more in line with a "framework" and would need some revision to appropriately qualify as a standard. As such, additional work is required to place the document into a typical NAESB format and at some point should be modified to eventually include more detail on applicability, requirements, numerical accuracies, and references to any other standards (e.g., ANSI).

Southern would also like to recommend changes to the definition of Energy Service. It is recommended the definition be revised to:

Energy Service: A type of Demand Response service in which Demand Resources are utilized on an "as available" basis during a Demand Response event.

Should the appropriate changes be made as recommended above, it is the opinion of Southern Company that further consideration should be given at the WEQ-EC level to the removal of the limitation currently restricting the standard to only ISOs and RTOs, thereby creating a single industry standard.