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Docket Nos. RM05-5-020

FERC Proposes to Adopt Standards on Demand Response, Energy Efficiency

The Federal Energy Regulatory Commission (FERC) today proposed to amend its regulations to incorporate by reference the North American Energy Standards Board's (NAESB) business practice standards for the measurement and verification of demand response and energy efficiency resources participating in organized wholesale electricity markets.

Adoption of the standards is intended to improve the methods and procedures used to accurately measure demand response and energy efficiency performance, according to FERC's Notice of Proposed Rulemaking. The standards also should help organized wholesale power markets to properly credit demand response and energy efficiency resources for their services.

The proposed demand response standards would add specifications to existing standards in several areas, including meter data reporting, advanced notification, telemetry and meter accuracy. Together, the proposed and existing business practice standards provide a framework that can be used to develop performance evaluation methodologies for specific demand response services, but do not specify detailed characteristics of those methodologies, NAESB said. The proposal seeks comment on the appropriate level of detail that should be included in these methodologies, whether it is appropriate to develop more substantive measurement and verification standards that would be broadly applicable for all organized wholesale power markets, and if so, whether to develop such standards through a NAESB, Commission-led or other process.

The proposed wholesale energy efficiency standards would provide substantial detail to ensure more effective evaluation of the performance of energy efficiency products and services. The standards include four measurement and verification methodologies, as well as a mechanism for resource providers to propose, and organized markets to consider, alternative approaches.

Comments are due 60 days after publication in the *Federal Register*.

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