



N A R U C
National Association of Regulatory Utility Commissioners

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Washington, DC Office

October 10, 2007

Ms. Rae McQuade
Executive Director
North American Energy Standards Board
1301 Fannin, Suite 2350
Houston, TX 77002

Dear Ms. McQuade:

The North American Energy Standards Board (NAESB) is currently engaged in developing Measurement and Verification (M&V) standards to quantify energy savings and peak demand reduction derived from energy efficiency, demand-side management, and demand response programs. At present, there is contention over whether any such standards should apply only to wholesale energy markets or to retail electricity programs as well. NARUC issued a letter to NAESB on September 14, signed by Commissioner Jimmy Ervin, Chairman of the Electricity Committee, requesting that "NAESB focus on developing standards for demand response and energy efficiency in the wholesale markets, and hold off on addressing model business practices for regional efficiency and demand response programs until NAESB has met and discussed the issue sufficiently with the NARUC membership."

While not wanting to add to the burden that NAESB presently faces in working through the important electricity issue, we do feel it critically important that NAESB include natural gas in its discussions. Accordingly, similar to the invitation that the Electricity Committee extended, the NARUC Gas Committee would also welcome your participation in one of our sessions during the upcoming NARUC Annual meeting to discuss this important specific issue. At a time where there is an increased focus on long-term actions involving energy efficiency and greenhouse gas emissions, it is critically important that NAESB carefully consider the full energy and environmental picture when developing proposed standards and definitions.

Thank you for your consideration.

Sincerely,

Don Mason
Chair
NARUC Gas Committee

O'Neal Hamilton
Chair-Elect
NARUC Gas Committee

Jay Blossman
Co-Vice Chair
NARUC Gas Committee

Dave Harbour
Co-Vice Chair
NARUC Gas Committee