

Peak Load Management Alliance

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FERC Docket No. AD09-10-000
National Action Plan on Demand Response

December 4, 2009

Thank you for the opportunity to review and discuss the FERC Staff Discussion Draft on Possible Elements of a National Action Plan on Demand Response. The Peak Load Management Alliance (PLMA) is an all-inclusive, not-for-profit coalition of non-government organizations interested in the education and promotion of demand response policies and programs. Members include utilities, energy retailers, curtailment service providers, meter manufacturers, DR equipment manufacturers, research groups, consultants, other not-for-profit groups, etc. Here is a list of our current member organizations:

Apogee Interactive
AzTech Associates
Commonwealth Edison
Comverge, Inc.
Constellation New Energy
Cooper Power
Systems/Cannon
Cpower
Duke Energy
Edison Electric Institute
Elster Integrated Solutions
Energy Curtailment Specialists,

EnerNOC
Exelon Corporation
Frontier Associates
Global Energy Partners, LLC
Good Company Associates,
Inc.
Integrays Energy Services
Itron, Inc.
Mad Dash, Inc.
Oracle
PECO
Progress Energy, Inc.

Rheem/Marathon
Schneider Electric
Skipping Stone, Inc.
SMUD
Southern California Edison
Summit Blue Consulting
Tendril, Inc.
Utilimetrics
Ziphany, Inc.

Our mission statement best describes our intentions and activities and bears a striking resemblance to many of the activities of the coalition proposed in the FERC draft. Here is the PLMA mission statement:

"Create a community of expertise on demand response and its role in creating efficient electricity markets. Through this community, the Alliance will bring forward useful information on price responsive loads, market structures and market rules. This will include information on market participants' roles, customer needs and actions, enabling technologies, and specific programs as appropriate."

PLMA notes that its organizational mission statement and the goals of the FERC's Draft Plan are in alignment both in purpose and practice. Since it was founded in 1999, the PLMA has already been performing most of the strategic communication activities called for in the Plan's overarching strategy. These outreach activities, such as conferences, webinars, and presentations at other events have been solely funded through member dues and registration fees. For the last ten years, the PLMA has received no supplemental funding from government agencies or institutional foundations and yet have managed to produce twenty 2-day technical conferences across the country, fourteen recent webinars on best practices, and several technical publications dealing with many of the topics that are required to implement successful demand response nationwide. In addition, PLMA has been involved in creating and delivering the demand response content of several of our nation's largest conferences and expositions, such as the Association of Energy Engineers, Distributech, Association of Energy Services Professionals and Metering Americas.

PLMA is encouraged and honored to provide these comments to the Draft Plan to help the FERC promote demand response on the national level. Here are specific comments to questions raised in the following sections.

2.1 Technical Assistance to States:

2.1.1 Establish a National Forum

PLMA agrees that this is a worthy objective. However, with travel funds so limited and to encourage full participation at the national level, the National Forum should be done in conjunction with a major conference, such as the NARUC meeting. PLMA has had some experience with this concept. A few years ago, we arranged a short meeting in conjunction with a NARUC meeting in Washington, DC that was very well attended. We have also had events held in conjunction with other large National events and enjoyed success in doing so.

We also believe regional forums should be conducted in addition to the National Forum. Registration fees should be zero or minimal to encourage participation from regulators and commission staff. PLMA has extensive experience in designing and delivering both local and regional demand response forums that can engage a consensus participation of subject matter experts, industry stakeholders, and interested parties.

2.1.2 Conduct Informational & Educational Sessions for Policymakers and Regulators

These sessions are probably more important in advancing the Draft Plan strategies than the National Forum. It is in such sessions that information can be tailored for the particular locale of the event and will be the best opportunity to convey specific demand response information to those who need it most. To further reduce costs to participate, regional events can be done as webinars. This would eliminate any travel costs for instructors or participants. Again, PLMA has conducted many sharply focused webinars and has found that if registration fees are waived for government personnel, their participation is very significant.

Our conferences and webinars have always been led by leading experts in the demand response field and have presented practical information regarding all aspects of demand response, from direct load control to real-time pricing. We have also addressed such topics as marketing demand response, monitoring and verification, specific technologies and case studies of successful programs.

2.1.3 Conduct Communications Training for State and Local Governing Officials

Many members of PLMA have marketed demand response to residential, commercial and industrial customers. Their experiences in communicating successfully with these sectors can be used as the foundation for this communications training. The PLMA membership has expressed their interest in supporting this activity.

In addition, the PLMA executive director has years of experience as the CEO of Utility Communicators International (UCI), a not-for-profit association for utility communicators and their agencies. UCI has an archive of examples of many different communications programs from all size utilities to their customers. Such an archive would be invaluable to the design of communications training for this audience.

One word of caution is in order. Several PLMA members who attended the FERC Technical Conference felt that the emphasis of the FERC Plan is not inclusive enough of commercial and industrial markets. We disagree that customers in these markets already know about demand response and how to participate in DR programs. It is our experience that the C&I markets are not saturated and much can still be gained by properly communicating with them, and would include this important stakeholder group in our efforts.

2.1.4 Build a Panel of Demand Response Experts

With the experience gained by developing nearly 40 best practice conference events dealing with demand response in the last few years, PLMA has already developed a network of demand response experts that includes many knowledgeable people who do not work for PLMA member organizations as well as many who do. We have listened to their presentations and have posted their PowerPoint presentations on our website. These presentations have been sorted by topic and are easily searchable. These experts would form the foundation for expert panels on particular topics. Again, to maximize the impact of the expert panelists, we would suggest using webinar technology to keep travel expenses at a minimum. Because our membership is so broad, we could quickly organize panels of qualified speakers on practically and topic dealing with demand response.

2.1.5 Sponsor Technical Papers

PLMA has published a newsletter for several years, but due to limited financial resources has never been able to publish a peer-reviewed journal. However, the executive director and several members have a great deal of publishing experience if such a journal could be funded, and many of the members have expressed interest as well as the technical capability in supporting such an activity. We have published several technical papers without outside funding and made them available for free on our website. Our most recent technical paper is just being published as this letter is being written. It is entitled, "Market Potential Study for Water Heater Demand Management". Information contained in this and similar technical publications can be used to design and implement successful demand response programs.

When reviewing the list of possible areas for further research contained in the FERC Draft, it strikes me that much of this information already exists but its availability has not been widely publicized. If the coalition is to sponsor research, the first step needs to be a thorough search of existing information, which should include details of results from pilot studies performed by the private sector in many of these areas.

2.1.6 Establish a Demand Response Assistance Program

PLMA is in full agreement of establishing such a program. Further, we suggest that utilities, regulatory agencies and ISO's already running successful demand response programs be solicited for a "visiting expert", program. In this program, a person with experience in demand response programs would be made available to others for relatively short assignment to other organizations in need of help. Travel expenses would be reimbursed, but the lending organization would continue to pay the salary of the participant.

In addition, PLMA was a cooperating organization in a recent demand response project for the International Energy Agency. One of our Board members was the lead investigator on the project and developed a web portal containing a great deal of information about various demand response programs worldwide. With minimal investment, this portal could be modified for use by states to provide assistance for development and deployment of demand response.

2.1.7 Establish a Demand Response Grant Program

This is the one area where the PLMA would strongly encourage the FERC to develop for enhancing the efforts of existing collaboratives such as the PLMA. As previously identified, with additional funding existing collaboratives such as PLMA could expand their already successful activities that are "shovel ready" for implementation.

As to using a grant program for developing new technologies and research, PLMA feels there is already a significant amount of funding programs directed towards these efforts. What is needed is funding for the growth and development of existing non-profit organizations that would leverage their existing experience and coalitions. PLMA members have a great deal of experience in designing and implementing demand response programs as a result of free market opportunities and believe that, if demand response is treated fairly in the marketplace, the private sector will seek out demand opportunities with new technologies.

Section 2.2 National Communications Program

In reviewing this section, many members of PLMA felt that the emphasis on national Mass Market Communications (without recognizing regional needs) was not the best use of federal funding and effort. Several of our members, particularly the curtailment service providers, have built successful businesses based on marketing demand response to C&I customers and they all suggest that these markets are far from saturated. Perhaps the big box stores (Wal-Mart, Target, etc.) know a great deal about demand response opportunities but smaller retailers and many office buildings do not. PLMA suggests that more communications with C&I customers be addressed in the communications plan, and that the efforts be coordinated with existing delivery channels for maximum effectiveness.

We do agree that the communications development should be done as a coalition with a diverse group of stakeholders and decision-makers. Also, we agree that development of consumer-friendly terminology for demand response is absolutely necessary in order to develop messages that resonate.

Coordination of communications efforts with key associations representing specific customer segments (BOMA, International Council of Shopping Centers, etc.) would absolutely be an important objective in the communications plan. This coordination would have a multiplier effect on the demand response communications plan. PLMA has already established relationships with BOMA, Utilimetrics, Edison Electric Institute, and others to assure that this aspect of the plan happens, and would assist the FERC in this effort.

Section 2.3 Tools and Materials to Support Demand Response

Again, PLMA believes many of the demand response support materials listed already exist. We also believe that the development of standards and protocols for demand response is best left to others. Organizations such as NIST, NAESB, IEEE and others are already busily developing standards and protocols for demand response and another entity is not needed. PLMA believes that the FERC should carefully review the numerous related efforts underway before deciding on the nature of another new effort.

For example, the NIST interoperability standards process implementing Section 1305 of the Energy Independence and Security Act of 2007 is addressing numerous issues on a fast track, including, for example, what standard data elements are needed for 'time' and 'price' and simplifying standard meter data tables (ANSI standard C12.19) so third parties may readily read them. The American Recovery and Reinvestment Act of 2009 (aka the 'stimulus bill') has led to numerous US Department of Energy reporting requirements well beyond project management needs that will likely be a major source of data for tracking, among other things, demand response progress. The 40 million smart meters that will be on line after the three year ARRA grants process implementation will be a major source of data for numerous purposes including M&V. The FERC report to Congress should recognize the major impacts of EISA and ARRA on the National Action Plan needs.

In deciding upon a 'consortium' FERC should carefully evaluate industry consensus standards development models for identifying the role of an 'administrator'. For example, the administrator must not violate the principle of 'technology neutrality'. IEEE and the International Organization for Standardization (ISO), lay out the appropriate responsibilities. For example, the 'consortium' should not be choosing winners and losers, but rather facilitating the process".

As previously mentioned, the web portal developed by a PLMA member for the IEA project on demand response could be modified and used as a tool to

- enhance estimation tools and processes
- provide information on designing a pilot program
- provide guidelines for rate design for dynamic pricing
- distribute information and case studies via the web
- and more

The PLMA members, through grass-roots efforts of networking and conferences over the years, have provided a terrific venue for information sharing. Speakers have addressed successful examples of demand response programs and some have even shared stories about their failures. We feel strongly that our members are, collectively, the most knowledgeable individuals in demand response best practices in the world. With utilities, energy retailers, curtailment services providers, metering companies, equipment manufacturers, software providers, researchers, consultants and other like-minded not-for-profit organizations, our membership is the most diversified group of demand response organizations in this country and therefore uniquely qualified to have a leading role as the premier coalition to assist the FERC in their efforts to implement the National Action Plan for Demand Response.

Final Thoughts

In our meetings and discussion on this topic, several common thoughts about the National Action Plan have been expressed by members of PLMA. First was the thought that demand response and energy efficiency need to be considered together. In fact, many of the energy efficiency improvements made in commercial and industrial facilities are being funded with payments earned from participation in demand response programs. PLMA has addressed the integration of demand response and energy efficiency at several of our conferences and webinars and, due to our diverse membership, has a well-rounded outlook on how this needs to be done.

Second is that renewable energy, as it grows by government mandate to supply a larger portion of the nation's electricity needs, will require an increased reserve margin to accommodate the uncertainty of intermittent renewable energy generation. This will require either the siting and construction of natural gas fired combustion turbines, utility scale energy storage or, most likely, the utilization of increased levels fast-acting demand response.

The third thought suggested by the members of PLMA is that the Draft Plan's National Communications Program is essential to success. Since its formation in 1999, PLMA has recognized the need for intelligent planning for successful events and the importance of excellent speakers, both in content and in delivery. We would be very pleased to assist FERC, NARUC and DOE in organizing and managing additional conferences or collaborate in joint activities with DOE and NARUC to help educate consumers in the benefits and technologies of demand response. We also offer our assistance in the preparation of white papers, reports, training courses, etc.

I would like to reiterate that PLMA stands ready to assist FERC in its preparation and implementation of a National Action Plan on Demand Response. Our members represent all segments of the demand response industry and yet we have always been able to reach consensus of opinions in our conference topics, programs and publications. We, as an organization dedicated to the promotion and education of demand response for the last ten years, are pleased to offer our expertise in demand response as a resource partner for the FERC staff.

I have attached some comments and letters of support from some of our members.

Very truly yours,

Elliot Boardman

Elliot Boardman
Executive director, PLMA

www.peaklma.com

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National Action Plan on Demand Response



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December 2, 2009

Comments to be included with the PLMA RERC Staff Discussion Draft

Aztech Associates Inc. provides an In-Home Display with a two way communication capability that offers consumers a convenient way to respond in real time to Demand Response (DR) offers from utilities and DR aggregators. In addition, studies have demonstrated significant energy conservation can be achieved from simply knowing the real time cost and use of energy.

Aztech became a member of the Peak Load Management Alliance (PLMA) several years ago because PLMA offered the best information to industry members on DR.

Our participation in PLMA has helped Aztech to understand how our product can be best used and avoided wasted engineering cycles on dead ends. We believe that education and open sharing of information is the best way to provide the consumer with a product that offers the most desired features at the best price.

Aztech continues to be committed to participation in PLMA and it is my privilege to serve this year as Vice Chairman of PLMA.

For nine years I served as the Chief Staff Officer of the Building Owners and Managers Association International, the largest organization devoted to the interests of the office building industry. This experience taught me the value of a broad-based and balanced membership of providers and end users such as the membership of PLMA for dependable information about a subject.

Our PLMA membership and Board of Directors is a mix of providers such as Aztech but includes consultants and utilities. All of our members enjoy excellent reputations among commercial energy users and those that serve the interests of residential users. We are a natural conduit of information with established trust relationships that offer a fast start for education and transfer of information.

In my capacity as an officer of PLMA I have met in person with the leadership of the International and local BOMA organizations and other leading associations such as the National Apartment Association to discuss how PLMA can offer education and address concerns for DR in the commercial and multifamily building space. These meetings are resulting in plans to make regional presentations that will include invitations to other real estate centric organizations such as the following:

International Council of Shopping Centers
National Apartment Association
American Hotel & Lodging Association


Association of Physical Plant Administrators (mostly universities)
American Hospital Association
The Urban Land Institute
The American Institute of Architects
National Association of Home Builders
International Hotel & Restaurant Association
National Retail Federation
Association for Facilities Engineering (manufacturers, universities, medical centers, government agencies)
International Association of Conference Center Administrators

There are many other commercial, industrial, health, retail, hospitality and residential based associations dedicated to educating their members and Aztech believes PLMA is best positioned to provide generic helpful information, assistance with programs and information about DR to these important groups.

PLMA will continue to be Aztech's primary association relationship and we note the widening circle of formal cooperative relationships we now enjoy with other member based organizations serving the energy industry such as Utilimetrics. Utilimetrics, for example, has attended our Board meetings and PLMA is planning joint programs to efficiently take advantage of the strengths each organization offers the public.

Aztech believes FERC would best serve the public interest by empowering PLMA and the other existing associations to offer educational programs and information efficiently to energy users in a National Communications Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Gardner McBride". The signature is fluid and cursive, with the first name being the most prominent.

Gardner McBride
VP Business Development
Aztech Associates Inc



December 4, 2009

FERC Docket No. AD09-10-000
National Action Plan on Demand Response

We thank the Commission for the consistent manner in which it invites comment by actively reaching out to broad constituencies, from our perspective beyond its statutory requirement.

We specifically thank the FERC Staff for the opportunity to comment on its Discussion Draft on Possible Elements of a National Action Plan on Demand Response.

CPower, Inc. provides the managed service of the registration and sale of energy reduction assets, for our end-use clientele. We estimate that we are the largest privately-held demand response aggregator in the nation. Because our firm earns dollars in direct proportion to the dollars that we bring to our clientele, our perspective on market structure for demand response and other energy reduction processes tends to mirror the perspective of participating end-use consumers.

CPower clients include: Stanley Tools, RR Donnelley, Johns Manville, National Envelope, CB Richard Ellis, Cushman Wakefield, Sears Holdings Corporation, NYU Langone Medical Center and the Massachusetts State Division of Capital Asset Management.

Overarching Commentary.

It has always been CPower's position that a well-designed market will achieve private engagement and investment, with very little contribution necessary from taxpayers, or from ratepayers' assessments. We are encouraged by the staff approach: FERC Staff have created a plan that will leverage limited funding to achieve cost-effective, beneficial outcomes.

Another general precept is that competitive funding opportunities are best dedicated toward Research and Development initiatives that will, themselves prove to be leveraged, through replication in the free-market. When we look at large grant funding, CPower feels that such dollars, where they exist, are most effective when they are distributed through open access to all qualified market participants and objectively outcome-based.

We submit the commentary, in a package that is headlined by the Peak Load Management Alliance (PLMA), because we believe that the Alliance can act as a central participant in implementing the Action Plan and can specifically support many of the activities commented on, below:

2.1.1 Establish a National Forum

CPower believes that this would be an excellent initiative, with prospectively excellent outcomes.

Additionally, CPower feels that any national conference should be more than a general informational forum. It should be a site for decision-making. Specifically, programs, budgets, and eligibility requirements should be proposed and, to the extent possible, determined at this forum. Such a specific charter might require two national forums (delineate specific ideas and budget proposals, then settle on them) and we believe that stakeholders who have participated to-date, would continue to participate in such a process and that a process that makes specific decisions would broaden and deepen participating stakeholders engagement, as well.

2.1.2 Conduct Informational & Educational Sessions for Policymakers and Regulators

CPower believes such sessions will prove quite valuable. Specifically, sessions that reach out to, and provide analytic material for Public Service Commissions and for Consumer Councils will, in our opinion, provide the most leveraged impact

Significant, as well, in our view is that any participation in informational and educational programs is an entitlement participation. For example, there can be requirements for a state agency to access an educational program, but those requirements are best designed as objective requirements. Under such a constraint, accessing trainers could depend on engaging a minimum number of participants but it would not depend on submitting a plan for the training that would be judged, subjectively and competitively, by the FERC. Government is rife with subjective grant opportunities, and due to budget crises and lay-offs, state agency personnel have more to do today related to the core positions. A competitive solicitation for agencies to access educational services, would likely, in our view, be undersubscribed.

2.1.3 Conduct Communications Training for State and Local Governing Officials

CPower is not convinced that communications training is a significant need for state and local officials.

2.1.4 Build a Panel of Demand Response Experts

CPower supports this goal, wholeheartedly. Specifically, CPower believes that the focus of expertise should be on instituting FERC orders, related to demand response (e.g. 719), on scaling market practices that have proven particularly effective, and on eliminating market practices that have been proven to atrophy the available cost-effective demand response.

2.1.5 Sponsor Technical Papers

CPower supports this goal and believes that the focus of technical papers should be on identifying market practices that have proven particularly effective in expanding the available cost-effective demand response and on identifying market practices that have been proven to atrophy the available cost-effective demand response.

2.1.6 Establish a Demand Response Assistance Program

From our perspective, this again would be an opportunity for best practices to be replicated from region to region.

2.1.7 Establish a Demand Response Grant Program

Akin to our comments above, that grants should be objectively available and performance-based, a national demand response grants program could be quite valuable, were it to offer support in a formulaic, codified manner. For example, grants could be available, based entirely on the kW that that site will offer to demand response programs.

With such protocols, federal spending on an advanced metering and control program could be clearly documented as cost-effective. A \$60 grant, per kW effectuated into firm demand response programs, would create a minimum additional value for the end-user of \$60, in that first year (conservative capacity market valuation), feeding the economy and related jobs in leveraged fashion.

The issue we have, with such a program, is that it would be quite large, and would likely be better administered by the Department of Energy.

Section 2.2 National Communications Program

A national communications program should, in our view, leverage the players currently active in the space. CPower has submitted its comments as part of the Peak Load Management Alliance's (PLMA) submission, primarily because we believe that coalitions such as PLMA and the Compete Coalition can be key in disseminating best practices, case studies, core messages, etc.

One particular reason that the PLMA is an excellent partner in the work that FERC will do, is that the leadership of the group works entirely on and with the group. Alliance members are treated apolitically, because leadership is constrained from

consulting with member organizations in exchange for additional revenue. This “open-access” approach ensures that all perspectives are honored, and all information flows freely.

Section 2.3 Tools and Materials to Support Demand Response

CPower does not support a general program to offer tools and materials for demand response. However, there are tools that would prove quite valuable. For example, given the intent of Order 719 to ensure that all ancillary services are open to demand-side participation, and given the proliferation of Property Assessed Clean Energy (“PACE”) lending practices to support energy-efficiency and control, the availability of aggregate consumption data, in near real-time (four seconds), would be a valuable service offered to every municipality in the nation. Whether such an offering would require a separate Public Authority, or could be routed through the RTOs and/or FERC, is a structural issue for government and legal personnel to determine but, the availability of such data would ensure that all ancillaries could be settled by RTOs at the local nodes, and that communities can and would use private capital, secured by demand response market revenues, to install individual meters and control, rather than relying on grant funding and ratepayer assessments.

Conclusions

CPower believes that the most effective demand response markets are those in which the end-user who provides the resource is getting as close to 100% of the value as is possible. However, with ratepayer support mechanisms in place, some system benefits from demand response are generally distributed to all consumers, rather than to those consumers who provide the resource. From our perspective this reduces the available cost-effective demand response by diluting end-users’ motivation to participate. Many of the above comments are intended to help the nation move beyond these market structures and to distribute dollars more efficiently, objectively and transparently, than we currently do. Under such a structure, CPower believes that the markets will flourish and that FERC’s best-case demand response outcome will be exceeded, for far less public expense than is currently anticipated.

Thanks, again, for the opportunity to contribute our perspectives. Please feel free to contact me at your convenience, should you seek further input and/or clarification.

Best Regards,

Mike Gordon
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December 4, 2009

FERC Docket No. AD09-10-000
National Action Plan on Demand Response

Itron, Inc. applauds FERC's progress toward a National Action Plan on Demand Response. The plan is a necessary and important step in moving Demand Response technologies, programs and awareness from a specialized industry population to the broad community where Demand Response can be commonly understood and practiced.

Itron has been an active member of the Peak Load Management Alliance (PLMA) for 9 years and has always found the information provided in its conferences, webinars and publications to be educational and of added value to the generally available industry body of knowledge. Working with limited funding, the PLMA has certainly contributed substantially to the Demand Response community and has provided a neutral platform for otherwise competing organizations to work together toward a common goal.

With PLMA's diverse membership it is a natural resource for technical and practical expertise. The Alliance should therefore be considered in the formation of a National Coalition to implement the activities identified in the National Action Plan for Demand Response.

Sincerely,

Christina A. Haslund
Demand Response Product Manager
Itron, Inc.



Southern California Edison (PLMA)

Comments on the FERC Staff Discussion Draft on the Possible Elements of a National Action Plan on Demand Response

December 4, 2009

Southern California Edison (SCE) appreciates the opportunity to provide input and comments on the latest draft of the FERC National Action Plan on Demand Response (the "Plan") in collaboration with the Peak Load Management Alliance.

SCE has a demonstrated and successful history of implementing its firm commitment to the development of demand response since the development of direct load control programs over thirty years ago. With three decades of leadership and innovation in the public and private sectors, California leads the nation and perhaps the world in developing and implementing successful demand response programs at the customer level. The PLMA has been of significant value to SCE over the years, and is an important coalition of industry experts and stakeholders that have given SCE a national perspective on best practices in the DR industry.

Enhancing DR participation is a regional integrated process, both in need and benefit, with the challenge of overcoming the barriers to participation, and identifying the potential for achievable participation at the customer level. SCE understands that to encourage DR at the national level, often a regional effort is needed to facilitate and enable local and state activities, with programs for technical assistance, grants for financial aid, and policy guidance at the local level.

SCE realizes that the objectives of the Plan are to develop tactics that will overcome these regional, institutional, and societal barriers, and that the recommended elements of possible strategies and activities in the Plan may be inappropriate for some jurisdictions, but helpful for others. Regardless of the diversity of perceived need across the country, we find merit in assessing the benefits of each of the categories of the strategies and activities described in the discussion draft of the Plan, and look forward to participating in national DR activities, as we currently do with the PLMA and its members.

SCE believes that the FERC should leverage the existing resources available today to facilitate the deployment of its Final Plan, to reduce costs and accelerate delivery of the activities for the future. These resources include current industry coalitions that consist of subject matter experts for DR that are both willing and available to provide technical assistance. Additionally, existing DR trade organizations such as the PLMA and their subset coalitions for communications, evaluation, and technology can serve as additional resources in support of the overarching directives of the Plan.

We look forward to continuing our communication with FERC staff in their ongoing efforts to meet the overall objectives the Energy Information and Security Act of 2007 (EISA) and of the Plan, and working with the PLMA as a national coalition for DR.

Very truly yours,

Mark Martinez
Manager, Demand Response Program Development
Southern California Edison



December 2, 2009

Mr. Elliot Boardman
Executive Director
Peak Load Management Alliance
1818 Country Creek Court
Magnolia, TX 77354

Dear Elliot:

Schneider Electric supports fully the positions advanced in your proposed letter to the FERC for distribution on December 4, 2009; and in fact, we advanced many of these same points in a FERC meeting with David Kathan on June 2, 2009. Our customers typically are large energy users and both are well informed and vocal in energy policy matters. Our experience with them makes several things clear:

1. We need to provide relevant and tailored information to them via informative sessions specific to their locations and to the energy markets that serve them. While large commercial and industrial customers understand the technical aspects of energy use, they do not have the command of complex market rules and processes necessary to be effective program participants. This leaves them vulnerable to the exploits of intermediaries that may not have their best interests at heart. The result of ignorance would damage the credibility of Demand Response as a whole.
2. Communications strategies need to address local and regional officials as well as energy users. We have attended several workshops where it was clear that federal and ISO based programs are not entirely embraced in state policy. This creates ambiguity for energy customers and diminishes enthusiasm for participation.
3. Implementation support is critical to success. A "facility manager" could be a homeowner or chief of staff of a major commercial or industrial campus, but they share one trait. Their main priority is the comfort and safety of their occupants. While important, energy management techniques that go beyond these needs will occupy less of their attention span. For this reason, success depends on a combination of "just in time" education from a credible source coupled with financial incentives that remove implementation barriers.
4. We must remember that a large portion, if not the majority, of energy users in the U.S. do not live in organized demand response markets. Even those that do often do not participate in these programs. To assume they understand and have mastered the complexities of this discipline would be a mistake.

The letter proposed by PLMA accurately captures our concerns and as such, it fairly represents our views. We appreciate and support your efforts and those of the PLMA.

Sincerely,

A handwritten signature in black ink that reads "Ross Malme". The signature is written in a cursive, flowing style.

Ross Malme
Director