**FORMAL COMMENTS**

**Quadrant:** Wholesale Electric Quadrant (WEQ)

**Recommendation:** Demand Reduction Value and Energy Efficiency Definitions

**Submitted By:** ERCOT, IESO, ISO New England, MISO, New York ISO, PJM, SPP

**Date:** July 23, 2012

The ISOs/RTOs listed above support the concept that the WEQ’s definitions for Demand Reduction Value and Energy Efficiency should be consistent with the Retail definitions. We agree that the WEQ should modify their definitions to be consistent with the recommended Retail definitions. There was a significant effort put forth in ensuring that the definitions submitted to the WEQ Executive Committee (EC) were consistent with the definitions submitted to the Retail EC.

We recognize it is within an EC’s scope to make changes to a recommendation prior to approving it. We also recognize the WEQ EC is expected to take action on this recommendation on August 21, 2012 and the Retail EC is expected to take action on their recommendation containing these definitions on August 22, 2012. This creates the potential for the definitions to get out of sync. In an effort to ensure the definitions for Demand Reduction Value and Energy Efficiency remain in sync, we encourage the WEQ EC to not make any changes to the revised defintions and approve the definitions contingent upon the Retail EC approving the same definitions. In the event the defintions are modified by Retail EC, we request the WEQ EC and Retail EC resolve any differences in the definitions prior to posting the recommendations for membership ratification.