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National Association of Regulatory Utility Commissioners (NARUC)
Via email to responses@naruc.org

RE: Manual on Distributed Energy Resources (DER) Compensation

The U.S. Green Building Council (USGBC), and our affiliated certification body, Green Business Certification Inc. (GBCI), both nonprofit organizations, are committed to a prosperous and sustainable future through cost-efficient and energy-saving infrastructure, including green buildings and microgrids. Our members include over 12,000 organizations, representing local, state, and federal government agencies, private sector businesses, and nonprofit organizations.

As strong and enthusiastic advocates for climate action, clean energy, and resource efficiency, we have reviewed the policy-neutral Manual on Distributed Energy Resource Compensation that the National Association of Regulatory Utility Commissioners (NARUC) has developed in order to guide regulatory actions as our nation's electricity infrastructure rapidly transforms by incorporating technologies such as renewable energy, storage, microgrids, and controls. The Manual appears to be a useful means to advance the discussion around these issues facing utilities, the information they need to consider, and potential implications of policy options.

USGBC's success in advancing leadership in energy and environmental conservation through innovative building design, technologies, materials, and methods is reflected in the widespread use of our flagship green building certification system, Leadership in Energy and Environmental Design (LEED). Since its establishment in 2000, LEED has become the most successful voluntary, consensus-based private market-driven green building program in the country, with more than 20,000 commercial and institutional projects that have achieved LEED certification and another 36,000 projects underway. In addition, there are more than 50,000 residential units currently certified and more than 80,000 units registered and in the process of seeking certification. LEED has bolstered the U.S. construction sector and created new industries that have converged into a multibillion dollar domestic green building industry.

USGBC and GBCI now offer PEER, which stands for Performance Excellence in Electricity Renewal (PEER). PEER is a market-focused rating and certification system for electric power systems including microgrids, and will be a powerful tool to increase the breadth and speed of positive change in the power industry. Providing a system of strategies, PEER helps electricity leaders, professionals, and operators:

- Reduce energy costs and cut economic losses caused by supply contract inefficiencies, poor energy reliability, poor power quality, and energy inefficiency
- Define key performance metrics, benchmark to industry standards, and verify measureable outcomes

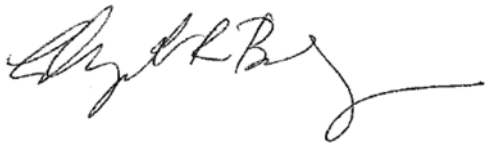
- Quantify the value produced to date, identify sources of customer value, and make the case for investment by revealing waste and performance gaps
- Rigorously assess projects based on a comprehensive, balanced scorecard of sustainable performance criteria
- Demonstrate competitive advantage and comparative differentiation
- Build a comprehensive continuous improvement process based on industry best practices to maximize returns and minimize risks
- Build trust, credibility, and customer satisfaction
- Establish a common language for stakeholders by facilitating education and collaboration

PEER provides a valuable framework that can be used to assess new designs and developments, long-term improvement plans, and existing project performance. For example, the Chattanooga Electric Power Board (EPB) team used PEER to inform system changes, and with a DOE grant achieved a 60 percent increase in reliability. PEER enabled the Chattanooga project team to assess their current capabilities, develop strategies for improvement, improve the business case and verify the value of system changes. Using next-generation utility benchmarks, EPB's assessment supported deployment of an advanced fiber-optic communications backbone; self-healing automation; state-of-the-art data management system; advanced metering infrastructure; and customer-focused tools, programs and policies.

The USGBC and GBCI strongly encourage the uniform measurement and reporting of electric power system attributes via certifications systems like PEER, which could be appropriately covered in an additional section on "DER Performance Standards and Certifications" as an additional section of part VI of the manual, "Technology, Services, and the Evolving Marketplace."

We would welcome an opportunity to provide a briefing to NARUC leadership on the PEER system and how it could be useful to its members. Please contact me at (202) 595-3989 or ebeardsley@usgbc.org if there are any questions.

Sincerely,



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cc: Ryan Franks, USGBC
Bryan Howard, Legislative Director, USGBC