

ISSUE CREATION

[Problem Statement](#) and [Issue Charge](#) brought forward by PJM and approved at the December 6, 2023 Markets Implementation Committee.

This Issue Charge fell under the MIC [Charter](#).

ISSUE SUMMARY

Since the introduction of Energy Efficiency (EE) resources in the capacity market (2011/2012 Delivery Year), many significant changes have occurred. This issue was to re-evaluate the participation and rules around EE resources to allow more effective participation.

CONSENSUS-BASED ISSUE RESOLUTION PROCESS

Number of Meetings and date range covering this topic:

- There have been 8 MIC agenda items (1/10/24, 2/7/24, 3/6/24, 4/3/24, 5/1/24, 6/5/24, 7/10/24, 8/7/24)
- There have been 3 Special Sessions (1/16/24, 4/11/24, 6/24/24)

[Vote Results:](#)

The committee endorsed the following packages:

- PJM Package with 154 (65.5%) in favor, 81 (34.5%) opposed, and 4 abstentions. A second vote showed stakeholders preferred the PJM Package over status quo with 163 (68.8%) in favor, 74 (31.2%) opposed, and 2 abstentions.

The committee did not endorse the following packages:

- IMM Package with 111 (50%) in favor, 111 (50%) opposed, and 17 abstentions. A second vote showed stakeholders preferred the IMM Package over status quo with 121 (54%) in favor, 103 (46%) opposed, and 15 abstentions.
- Affirmed Energy Package with 5 (2.2%) in favor, 223 (97.8%) opposed, and 11 abstentions. A second vote showed stakeholders did not prefer the Affirmed Energy Package over status quo with 3 (1.3%) in favor, 223 (98.7%) opposed, and 11 abstentions.
- Exelon Package (E) with 81 (37.2%) in favor, 137 (62.8%) opposed, and 21 abstentions. A second vote showed stakeholders did not prefer the Exelon Package over status quo with 88 (39.3%) in favor, 136 (60.7%) opposed, and 15 abstentions.

The PJM Package will move to the Markets & Reliability Committee as the Main Motion.

[Final Matrix](#)

1. RECOMMENDED PROPOSAL

The recommended package seeks to address the several issues identified regarding EE participation today. Specifically, the proposal will only allow incremental EE to receive compensation. EE that will be purchased and installed regardless of participation in the wholesale capacity construct will not be eligible for compensation. Therefore load will not be required to pay for EE that will occur without the capacity market incentive. Further, to address double counting concerns (EE Provider paid for the load reduction and LSE receives reduced capacity cost for the load reduction) EE will only be eligible for 1 installation period. Other changes include: limit eligibility to only the BRA, enhance the measurement and verification process so the EE is actually measured and verified, ensure only one EE Provider claims the EE by requiring EE Provider to have exclusive right for the EE with the end use customer, eliminate application of PAI penalty and bonus payments for EE since they are passive during an PAI event as well some other administrative enhancements.

APPENDIX I: SUPPLEMENTAL DOCUMENTS

[Committee Page](#)

[Issue Tracking](#)

FERC Docket: n/a (as of 8/14/24)

APPENDIX II: PJM PARTICIPATION

Facilitator: Foluso Afelumo

Secretary: Amanda Martin

Advocate: Pete Langbein

Subject Matter Expert: Andrew Gledhill, Tim Bachus, Ed Rich, Tim Horger

PJM Legal: Chen Lu

APPENDIX III: STAKEHOLDER PARTICIPATION

Name	Company	Sector
Abd, Alwyiah	First Energy Corp	Transmission Owner
Abramowitz, Jeremy	Monitoring Analytics	None
Baker, Will	Renew Home	None
Baker, Laura	Stone, Mattheis, Xenopoulos & Brew, PC	None
Bautista, Alejandro	Exelon Business Services Company, LLC	Transmission Owner
Benson, Dan	Duke Energy Indiana, LLC	Transmission Owner
Boehnlein, Andrew	Virginia State Corporation Commission	None
Bowring, Joe	Monitoring Analytics	None
Breidenbaugh, Aaron	Enerwise Global Technologies, LLC	Other Supplier
Cabezas, Angela	PJM Connect	None
Callen, Zachary	Illinois Commerce Commission	None
Campbell, Bruce	Enerwise Global Technologies, LLC	Other Supplier
Carrier, Ronald	Big Lake Consulting Group, LLC	None

Christopher, Mahila	Public Utilities Commission of Ohio	None
Clingan, Kristin	Public Utilities Commission of Ohio (The)	None
Cocco, Michael	Old Dominion Electric Cooperative	Electric Distributor
Corash, Richard	PSEG Energy Resources and Trade LLC	Other Supplier
Curtis, Kenneth	Enverus, Inc.	None
Donohue, Erin	Enel X North America, Inc.	Other Supplier
Dorko, Keri	Monitoring Analytics	None
Downs, Jere	PJM Connect	None
Drom, Rick	Rick Drom	None
Dugan, Chuck	East Kentucky Power Cooperative, Inc.	Transmission Owner
Ericson, Christine	Illinois Commerce Commission	None
Fee, George	Appalachian Power Company (AEP Generation)	Generation Owner
Filomena, Guy	Customized Energy Solutions, Ltd.	None
Fishback, Luke	Affirmed Energy LLC (Wylan)	Other Supplier
Foladare, Kenneth	Geenex Solar LLC	Other Supplier
Fox, Angela	Affirmed Energy LLC (Wylan)	Other Supplier
Fultz, McClain	PPL Electric Utilities Corp. dba PPL Utilities (TO)	Transmission Owner
Gordon, Jon		
Gorman, Bradley	American Transmission Systems, Inc.	Transmission Owner
Guntle, Vince	American PowerNet Management, L.P.	End-Use Customer
Hastings, David	Public Service Electric and Gas Company (E Efficiency)	Transmission Owner
Heisey, Bradley	Tenaska Pennsylvania Partners, LLC	Generation Owner
Hevia, Jesse	Quinn Emanuel	None
Hoatson, Tom	West Deptford Energy, LLC	Generation Owner
Hohenshilt, Jennifer	Talen Energy Marketing, LLC	Generation Owner
Horning, Lynn Marie	American Municipal Power, Inc.	Electric Distributor
Horstmann, John	Dayton Power & Light Company (The)	Transmission Owner
Hull, Gerit	American Municipal Power, Inc.	Electric Distributor
Hurd, Shawn	Monongahela Power Company	Transmission Owner
Hyzinski, Tom	GT Power Group	None
Janas, Kimberly	Illinois Attorney General's Office	None
Janicki, Diane	Boston Energy Trading and Marketing LLC	Other Supplier
Jardot, Gina	NRG Curtailment Solutions, Inc.	Other Supplier
Johnson, Carl	Customized Energy Solutions, Ltd.	None
Johnson, Amanda	Duquesne Light Company	Transmission Owner
Kelly, Stephen	Brookfield Renewable Trading and Marketing LP (BSMH)	Other Supplier
Kent, Janessa	Duquesne Light Company	Transmission Owner
Khodaparastan, mahdiyeh	TotalEnergies	None
Kirk, Steven	NextEra Energy Marketing, LLC	Other Supplier
Kogut, George	New York Power Authority	Other Supplier
Lafayette, Robin	PPL Electric Utilities Corp. dba PPL Utilities (LSE)	Transmission Owner
Leith-Yessian, Devin	RTO Insider	None
Liang, Alice	Monitoring Analytics	None
Mabry, David	McNees Wallace & Nurick LLC	None
Mason, Gary	Monongahela Power Company	Transmission Owner
Matheson, Eric	Non-member	None
McDaniel, John	Baltimore Gas and Electric Company	Transmission Owner
McDewell, Christian	Pennsylvania PUC	None
Midgley, Sharon	Exelon Business Services Company, LLC	Transmission Owner

Miller, John	Calico Energy	None
Newbold, Russ	Enerwise Global Technologies, LLC	Other Supplier
Nix, Emma	EDF Renewable Development, Inc.	Generation Owner
Norton, Chris	American Municipal Power, Inc.	Electric Distributor
Ondayko, Brock	AEP Energy Partners, Inc. (AEP Gen Resources)	Transmission Owner
Passman, Rachel	Gabel Associates	None
Philips, Marjorie	LS Power	None
Pierpont, Dan	Riverside Generating Company, L.L.C.	Generation Owner
Richards, Wade	Apex Clean Energy	None
Rizzo, Sandra	Arnold Porter	None
Robinson, Jheanelle	Monitoring Analytics	None
Rohrbach, John	Wabash Valley Power Association, Inc.	Electric Distributor
Salman, Tony	Duke Energy Kentucky, Inc.	Transmission Owner
Sammartino, Michael	Maryland's Office of People's Counsel	None
Samuel, Allison	Virginia State Corporation Commission	None
Sasser, Jonathan	Customized Energy Solutions, Ltd.	None
Scheidecker, Paul	Monitoring Analytics	None
Schisler, Kenneth	Enerwise Global Technologies, LLC	Other Supplier
Selick, Sam	Customized Energy Solutions, Ltd.	None
Smith, Kara	Buckeye Power, Inc.	Electric Distributor
Sorrels, James	AEP Appalachian Transmission Company, Inc.	Transmission Owner
Sotkiewicz, Paul	E-Cubed Policy Associates	None
Staehele, Alex	LS Power	None
Stern, Alexander	Exelon Business Services Company, LLC	Transmission Owner
Storino, Laura	NJ Board of Public Utilities	None
Swalwell, Brad	Tangent Energy Solutions	Other Supplier
Sweeney, Rory	Northern Virginia Electric Cooperative (NOVEC)	Electric Distributor
Theaker, Brian		
Ushijima, Hiroaki	Elwood Energy, LLC	Generation Owner
Vanderlaan, Bill	Illinois Commerce Commission	None
Whitehead, Jeffrey	GT Power Group	None
Yasutake, Sarah	Jersey Green Energy LLC	Other Supplier
Youth, Michael	North Carolina Electric Membership Corporation	Electric Distributor
Zephyr, Frantz	Public Service Electric and Gas Company (E Efficiency)	Transmission Owner