

# Congress of the United States

Washington, DC 20515

March 11, 2024

Mark Takahashi  
Chairman  
The PJM Board of Managers  
PJM Interconnection, LLC  
2750 Monroe Boulevard  
Audubon, PA 19403

Dear Chairman Takahashi:

I am writing to express my concern that PJM may be considering strictly limiting energy efficiency's participation in PJM's capacity market. As you know, energy efficiency offers numerous benefits, including reducing the amount of generating capacity needed to serve consumers and lowering the cost of electricity.

The Federal Energy Regulatory Commission (FERC) has, on several occasions, concluded that energy efficiency should be treated on par with other resources serving FERC-jurisdictional markets. More specifically, FERC has determined that energy efficiency plays an important, positive role in PJM's markets.

For instance, in a 2009 order concerning PJM's capacity market, FERC noted that "energy efficiency is a critical part of efficient energy markets, and should be treated comparably to other types of resources, by being allowed to participate in base residual auctions and be paid the auction clearing price when they are accepted in the auction." These words are just as meaningful today.

While there are probably reforms that could enhance the benefits energy efficiency provides, any modifications to current practices must not prevent energy efficiency from continuing to play a major role in PJM's capacity market or in those of similar organizations.

Thank you for considering my views.

Sincerely,

A handwritten signature in blue ink, appearing to read "SCasten", with a long horizontal flourish extending to the right.

Sean Casten  
Member of Congress