

# Relevant Electric Retail Regulatory Authority ("RERRA") review process of Energy Efficiency resources and FERC Order on Petition of Declaratory Order

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- Stakeholders consider reforms for Energy Efficiency Resources including:
  - the establishment of rules requiring that the providers of Energy Efficiency Resources comply with any RERRA orders, ordinances or resolutions relating to the participation of energy efficiency in the PJM markets;
  - if necessary, the establishment of rules requiring review of whether proposed Energy Efficiency Resources comply with RERRA orders, ordinances or resolutions; and
  - if necessary, the treatment of Energy Efficiency Resources that have already cleared a past capacity auction and have a position for a future Delivery Year.

Focus on development of RERRA review process that can be used once  
FERC determines jurisdiction issue

- FERC has exclusive jurisdiction for EE resources. RERRA may file with FERC to seek approval to qualify or prohibit EE resource participation
- EE resources may not participate in KY in future auctions (3rd IA in Feb '18 and future auctions) without approval by KY RERRA.
  - EE Providers that have an EE commitment in KY from prior auctions can deliver EE in KY for such Delivery Year(s) for commitment prior to 12/1/17 without RERRA review.

- If RERRA receives FERC approval on order, ordinance or resolution to qualify or prohibit EE participation then:
  - PJM will post reference to all RERRA evidence approved by FERC, applicable EDC(s) and Deliver Years and/or auctions
  - PJM will adjust granularity of EE M&V plan and EE Post-Installation M&V report to facilitate necessary EDC review
  - PJM will send list of EE Providers with EE M&V plan (30 days prior to auction) and EE Post-installation M&V report (15 days prior to start of Delivery Year) to EDC to review for RERRA compliance
  - EDC will review EE Provider list and provide approval in 5 business days

- EE cleared in auction that is not permitted to deliver EE in RERRA jurisdiction (based on FERC approval) may be relieved of commitment and associated revenue
  - non-viable commitments similar to 5.14B (Generating Unit Capability Verification Test Requirements Transition Provision), 5.14C (Demand Response Operations Resource Flexibility Transition Provision), and 5.14E (Demand Response Legacy Direct Load Control Transition Provision) of Attachment DD of OATT
  - Non-viable commitment must be communicated to PJM no later than seven (7) days prior to the posting by the Office of the Interconnection of planning parameters for the Third Incremental Auction

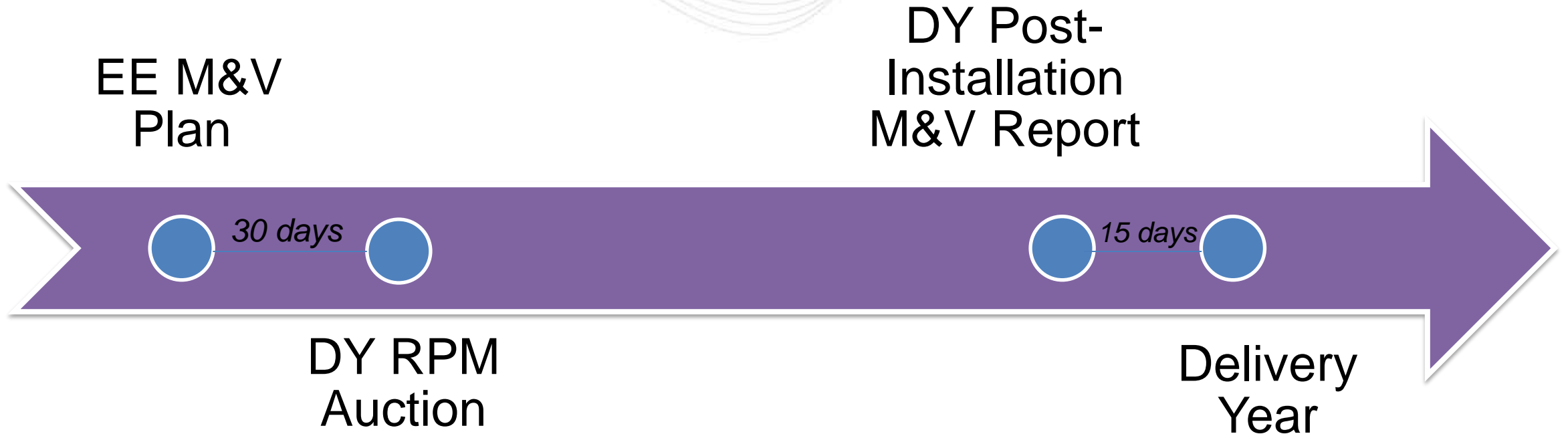
- Require EE providers to itemize EE in AEP and DEOK zones into KY and non-KY location. EKPC zone is in KY and does not need to be changed.
  - EE plan and EE post installation measurement and verification plan templates will be updated
- PJM to send list of EE providers with EE identified in KY (AEP-KY, DEOK-KY, EKPC) for EE commitments (or auction participation) after 12/1/17 to EDC for approval
  - PJM will only allow EE Provider to participate in future auctions or Delivery Year (for EE commitments made after 12/1/17) based on EDC approval.
  - EDC will review list of EE providers and ensure they are allowed to deliver EE in KY based on RERRA

EE providers with EE commitment made prior to 12/1/17 will not go through RERRA review process until they participate in new auction or make additional EE commitment in KY

- RAA Schedule 6 - note OATT DD-1 will have identical update.
- OATT – definitions, 5.12
- No highlight (red line) – no changes since MRC first read
- **Yellow highlight (red line)** – EE related changes since MRC first read
- **Grey highlight (red line)** – non-substantive clean up changes in associated section.

- EE review timeline
- EE M&V plan
- EE Post Installation M&V report





- Includes project(s) description, M&V techniques used to determine and verify the Nominated EE Value and Capacity Performance value of project(s), and schedule for project(s) installation and M&V activities
- Provides Nominated EE Value and CP Value by installation period and zone/sub-zonal LDA that intend to offer
- Plan due 30 days prior to start of an RPM Auction.
- Plan is auction-specific and addresses the MWs that intend to offer in such auction.
- M&V Plan Requirements described in PJM Manual 18B
- EE M&V plan and nominated value templates are available on PJM Website at <http://www.pjm.com/markets-and-operations/rpm.aspx>

- Report includes:
  - Results of measurement activities and post-installation verification activities
  - Validated Nominated EE Value and Capacity Performance value of an EE Resource for the DY
  - Demonstration of capacity rights
  - Site-specific information for EE programs that involve a direct installation (e.g., lighting, HVAC, chiller, or motor retrofits)
- Report due 15 business days prior to the DY
- Report is DY specific and addresses the EE Resources that were committed for such DY
- Post Installation M&V Report Requirements described in PJM Manual 18B
- PI M&V Report template is available on PJM Website at <http://www.pjm.com/markets-and-operations/rpm.aspx>