



Evaluation of Energy Efficiency Resources

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Markets & Reliability Committee

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- Energy Efficiency (“EE”) has grown rapidly from 78 MW in 2011/12 to 7,669 MW of capacity for 2024/25 DY.
- EE rules have not had a significant review since it’s inception into the market over 13 years ago
 - EE measurement and verification is critical for the determination of the amount of qualified & delivered EE
- Problem Statement and Issue Charge were initiated at the MIC on 11/1/23
- Opportunity for Manual Changes to firm up implementation details prior to 25/26 BRA

Committee	Work	Nov/23	Dec/23	Jan/24	Feb/24	Mar/24	Apr/24	May/24	Jun/24	Jul/24	Aug/24	Sep/24	Oct/24	Nov/24	Dec/24	
MIC	determine tariff and associated manual changes (focused on broader changes)															
MRC																
MC															26/27 BRA	
MRC	manual only changes (focused on implementation of M&V)								25/26 BRA							

Ensure implementation rules are in place prior to the auctions to allow for any transition issues

- For every Energy Efficiency Resource clearing an RPM Auction for a Delivery Year, the Capacity Market Seller shall submit to the Office of the Interconnection, by no later than the start of such Delivery Year, an updated project status and detailed measurement and verification data meeting the standards for precision and accuracy set forth in the PJM Manuals. The final value of the Energy Efficiency Resource during such Delivery Year shall be as determined by the Office of the Interconnection based on the submitted data.
- The measurement and verification plan shall describe the methods and procedures, consistent with the PJM Manuals, for determining the amount of the load reduction and confirming that such reduction is achieved. The Office of the Interconnection shall determine, upon review of such notice, the Nominated Energy Efficiency Value that may be offered in the Reliability Pricing Model Auction."

- EE is only eligible if measure installed is more efficient than the existing standards
- M&V Plans are submitted prior to auction based on estimated EE savings (nominated ICAP)
- Post Installation M&V Reports (“PIMV” Report) are submitted prior to DY and determine actual EE savings (nominated ICAP)
- EE Savings per measure = Baseline kW – EE measure kW
 - Based on average during defined performance hours
- EE Savings = EE Savings per measure * # installations

- Clarify use of “Connected” vs “Standards”
 - Connected only eligible for retrofit/replacement where existing measure is still operational and EE measure was purchased and installed because of participation in the wholesale market
- Ensure use of studies are current and relevant to location of the specific EE that was installed
- If Connected baseline is eligible then use State/Regional technical resource manual as default
 - If this does not exist or is not current then use baseline based on meter data from installations (revised Option A)
 - Revise current Option A (Partially Measured Retrofit Isolation/Stipulated Measurement) and Alternative Category.
 - Clarify alternatives are still eligible but must be more accurate than the default.

- Installations
 - Must be supported with end use customer information with clear exclusive rights from customer to provide EE in the wholesale capacity market
- Officer Certification
 - M&V Plan and PIMV report
- Transition
 - Make effective for 25/26 M&V plans and also for 25/26 PIMV Report

- Proposed Manual changes are focused on short term implementation details prior to 25/26 BRA
- Continue broader discussion at MIC which may include tariff changes.

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Member Hotline

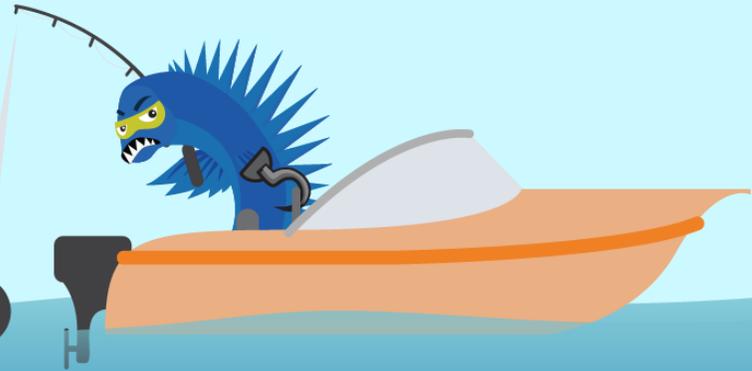
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