

November 30, 2010

Mr. Howard Schneider, Esq.
Chair, PJM Board of Managers
PJM Interconnection, L.L.C.
955 Jefferson Avenue
Norristown, PA 19403

Re: Funding for Consumer Advocate Organization

Dear Mr. Schneider:

At the meeting of the Members Committee on September 23, 2010, State consumer advocates put forward a proposal to establish an organization to support their participation in PJM stakeholder processes. Viridity Energy, Inc., EnergyConnect, Inc., and EnerNOC, Inc. are writing to express our strong support for the proposal.

Effective participation of state consumer advocates in PJM stakeholder processes is essential. PJM proposals developed with active participation by state consumer advocates can have added credibility at the FERC, especially considering the FERC's mission to "assist consumers in obtaining reliable, efficient and sustainable energy services at a reasonable cost through appropriate regulatory and market means."

Unfortunately, practical challenges can make it difficult for consumer advocates to participate consistently in the stakeholder processes. The state consumer advocates typically have limited resources that are already stretched thin in representing the interests of consumers in state proceedings. Participating consistently in a constant stream of PJM stakeholder processes, working on a myriad of issues that can affect consumers, can stretch those limited resources beyond the breaking point. As a result, PJM and the Board of Managers are often left with no choice but to consider issues without the benefit of participation and thoughtful input by the consumer advocates.

We therefore strongly support the creation of an organization that will serve the consumer advocates in the PJM states. The success of such an organization depends on a stable and consistent source of funding, which must not only be sufficient to support an effective organization, but must also refrain from creating any perception of a conflict of interest for the consumer advocates. The creation of a dedicated source of sufficient funding through the PJM tariff will satisfy these requirements, and will help the organization support the efforts of the state consumer advocates to protect the interests of consumers.

We appreciate that the Board may have concerns about the prospect of a "slippery slope" leading to many interest groups clamoring for funding to support their own participation in PJM stakeholder processes. However, the "slippery slope" is a minimal threat. It is unlikely at best

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that other interests beyond the State Commissions and State consumer advocates could demonstrate both comparable value from their active participation and comparably severe constraints on their participation in the absence of a stably funded organization.

We appreciate your attention to this matter.

Sincerely,

/s/ Bruce Campbell
Director of Regulatory Affairs
EnergyConnect, Inc.

/s/ Kenneth D. Schisler
Senior Director
of Regulatory Affairs
EnerNOC, Inc.

/s/ Allen M. Freifeld
Senior Vice President,
External Affairs
Viridity Energy, Inc.