

# Energy Efficiency Resource Requirements



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- Installation of more efficient devices or equipment or implementation of more efficient processes/systems exceeding then-current building codes, appliance standards, or other relevant standards.
- Designed to achieve a continuous reduction (during peak summer and winter periods) in electric energy consumption at the End-Use Customer's retail site that is not reflected in the peak load forecast prepared for the Auction.
- Fully implemented at all times during the Delivery Year, without any requirement of notice, dispatch, operator intervention.

- ✓ EE installation must be scheduled for completion prior to Delivery Year
- ✓ EE installation is not reflected in peak load forecast posted for the Auction in which the EE is offered\*
- ✓ EE installation exceeds relevant standards at time of installation as known at time of commitment
- ✓ EE installation achieves load reduction during defined EE Performance Hours and during winter performance hours if Capacity Performance product
- ✓ EE installation is not dispatchable

\*Since energy efficiency measures are now reflected in the peak load forecast used in an RPM Auction, the reliability requirements are increased and resource constraints are adjusted for EE Resources proposed for an RPM Auction to avoid double-counting of energy efficiency measures.



# EE Resource Eligibility

- EE Resource represents the installations of EE during a defined period of time from June 1 to May 31 in a zone or sub-zonal LDA.
- EE Resource is eligible to be offered into RPM Auctions as:
  - Base Capacity EE Resource (2018/2019-2019/2020 Delivery Years)
  - Capacity Performance Resource (effective 2016/2017 Delivery Year)
  - Summer-Period Capacity Performance Resource (effective 2020/2021 Delivery Year)
- EE Resource may be eligible to receive Capacity Market revenues for up to 4 consecutive Delivery Years
- Only certain installation period EE Resources are eligible to offer into an RPM Auction

DY Auction	Eligible Installation Period
BRA	DY-1, DY-2, DY-3, DY-4
1st Incremental	DY-1, DY-2, DY-3
2nd Incremental	DY-1, DY-2
3rd Incremental	DY-1

2020/2021 DY	Eligible Installation Period
BRA	2019/2020, 2018/2019, 2017/2018, 2016/2017
1st Incremental	2019/2020, 2018/2019, 2017/2018
2nd Incremental	2019/2020, 2018/2019
3rd Incremental	2019/2020

- ✓ Submit M&V Plan prior to DY RPM Auction
- ✓ Complete EE Setup screens in eRPM system prior to DY RPM Auction
- ✓ Establish credit with PJM Credit Department prior to RPM Auction if offering planned MWs
- ✓ Submit Post-Installation M&V Report prior to DY
- ✓ Permit Post- Installation M&V Audit by PJM or Independent Third Party

- 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
- 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>

- EE Resource Provider must demonstrate that it has the legal authority to claim the demand reduction associated with such EE Resource.
- Two options available:
  - 1) Submit a written sworn, notarized statement from a corporate officer certifying that have legal rights and authority to claim the demand reduction.
  - 2) Insert a statement directly into the Post-Installation Measurement & Verification Report: *“By submitting this Post-Installation Measurement & Verification Report to PJM, [insert company name] affirms and acknowledges that it has the legal authority to claim the demand reduction associated with the EE installation(s) that constitute the Energy Efficiency Resource for the applicable Delivery Year.”*



- PJM presumes EE Provider would obtain such legal rights and authority by:
  - (1) entering into contract with end-use customer(s) giving Provider the right to offer the EE installation(s); and/or
  - (2) possessing written statement(s) from end-use customer(s) that indicates do not have an agreement with another EE Provider to offer the EE installation.
    - Copies of contract or statements are not required, unless requested by PJM
- Currently do not have explicit rules requiring compliance with any Relevant Electric Retail Regulatory Authority's (RERRA) order, ordinance, or resolution on how EE may be offered into PJM Capacity Market

	EE Resource	DR Resource
Prior to Auction	M&V Plan	DR Sell Offer Plan <ul style="list-style-type: none"> <li>• Completed DR Sell Offer Template</li> <li>• Officer Certification Form</li> </ul>
Prior to DY	Post- Installation M&V Report	Registrations in DR Hub