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August 22, 2025

**VIA ELECTRONIC MAIL**

Chairman David Rosner  
Commissioner Lindsey See  
Commissioner Judy Chang

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Affirmed Energy LLC v. PJM Interconnection, L.L.C. (Collateral Complaint)  
*EL24-124-000*  
Independent Market Monitor for PJM v. Indicated Energy Efficiency Sellers  
*EL24-113*  
IMM Complaint v. Indicated Energy Efficiency Sellers  
*EL25-87*  
Order to Show Cause and Notice of Proposed Penalty re American Efficient,  
L.L.C.  
*IN24-2*

Dear Commissioners:

PJM Interconnection, L.L.C. and American Efficient LLC submit this joint letter to respectfully urge FERC to render decisions on the Collateral Complaint, which concerns the return of collateral held by PJM related to Affirmed Energy's ("Affirmed") performance obligations in PJM's capacity market, as well as on the other pending dockets that pertain to Affirmed and its affiliates.<sup>1</sup> The regulatory uncertainty posed by the lack of Commission action in all of the above-referenced dockets is resulting in an escalation of risk and potential harm to both PJM and Affirmed for the reasons stated below. We respectfully request that the Commission timely address all of the substantive pending matters.

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<sup>1</sup> EL24-124 (Collateral Complaint).

The lack of a FERC decision on the pending matters creates uncertainty for PJM's risk mitigation strategy. As described in its Answer in the Collateral Complaint<sup>2</sup>, PJM continues to hold significant collateral posted by Affirmed based on PJM's concerns over Affirmed's ability to cover its performance risk.

While PJM's position is that it continues to be subject to insolvency risk posed by Affirmed,<sup>3</sup> Affirmed has stated that it faces impending and existential risk by PJM's retention of the collateral.<sup>4</sup> In PJM's view, Affirmed Energy's insolvency risk is further heightened by the issuance of an Order to Show Cause to Affirmed proposing a potential civil penalty and disgorgement of nearly \$1 billion.<sup>5</sup> And while PJM maintains that it is holding an appropriate amount of collateral as authorized by its tariff, this amount is subject to change based upon the conclusion of audits and/or Delivery Years. PJM seeks to hold the appropriate level of collateral such that its Members are adequately protected from performance risk consistent with applicable law.

Based on the information available to it at the time of its review and the information currently available, PJM's view is that its administration of the energy efficiency in the capacity market, including its acceptance of measurement and verification plans were consistent with the PJM Tariff and governing documents then in effect. Affirmed's performance against the approved measurement and verification plans remain subject to

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<sup>2</sup> *Affirmed Energy LLC v. PJM Interconnection, L.L.C.*, Answer of PJM Interconnection, L.L.C., Docket No. EL24-124-000 (Nov. 12, 2024).

<sup>3</sup> *Id.* at 19.

<sup>4</sup> *Affirmed Energy LLC v. PJM Interconnection, L.L.C.*, Emergency Complaint Requesting Fast Track Processing, Docket No. EL24-124-000, at 3 (July 5, 2024).

<sup>5</sup>, *American Efficient, LLC*, 189 FERC ¶61,196 (2024) (FERC Order to Show Cause and Notice of Proposed Penalty).

PJM's established audit processes, which are currently underway for the applicable Delivery Years.

Given the multiple pending proceedings and the significant uncertainty they create, PJM respectfully urges the Commission to act expeditiously on all of the above-referenced dockets. Prompt resolution will provide needed clarity and allow PJM to continue administering energy efficiency through the 2025/2026 Delivery Year and credit risk management processes in accordance with its Tariff and governing documents.

Respectfully submitted

/s/ Colleen Hicks

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## CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing document to be served upon all the parties listed on the official service lists for the above-referenced proceedings, pursuant to the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Audubon, Pennsylvania, this 22nd day of August, 2025.

/s/ Colleen Hicks

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