



Energy Efficiency Requirements

DRSC Meeting
September 30, 2008
Item # 3A

- Notice of Intent to offer Planned EE Resource shall be submitted 60 days prior to RPM Auction
 - Notice of Intent must include:
 - Measurement & Verification (M&V) Plan
 - Nominated Value of the Planned EE project
 - Location of EE project
- Credit must be posted with the PJM Credit Department prior to the RPM Auction
- EE Modification (EE MOD) for the Planned EE Resource must be submitted in the eRPM system
 - EE MOD must be “Provisionally Approved” by PJM by the opening of the RPM Auction bidding window for the EE Resource to offer into an RPM Auction
 - “Provisionally Approved” status is granted after PJM reviews and approves the M&V Plan and PJM Credit requirements have been satisfied

- M&V Data must be submitted to PJM to support the Nominated Value of EE resource prior to the Delivery Year
- M&V Data is subject to an Audit by PJM before or during the DY
- EE MOD will be approved by PJM when the appropriate M&V data is submitted to PJM
 - Approved EE MOD will reflect a final Nominated Value as supported by M&V data or a final Nominated Value as supported by the Audit (if Audit is conducted prior to DY)

- RPM Commitment Compliance will be assessed daily during the Delivery Year
- If Final UCAP value of the EE resource is less than the UCAP committed, a Daily Capacity Resource Deficiency Charge will be assessed for the shortfall, unless replacement capacity is specified.
- If an Audit conducted during the Delivery Year reveals a UCAP value of the EE resource that is less than the UCAP value supported by M&V data, a Daily Capacity Resource Deficiency Charge will be assessed for any incremental shortfall retroactively from the start of the Delivery Year.

EE Resource UCAP Commitment = 12 MW

M & V Data
UCAP = 10 MW

Audit Result
UCAP = 7 MW

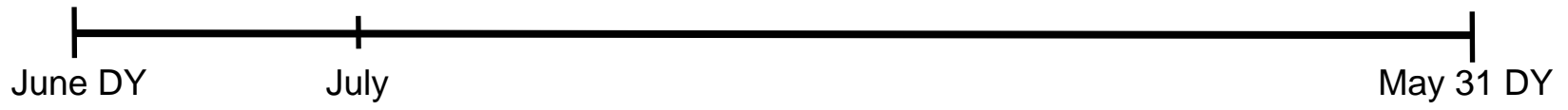


5 MW Commitment Compliance Shortfall
Capacity Resource Deficiency Charge assessed daily
and billed monthly

EE Resource UCAP Commitment = 12 MW

M & V Data
UCAP = 10 MW

Audit Result
UCAP = 7 MW



2 MW Commitment Compliance Shortfall
Capacity Resource Deficiency Charge assessed daily and billed monthly

3 MW Commitment Compliance Shortfall
Capacity Resource Deficiency Charge assessed daily and billed retroactively after Audit is conducted