

Effects of PJM's Manual 18B Changes

March 2024 MRC

Adding new requirements for Technical Reference Manuals invalidates most Technical Reference Manuals for the July BRA

Status Quo

Does not speak to study requirements

PJM's redlines

“The most current State or regional technical reference manual, issued within 3 years of the install period and applicable to the location where the Energy Efficiency measure was installed.”

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Affirmed's redlines

“The primary or secondary study supporting any stipulated value used in an M&V Plan must meet one of the following criteria:

- Have been conducted in the PJM geographic footprint and been published within 6 years of installation
- Be referenced in an active state or regional TRM from within PJM's footprint
- EE Provider includes justification for the appropriateness of the supporting study”

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TRMs invalidated for July BRA under the proposed redlines

State / Region	Latest TRM version date	Valid Under PJM's redlines?	Valid Under Affirmed's redlines?
Delaware	July 1, 2016	NO	NO
Illinois	September 21, 2023	YES	YES
Maryland	May 2020	NO	YES
New Jersey	May 22, 2023	YES	YES
Ohio	September 23, 2019	NO	YES
Pennsylvania	Issued August 2019, reissued (without change) Feb 2021	NO	YES
Tennessee	October 2015	NO	NO
MidAtlantic TRM	May 2020	NO	YES

PJM says if your TRM does not qualify under the new rules you have all the way until the Delivery year to finalize your new study.

The Delivery Year starts June 1, 2025.

If you started today, you have about 14 months.

Conducting one new study takes on average of 18 months to complete. Contracting and then conducting new studies for all EE measures would take even longer.

Creating clarity and guidance for EE programs around study freshness is good.

Creating strict timelines that do not align with State publication timelines is short-sighted.

This change should not be done on a timeline that makes it so EE programs cannot use current TRMs in their upcoming BRA Plan.

Adding new requirements for End Use Customer Information and Contracts invalidates programs for the July BRA

Status Quo

“Detailed list of installed equipment”

PJM’s redlines

“Evidence that the Energy Efficiency Provider possesses the exclusive authority from the end use customer to aggregate and offer the end-use customers' Energy Efficiency benefit associated with the installed equipment .”

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Affirmed’s redlines

“Evidence that the Energy Efficiency Provider possesses the exclusive authority to aggregate and offer the Energy Efficiency value associated with the installed equipment.”

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Adding new requirements for End Use Customer Information and Contracts invalidates programs for the July BRA

States with Midstream Programs	Valid Under PJM's redlines?	Valid Under Affirmed's redlines?
Pennsylvania	NO	YES
New Jersey	NO	YES
Maryland	NO	YES
Washington DC	NO	YES
Illinois	NO	YES
Others we don't know about	NO	YES

These are not just prospective changes

From PJM RPM Website:

2025/2026 BRA	
Opening Date:	6/12/2024
Planning Parameters Date:	3/4/2024
Peak Load Forecast:	Fall 2023
Installation Periods:	2024/2025 2023/2024

How does a measure installed in July 2023 get a contract in place?

Creating clarity and guidance to protect against double counting is good.

Ignoring current practices and not attempting to bridge current practices and new guidance is short-sighted.

This change (end use customer contracting) will make previously installed resources under current rules invalid.

Attesting that one currently has the authority for resources they have yet to contract is counter to a forward market and creates legal risk

Status Quo

Attestation only required for Reports

PJM's redlines

"PJM ENERGY EFFICIENCY **M&V PLAN** AND POST-INSTALLATION M&V REPORT OFFICER CERTIFICATION FORM"

- "2. I affirm and acknowledge that the Participant **has the legal authority** to claim the demand reduction associated with the Energy Efficiency installation(s) that constitute the Energy Efficiency Resource for the applicable Delivery Year.
3. I affirm that the Energy Efficiency Provider **possesses authority** to aggregate and offer the end-use customers' EE benefit associated with the installed equipment."

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Affirmed's redlines

Keeps PJM Language for PIMV Reports and Adds separate attestation for M&V Plans that participants can legally attest to

- "3. I affirm and acknowledge that for M&V Plan submission the Participant intends to secure the legal authority to claim the demand reduction associated with the Energy Efficiency installation(s) that constitute the Energy Efficiency Resource for the applicable Delivery Year....
5. I affirm that for M&V Plan submission the Energy Efficiency Provider intends to secure authority to aggregate and offer the EE value associated with the installed equipment..."

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Creating legally binding attestations around resource eligibility is good.

Creating legally binding attestations regarding outcomes for work not yet done is legally problematic.

This change should be done so that programs can submit their upcoming BRA Plan without unintentionally attesting to impossible statements.

PJM's proposed redlines will eliminate most Energy Efficiency from the market

- 1) Requiring end user contracts and addresses 3 months before the BRA will invalidate existing, qualified assets and effectively eliminate the most common and effective EE programs in PJM.
- 2) Establishing a 3-year shelf life for TRM's will invalidate most Energy Efficiency immediately and sacrifice future planned capacity for every EE market participant.
- 3) Introducing attestation language that requires affirmation of future events will prevent the submission of any planned Energy Efficiency. This effectively limits all EE to one year of eligibility.