

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Implementation of the Alternative :
Energy Portfolio Standards Act of 2004 : **Docket No. M-00051865**

Comments of PJM Environmental Information Services, Inc.

I. INTRODUCTION

The Pennsylvania Public Utility Commission (Commission) has been charged by the newly enacted *Alternative Energy Portfolio Standards Act of 2004 (AEPS Act)* to implement an Alternative Energy Portfolio Standard for the Commonwealth of Pennsylvania. On March 25, 2005, the Commission issued an order (“Implementation Order”) establishing a timetable for compliance with the AEPS Act, and referred several matters to the Alternative Energy Portfolio Standards Working Group (“AEPS WG”). Parties filed comments to the March 25, 2005, order, and the Commission duly considered these comments. Presently before us for comment is the Commission’s second implementation order, entered on July 18, 2005. PJM Environmental Information Services, Inc. (PJM-EIS) welcomes this opportunity to provide additional comments to the Commission. However, at this time, PJM-EIS limits its responses to the issues raised regarding establishment of an alternative energy credits program.

II. ALTERNATIVE ENERGY CREDITS PROGRAM

As recognized in earlier comments presented in this docket, a threshold administrative issue for the Commission to decide under the AEPS Act is how to develop and establish an alternative energy credits program and a registry of information regarding all available alternative energy credits and credits transaction information. Under the AEPS Act, the Commission shall approve an independent entity to serve as the alternative energy credits program administrator. The program administrator will be responsible for creating and administering an alternative energy credits certification, tracking and reporting program. The administrator program must include a process for qualifying alternative energy systems and determining the manner credits can be created, accounted for, transferred and retired. The Commission has expressed interest in the PJM-EIS Generator Attributes Tracking System (GATS).

PJM-EIS appreciates the Commission's interest in the PJM-EIS GATS system and continues to work with the Commission on this matter. PJM-EIS is pleased to report that the GATS went into full production on September 12, 2005. The first certificates will be created on September 30, 2005, and these certificates will cover production from January 2005 through and including August 2005.

PJM-EIS emphasizes that it will not be, through the GATS, the Pennsylvania program administrator as contemplated under the AEPS Act. However, GATS can clearly be a major tool in implementing this Act. The GATS system is an environmental and fuel attribute registry and tracking system; PJM-EIS does not verify each generator's eligibility to satisfy state renewable portfolio requirements. PJM-EIS expects that the Pennsylvania Commission, or some delegated

party, will verify whether particular generators would be eligible to satisfy Pennsylvania's Tier 1 or Tier 2 RPS requirements.

The GATS will record the information that is required under Section 3(e)(8).¹ Market participants, both generators and energy suppliers, that are trading certificates will have access to their own accounts in the GATS. A bulletin board feature facilitates the pairing of buyers and sellers of certificates. The state regulatory commission can receive a variety of reports from the system which indicates the fuel mix and emissions portfolio for each supplier within its jurisdiction for the load served in that jurisdiction. Additionally, certain aggregated results could be made publicly available, such as the PJM Interconnection, L.L.C. (PJM) system average fuel mix and emissions, PJM residual mix, import system mix, certain certificate statistics, etc.

PJM-EIS looks forward to working with the Commission through the AEPS WG in the near future on the process for developing and implementing the rules addressing the banking of alternative energy credits, the development and use of a credits registry, and a mechanism for recovering the costs of the alternative energy credits program.

¹ Section 3(e)(8) of the *AEPS Act* requires a system to include a registry of pertinent information regarding all:

- available alternative energy credits
- alternative energy credit transactions among EDCs and EGSs in the state, including:
 - the creation and application of alternative energy credits;
 - the number of alternative energy credits sold or transferred; and
 - the price paid for the sale or transfer of alternative energy credits.

III. CONCLUSION

PJM-EIS appreciates the opportunity to offer these additional comments to the Commission on the AEPS Act implementation issues facing the Commission. PJM-EIS also refers the Commission to the PJM-EIS website, pjm-eis.com, for further background and current information on the GATS.

Respectfully submitted,

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