



Date: September 23, 2008

To: Ken Schuyler  
PJM-EIS  
955 Jefferson Avenue  
Norristown, Pennsylvania 19403  
*Delivered by electronic mail to schuyler@pjm.com*

From: Renewable Energy Marketers Association

**Re: Comments regarding proposal to create “Emission Free Energy Certificates”**

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Dear Ken,

As you are aware from our earlier conversations, the Renewable Energy Marketers Association (REMA) is submitting these comments regarding the recent proposal for PJM-GATS to create “Emission Free Energy Certificates” (EFEC). We know that you will be hosting a call later this week to discuss this proposal in more depth. We appreciate the opportunity to participate in this upcoming call and to have these comments circulated.

REMA represents the collective interests of both for-profit and nonprofit organizations that sell or promote renewable energy products through voluntary markets, including renewable electricity and renewable energy certificates (RECs), to individuals, companies and institutions throughout North America. Many of our members are users and subscribers of the PJM-GATS system. (There are currently 11 REMA members, all of whom are listed below.)

We have strong concerns regarding this proposed certificate system. In our opinion, implementation of this proposal would represent a *de facto* endorsement of an individual company’s self-certification program. This would represent a departure from trends within the industry that rely on legislation, regulation and stakeholder participation to establish standards that can be third-party verified. We believe that the promulgation of a new “emissions-free” energy product would lead to confusion in the marketplace.

Our specific concerns are summarized below:

**1. PJM-GATS is not a standard-setting body.**

To our knowledge, no state legislature, regulatory body or stakeholder-based organization has established a standard that establishes the “Emission Free Energy Certificates.” In the absence of an established standard, creation of this new tracking certificate would create a *defacto* standard.

[www.RenewableMarketers.org](http://www.RenewableMarketers.org)

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We believe this would represent departure from PJM-GATS' historical role as a neutral third party. In recent years, many states have promulgated definitions of "renewable energy" through legislative processes that allowed significant public participation. Similarly, voluntary market standards, such as the Green-e Program administered by the Center for Resource Solutions, rely on significant public and stakeholder participation. We strongly believe that for PJM-GATS to establish this standard would circumvent the traditional opportunities for public comment afforded through legislative, regulatory and voluntary market processes.

## **2. An unsanctioned standard will lead to market confusion.**

"Emissions free" is a marketing claim based on the generation serving the customer. Traditionally, these kinds of claims and assertions are subject to FTC scrutiny and state consumer protection laws. For PJM-GATS to issue "emissions free" certificates, it would move from being a provider of neutral information into being a body that in effect sanctioned marketing claims. PJM-GATS has never assumed the responsibility of verifying these types of specific claims in the past or other claims that PJM-GATS subscribers may request in the future. REMA does not believe that it is necessarily the role of PJM-GATS to verify such a specific claim.

In contrast to state legislation or regulation, PJM-GATS does not appear to have the authority to sanction marketing claims nor does it have the capacity to ensure that "emissions free" claims were properly presented to the public. For PJM-GATS to bestow a special mantle of credibility to this new product is inappropriate and will lead to market confusion among the consumers. (This confusion would be further exacerbated in light of recent greenhouse gas regulations and auction allowances currently underway for the Regional Greenhouse Gas Initiative.) Indeed, the voluntary market standard-setting organizations (led by the Center for Resource Solutions and the Green-e Program) have as a core mission to eliminate market confusion of this kind.

We recognize that PJM-GATS must be responsive to its users and their requests for additional services. We also note that any individual company is currently able to make an "emissions free" marketing claim based on the specific attributes of their generation portfolio. As we note above, that claim would, of course, be subject to existing laws and regulation governing accuracy in marketing and consumer protection. PJM-GATS should refrain from playing a role in sanctioning or approving such a claim without verification against a pre-determined external standard.

In this specific instance, we believe that the request, if acted upon, would be detrimental to other users, specifically those users that rely up the PJM-GATS system to verify products sold involuntary retail markets. REMA is committed to clear and substantiated marketing claims as they are the foundation of the voluntary green power market. Voluntary renewable energy markets offer citizens and businesses the power of choice—a fundamental value in our society – and leverage market forces to encourage technology innovation and improvement. We believe it is essential to encourage individuals and organizations to make meaningful choices about their electricity supply, and in so doing, to help address climate change, reduce air pollution, and support the transition to a cleaner energy future.

We strongly believe that it would be inappropriate for PJM-GATS to step outside of their traditional role and establish a new certificate system, especially in the absence of any legislative, regulatory or voluntary standard to guide it.

Thank you for your time and consideration.

*The views expressed by REMA in this letter do not necessarily represent the views of each individual member company.*