

October 19, 2007

Susan Covino
PJM Interconnection
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Re: Draft Proposal to the Demand Side Response Working Group (DSRWG):
Energy Efficiency Participation in PJM's Capacity Market (RPM)

Dear Ms. Covino:

The undersigned organizations urge PJM to act prudently but promptly to open the regional capacity market to energy efficiency resources. A useful point of departure for this action is the draft proposal prepared by Synapse Energy Economics noted above. This proposal significantly expands the range of electric customers and service providers that would be plausible participants in future capacity auctions, building upon the more limited options outlined by staff to the DSRWG in September. While there are several elements of this proposal that would benefit from informed discussion and further specificity, we believe the design principles contained in this outline are basically sound, and offer the promise of lower costs, improved reliability, and environmental betterment to electric rate payers throughout the PJM region.

Sincerely,

Brian Castelli
Executive Vice President and Chief Operating Officer
Alliance to Save Energy

Bill Prindle
Deputy Director
American Council for an Energy-Efficient Economy

David Hughes
Executive Director
Citizen Power

John Hanger
President and CEO
Citizens for Pennsylvania's Future (PennFuture)

Lopa B. Parikh, Esq.
Assistant People's Counsel
DC Office of the People's Counsel

Daniel L. Sosland
Executive Director
Environment Northeast

Christopher C. Thomas
Director of Policy
Illinois Citizens Utility Board

Cliff Majersik
Program Director
Institute for Market Transformation

William F. Fields
Senior Assistant People's Counsel
Maryland Office of People's Counsel

Johanna E. Neumann
Policy Advocate
Maryland Public Interest Research Group (PIRG)

Donald Gilligan
President
National Association of Energy Service Companies

Susan Coakley
Executive Director
Northeast Energy Efficiency Partnerships (NEEP)

Janine L. Migden-Ostrander
Consumers' Counsel
Ohio Consumers' Counsel

Christy M. Appleby
Assistant Consumer Advocate
Pennsylvania Office of Consumer Advocate

Terry R. Black
Director
Project for Sustainable FERC Energy Policy

Scott Sklar
President
The Stella Group, Ltd.

Alan Noguee
Clean Energy Program Director
Union of Concerned Scientists