



GATS responds to the needs of generators, electric suppliers, state regulatory commissions, other state agencies for a single, regional, integrated system to:



- **Facilitate renewable electricity standards**

Many states have adopted renewable portfolio standards (RPS) requiring an electricity supplier to include a certain percentage of electricity produced by renewable or environmentally-preferred generation sources in its mix of electricity supplied to retail customers. For example, if a state's RPS is 3% and a retail supplier had annual sales of 1,000,000 MWh of electricity, the supplier would need to purchase 30,000 MWh from renewable sources. Certificates enable electricity suppliers to buy and "retire" certificates with the attributes needed to fulfill part or all of their renewable electricity requirement.

- **Support voluntary markets for cleaner energy**

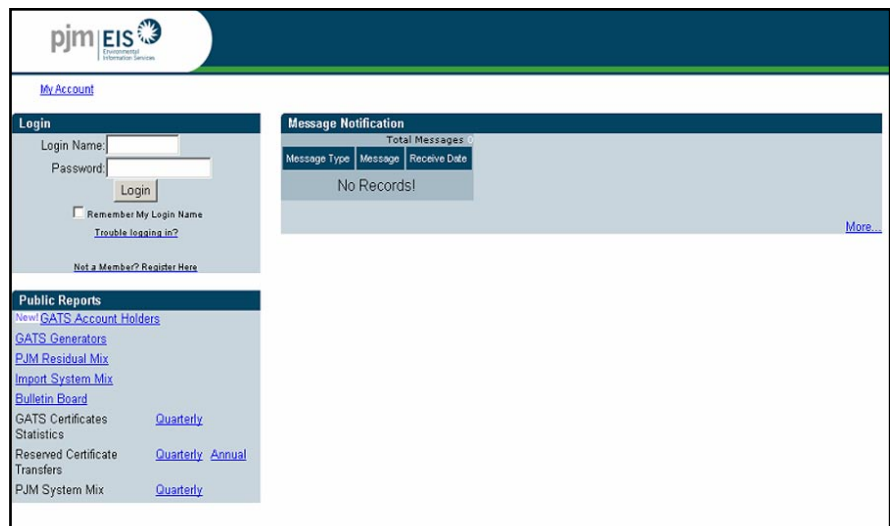
States with retail electric choice generally require suppliers to provide documentation that substantiates claims about electricity from "green" or "clean" energy products that they market to customers. However, since green electricity goes into the power grid, there is no way to guarantee that green electricity flows from a specific generating facility to a specific customer. Instead, certificates capture the environmental attributes of the green power separate from the electricity itself. Suppliers can then purchase GATS certificates for renewable energy or for low-emissions energy in amounts to meet their specific needs.

- **Disclose renewable electricity information to retail customers**

Many states have established fuel mix and/or emissions disclosure requirements to enable retail customers to understand the environmental impact of the electricity they consume and to better evaluate competing products and environmental claims. Compilation of certificates enables the accurate disclosure of this information.

- **Support emission standards of electricity suppliers**

Some states have, or are contemplating, emission portfolio standards. These state programs limit electricity suppliers (sellers at wholesale) from exceeding a maximum threshold of specific air emissions in its mix of electricity supplied to customers. Electricity suppliers can use the system to track their total emissions and to buy low-emission certificates to offset their high-emission generation in order to comply with emissions standards.

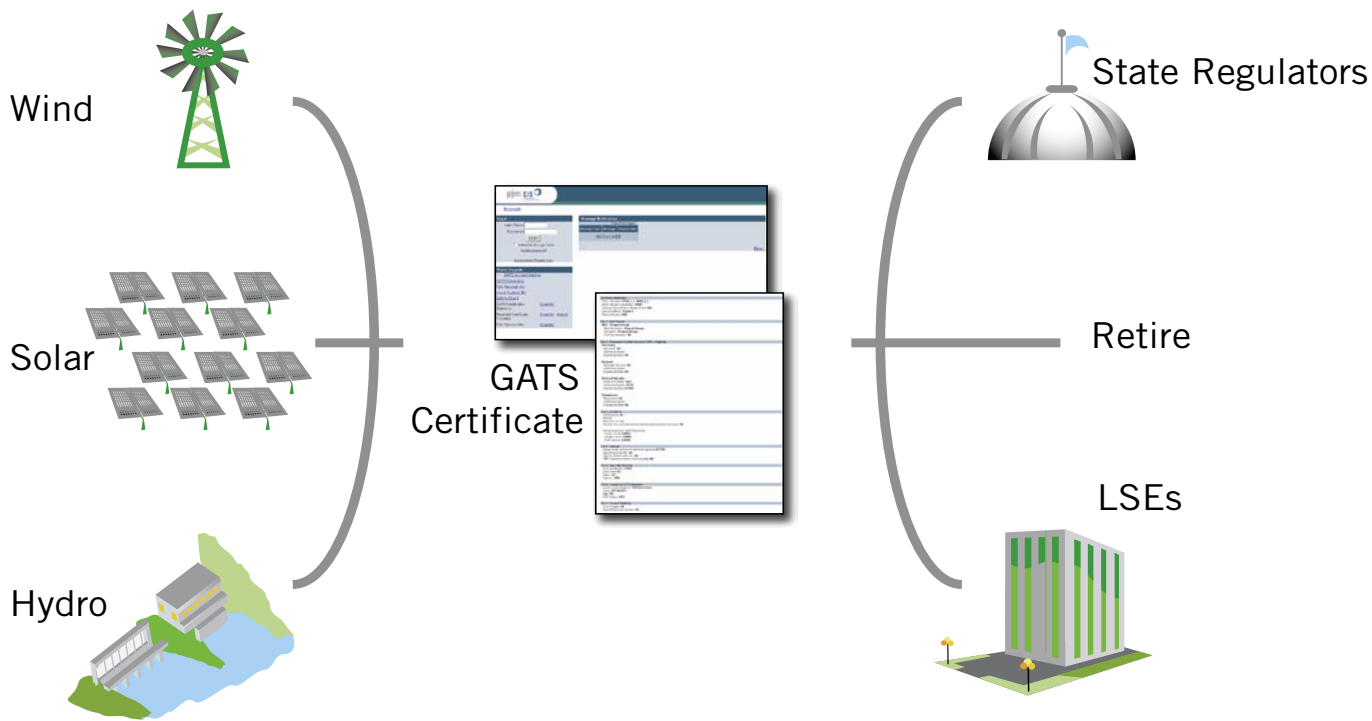


### System Functionality

As each MWh of electricity is generated, the system collects data on the generation source and links it to data on that source's owner, location, fuel source, air emissions rate, eligibility for state environmental programs as well as other relevant information. From the collected data, the system creates an electronic certificate with a unique serial number thus capturing the data for each MWh generated. As an integrated system, the certificates' data is compiled using generation information from the market operator and publicly available data from the United States Environmental Protection Agency.

The system maintains a database of all the MWh certificates. Each certificate, with the environmental attributes it represents, can be bought, sold or transferred by electricity market participants and other parties (for example, environmental groups). The system tracks the transfer of each certificate from owner to owner, from the time the certificate is created until its retirement by the last purchaser. An electricity provider can change its product mix and environmental portfolio by trading or using additional certificates to meet its specific goals.

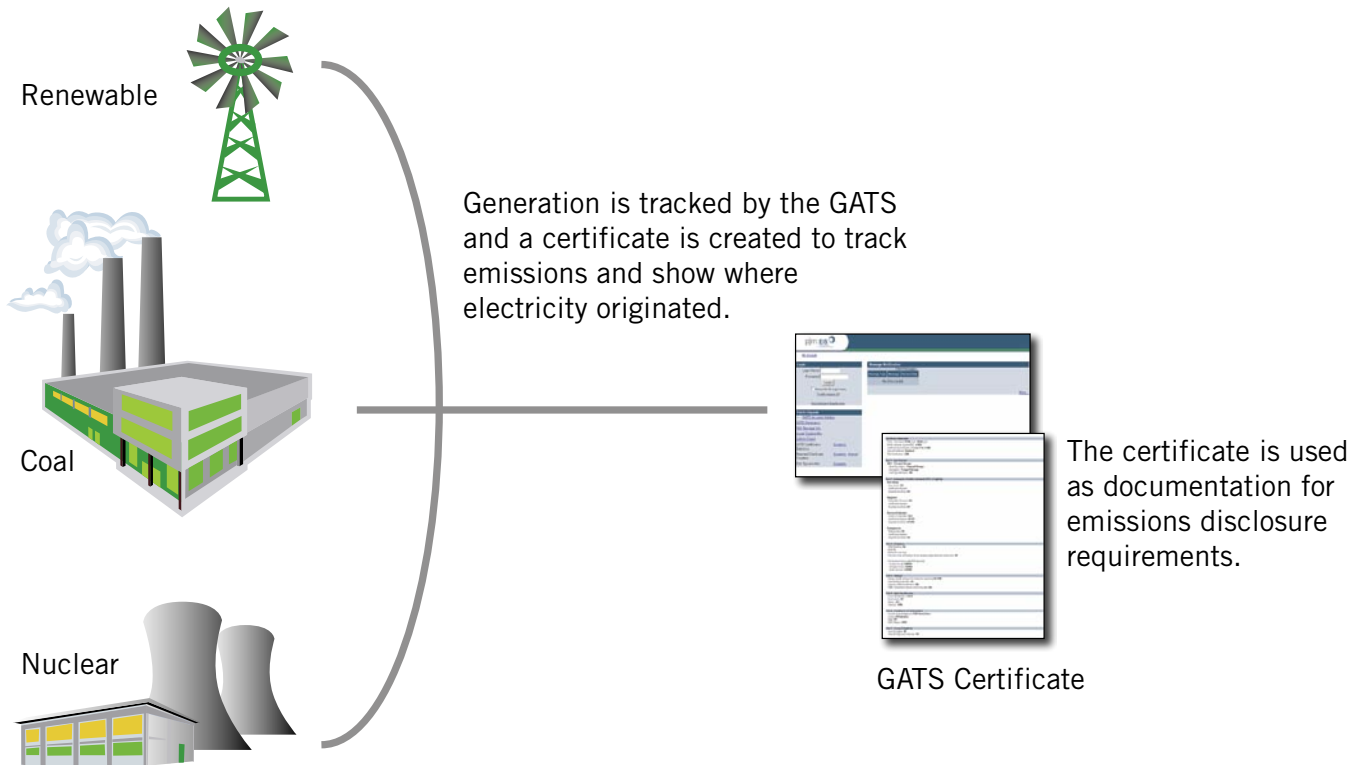
### Renewable Tracking



## Accurate Tracking and Validation

The GATS is an independent information source. It provides generation owners, electric suppliers and states with a tool to validate environmental claims. The certificates, the accounting system and a separate market for certificates can support diverse state policy initiatives and market needs. For instance, as adjoining states adopt comparable public policies, certificates can be traded across state and regional boundaries.

## Emissions Tracking



PJM Environmental Information Services, Inc. (PJM EIS) owns and administers the Generation Attribute Tracking System (GATS). PJM EIS is a wholly-owned subsidiary of PJM Technologies, Inc. PJM EIS was formed to provide environmental and emissions attributes reporting and tracking services to its subscribers in support of renewable portfolio standards and other information disclosure requirements that may be implemented by government agencies. GATS tracks generation attributes and the ownership of the attributes as they are traded or used to meet government standards, or are used to serve voluntary green markets.



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*Enabling robust renewable energy markets*