

# Proposed Updates

## “Designate Capability as Generation Capacity Resource and/or Energy Resource” Area

Theresa Esterly  
Sr. Lead Engineer, Markets Automation &  
Quality Assurance

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- PJM proposed updates to address gaps in the existing business rules in the “Designate Capability as Generation Capacity Resource and/or Energy Resource” area of Gap Analysis Matrix

#	Component	Existing Language (Status Quo)	Identified Gap
	<b>Designate Capability as Generation Capacity Resource and/or Energy Resource</b>		
1	Unit-specific basis or partial unit-specific basis	<b>Manual 14D, Appendix A.#11.</b> If multiple generation units are located behind the meter, each unit can be designated as either a Capacity Resource or as BTMG on a unit specific basis or on a partial unit basis.	Clarify the options for multiple generation units located behind the meter - each unit can be designated as "either a Generation Capacity Resource and/or Energy Resource" on a whole unit specific basis or on a partial unit-specific basis.
2	PJM Generation Interconnection Request requirement	<b>Manual 14G, Section 1.6:</b> Any Behind the Meter Generation which seeks to be designated in whole or in part as an energy or capacity resource must submit a Generation Interconnection Request for the portion of the unit's output that will participate in the PJM market..  1.6.1 BTMG Interconnection Requests: Any Behind the Meter Generation that desires to be designated, in whole or in part, as a Capacity Resource or Energy Resource must submit a Generation Interconnection Request. (Tariff at Part VI, in Section 36.1.01 – formerly Subpart A at 36.1A, in Part IV).	Clarify in M14D, Appendix A that unit must submit a Generation Interconnection Request if it desires to be designated in whole or part as either a Generation Capacity Resource and/or Energy Resource.  Clarify that a change to Generation Capacity Resource and/or Energy Resource status represents an increase in the MW of capability designated as a Capacity Resource and/or Energy Resource.  Clarify that an increase in the MW of capability designated as Capacity Resource and/or Energy Resource requires a Generation Interconnection Request.

*Entire Gap Analysis Matrix available with posted meeting materials.*

## OATT

- Attachment O, Appendix A, Section 2.5.2
- Part IV, Subpart A, Section 36.1A.6

## PJM Manuals

- M14G, Section 1.6
- M14D, Appendix A

## ~~2.5—Election by Behind The Meter Generation:~~

~~In the event that a Generation Interconnection Customer's Customer Facility is Behind The Meter Generation, the Generation Interconnection Customer may elect from time to time, subject to the terms of this section, whether to operate all or a portion of its Customer Facility's generating capacity as a Capacity Resource under the Tariff and the Operating Agreement.~~

### ~~2.5.1—Capacity Resource Election:~~

~~The Generation Interconnection Customer may elect to operate all or a portion of its Customer Facility as a Capacity Resource only to the extent that the Interconnection Service Agreement grants Capacity Interconnection Rights. Such an election may include all or any portion of the Customer Facility's capacity for which Capacity Interconnection Rights have been granted.~~

### ~~2.5.2—Timing and Duration of Election:~~

~~The Generation Interconnection Customer shall make an initial election under this section no later than 30 days prior to the commencement of Interconnection Service. Thereafter, the Generation Interconnection Customer may make the election authorized by this Section 2.5 only once in each calendar year and must notify Transmission Provider of such an election no later than May 1, and no sooner than March 15, of each year. Each such election shall be effective commencing on June 1 following Transmission Provider's receipt of notice of the election. An election under this Section 2.5 shall remain in effect unless and until the Generation Interconnection Customer modifies or terminates it in a subsequent election made in accordance with the terms of this section.~~

- Delete entire Section 2.5
  - Language is obsolete with the implementation of the must offer requirement for Generation Capacity Resources in the PJM Capacity Market
  - Eliminates conflict with notification deadlines for a request to seek removal of Generation Capacity Resource status in M18, Section 5.4.7 and OATT, Attachment D, Section 6.6(g).

## ▸ 36.1A.6 Operation as Capacity Resource:

To the extent that ~~a Generation Interconnection Customer that owns or operates~~ generation facilities ~~that otherwise would be classified as Behind The Meter Generation elects, in accordance with Tariff, Attachment O, Appendix 2, section 2.5 (form of Interconnection Service Agreement), to operate such facilities as a~~ are designated as a Generation Capacity Resource, the provisions of the Tariff regarding Behind The Meter Generation shall not apply to such generation facilities ~~for the period such election is in effect.~~

- Update to address the proposed deletion of Attachment O, Appendix 2, Section 2.5.

## M14G, Section 1.6

Behind the Meter Generation cannot include (i) at any time, any portion of such generating unit(s)' capacity that is designated as a Generation Capacity Resource; or (ii) in any hour, any portion of the output of the generating unit(s) that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market. Behind the Meter Generation rules permit load serving entities in PJM to net operating Behind the Meter Generation against load in the calculation of charges for energy, capacity, transmission service, ancillary services and PJM administrative fees. This total netting approach is intended to encourage the use of Behind the Meter Generation during times of scarcity and high prices, thus increasing the opportunity for load to compete in PJM markets.

- Update “Capacity Resource” to “Generation Capacity Resource” to be consistent with definition of Behind the Meter Generation in OATT

## OATT Definition

### **Behind The Meter Generation:**

“Behind The Meter Generation” shall refer to a generation unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit’s capacity that is designated as a Generation Capacity Resource; or (ii) in an hour, any portion of the output of such generating unit that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

### 1.6.1 BtMG Interconnection Requests

Any Behind the Meter Generation that desires to be designated, in whole or in part, as a Capacity Resource or Energy Resource must submit a Generation Interconnection Request. (Tariff at Part VI, in Section 36.1.01 – formerly Subpart A at 36.1A, in Part IV)

The maximum behind the meter load that the facility is expected to support is to be provided in the New Services Request. The behind the meter load is the sum of station service and auxiliary loads used to support operation of the facility and any host/process loads to be served behind the point of interconnection.

The Capacity Interconnection Rights requested in the New Services Request should take into consideration the station service and auxiliary loads used to support the operation of the facility, in addition to the host/process loads that the facility also serves behind the point of interconnection, in accordance with Manual 21: Rules and Procedures for Determination of Generation Capability. The Capacity Interconnection Rights requested in the New Services Request may not be greater than the gross generator output of the facility less station service and auxiliary loads less the maximum host/process loads that the facility is expected to serve.

The Maximum Facility Output requested in the New Services Request is the gross generator output less station service and auxiliary loads less the minimum host/process loads that the facility is expected to serve.

- Add language to define behind the meter load and clarify treatment of behind the meter load in New Services Request.

6. BTMG does not include at any time, any portion of a generating unit's capacity that is designated as a Generation Capacity Resource; or in any hour, any portion of the output of such generating unit that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

- Update “Capacity Resource” to “Generation Capacity Resource” to be consistent with definition of Behind the Meter Generation in OATT.



7. A Generation Owners shall not be eligible to receive payments, pursuant to Schedule 2 of the PJM Tariff, for reactive supply and voltage control service for the portions of a generating unit's capability that changes status from Generation Capacity Resource and/or Energy Resource to BTMG status upon becoming a BTM Generator. A Generation Owners subject to this rule shall submit a FERC filing to amend its cost-based revenue requirement for supplying reactive supply and voltage control service under Schedule 2 to account for the status change to BTMG at least 90 days prior to the effective date of such a status change. ~~cooperate with PJM in making any regulatory filings that may be required to implement this rule.~~

- Update to clarify not eligible to receive payments for reactive supply and voltage control service for portion of capability that changes to BTMG status.
- Update to include a deadline for submitting a FERC filing to amend revenue requirement for supplying reactive supply and voltage control service.

11. If multiple generation units are located behind the meter, each unit ~~can be~~ may have capability designated as either a Generation Capacity Resource and/or Energy Resource or as BTMG on a whole unit specific basis or on a partial unit specific basis. In some cases, a single aggregate unit representing multiple generation units located behind the meter, may have capability designated as a Generation Capacity Resource and/or Energy Resource.

- Update to clarify the options to designate capability for multiple generation units located behind the meter.

12. For a BTMG facility to be designated in whole or in part as a Generation Capacity Resource and/or Energy Resource, a Generation Interconnection Customer must submit a New Services Request in accordance with PJM Manual 14A, New Services Request Process and PJM Manual M14G, Generation Interconnection Requests.

- Add new rule to clarify the requirement to submit a New Services Request if desire to have capability designated as a Generation Capacity Resource and/or Energy Resource.

13. A change from BTMG status to Generation Capacity Resource and/or Energy Resource status represents an increase in the MW of capability designated as a Generation Capacity Resource and/or Energy Resource. An increase in the MW of capability designated requires the Generation Interconnection Customer to submit a New Services Request. The executed service agreement (e.g., Interconnection Service Agreement, Wholesale Market Participation Agreement, etc.) indicates the Maximum Facility Output (MFO) of the generating unit, and, of the MFO, the MW of capability designated for capacity (i.e., Capacity Interconnection Rights) and the MW of capability designated for energy.

- Add new rule to clarify the meaning of a change from BTMG status to Generation Capacity Resource and/or Energy Resource status.
- Clarify an increase in MW of capability designated requires submittal of New Services Request.
- Clarify an executed service agreement (ISA/WMPA) indicates the MW of capability designated for capacity and energy.

11.14. A change to BTMG status from Generation Capacity Resource and/or Energy Resource status represents a decrease in the MW of capability designated as a Generation Capacity Resource and/or Energy Resource. A decrease in the MW of capability designated as a Generation Capacity Resource requires the Capacity Market Seller to adhere to the Removal of Generation Capacity Resource Status rules in PJM Manual 18, Section 5.4.7 and OATT, Attachment DD, Section 6.6(g) for the decrease in the MW of capability designated. A decrease in the MW of capability designated as an Energy Resource requires a necessary study request per PJM Manual 14G, Section 4.5.

- Add new rule to clarify the meaning of a change to BTMG status from Generation Capacity Resource and/or Energy Resource status.
- Clarify the need to adhere to Removal of Generation Capacity Resource Status rules in Manual 18, Section 5.4.7 and OATT, Attachment DD, Section 6.6(g).
- Clarify the requirement for a necessary study request if decrease the MW capability designated as an Energy Resource.

15. A party Generation Interconnection Customer may request to change all or a portion of a unit's capability from Generation Capacity Resource and/or Energy Resource status to BTMG status, or from BTMG status to Generation Capacity Resource and/or Energy Resource status (provided the generator has met the applicable requirements for Capacity Resource status and/or Energy Resource status), ~~but cannot be used for both purposes simultaneously for a designated portion of a unit's capability.~~ If a MW of capability is designated as Generation Capacity Resource such MW of capability is not able to net against the load at any time. Any portion of a unit that has been qualified designated as a Generation Capacity Resource is subject to the same requirements as any other PJM Generation Capacity Resource. If a MW of capability is designated as Energy-only MW, such capability may be used to net against the load or may be used as Energy-only Resource, but cannot be used for both purposes simultaneously in real-time.

- Update to clarify Generation Interconnection Customer may request to change status.
- Clarify if MW of capability is designated as Generation Capacity Resource such MW of capability is not able to net against the load at any time.
- Clarify if MW of capability is designated as Energy MW, such MW of capability may be used to net against the load or may be used as Energy Resource, but cannot be used for both purposes simultaneously in real-time.

16. A change from Generation Capacity Resource and/or Energy Resource status to BTMG status requires an amendment or termination of the relevant service agreement (e.g., Interconnection Service Agreement, Wholesale Market Participation Agreement, etc.). The service agreement is to be amended if the unit is to remain a partial BTMG unit after the status change. A partial BTMG unit is a unit that still has an amount of capability that is designated as a Generation Capacity Resource and/or Energy Resource. The service agreement is to be terminated if the unit desires to be a full BTMG unit. A full BTMG unit is a unit that has no capability that is designated as a Generation Capacity Resource and/or Energy Resource and does not participate in PJM Markets as a Generation Capacity Resource and/or Energy Resource.

- Add new rule to clarify a change from Generation Capacity Resource and/or Energy Resource status to BTMG status requires an amendment or termination of relevant service agreement (ISA/WMPA).
- Clarify the case for amendment or termination of service agreement.

17. A request to change from Generation Capacity Resource and/or Energy Resource status to BTMG status must be provided sufficiently in advance of the requested effective date of the status change to adhere to the Removal of Generation Capacity Resource Status rules in PJM Manual 18, Section 4.5.7 and OATT, Attachment DD, Section 6.6(g) and allow time for a necessary study (if required), FERC filing(s), and any necessary resource modeling changes in PJM tools. In addition, notice of termination or request to amend the applicable service agreement must comply with the terms and conditions of such service agreement.

- Add new rule to clarify the need to provide adequate notice of request to change to BTMG status.
- Clarify that notice of termination or request to amend applicable service agreement must comply with terms and conditions of such service agreement.



18. Any change to the relevant service agreement is not effective until PJM receives a final FERC Order (with a specified effective date therein) for a non-conforming agreement or until the agreement (with a specified effective date therein) is included in PJM's Electric Quarterly Report.

- Add new rule to clarify when a change to service agreement is considered effective.

19. To be assured that a unit addition, revision, or deletion is included in an EMS quarterly model update that corresponds to when the change from/to BTMG status is to be effective, all technical modeling information must be submitted to PJM's Model Management Department by the published data close deadlines posted on the DMS website at <https://www.pjm.com/committees-and-groups/subcommittees/dms.aspx>

- Add rule to clarify the need to provide technical modeling information to PJM Model Management Department by published data close deadlines to assure a unit addition, revision, or deletion is included in EMS quarterly model update.

20. If a MW of capability from a Generation Capacity Resource changes status to BTMG, moves behind the meter, its injection the Capacity Interconnection rRights associated with the MWs of capability that changed status will be treated the same as if the MWs were removed from Generation Capacity Resource status. unit had been deactivated. Those injectionCapacity Interconnection rRights are defined in Section 230 of the PJM Tariff, generally, and Section 230.3.3 specifically with respect to rights that apply if a gG Generation Capacity rResource is removed from Generation Capacity Resource status. deactivated.

- Update to clarify CIRs associated with the MWs of capability that changed to BTMG status will be treated as if MWs were removed from Capacity Resource Status in accordance with Section 230.3.3.

Facilitator:

Nicholas Disciullo, [Nicholas.Disciullo@pjm.com](mailto:Nicholas.Disciullo@pjm.com)

Secretary:

Andrea Yeaton, [andrea.Yeaton@pjm.com](mailto:andrea.Yeaton@pjm.com)

SME:

Terri Esterly, [Theresa.Esterly@pjm.com](mailto:Theresa.Esterly@pjm.com)

**MIC Special Session - Behind the Meter  
Generation Business Rules on Status Changes**



**Member Hotline**

(610) 666 – 8980

(866) 400 – 8980

[custsvc@pjm.com](mailto:custsvc@pjm.com)