

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

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## Designate Capability as Generation Capacity Resource and/or Energy Resource

- Unit specific basis or partial unit basis
- PJM Generation Interconnection Request requirement
- MW amount that may be designated
- Process to request a status change
- Timing and duration of a designation
- Treatment of CIRs
- Ineligibility for reactive payments for portion of unit in BTMG status

## Manual 14D, Appendix A

#11. 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.

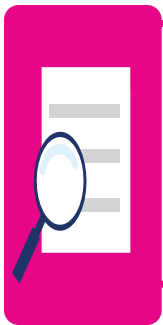


- Clarify that each unit can be designated as either a “Generation Capacity Resource and/or Energy Resource or as BTMG” on a unit specific or partial unit basis.

## Manual 14G, Section 1.6

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).

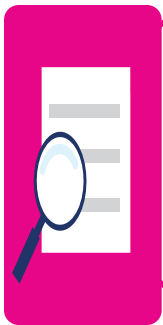


- Clarify in M14D, Appendix A the following:
  - Unit must submit a Generation Interconnection Request if it desires to be designated in whole or part as either a Generation Capacity Resource and/or Energy Resource.
  - A change to Generation Capacity Resource and/or Energy Resource status represents an increase in the MW of capability designated as a Capacity Resource and/or Energy Resource.
  - An increase in the MW of capability designated requires a Generation Interconnection Request.

# MW amount of capability that may be designated

M14G, Section 1.6: Behind the Meter Generation (BtMG) is the output from generation that offsets load and does not and cannot participate in the wholesale market.....Generation claimed as BtMG cannot participate in the PJM Capacity or energy market. Even if partial BtMG is proposed, the portion claimed as BtMG must always stay behind the meter unless and until the generator takes the steps required to have the generation participate in the wholesale markets.....Behind the Meter Generation cannot include (i) at any time, any portion of such generating unit(s)' capacity that is designated as a **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.

Manual14D, Appendix A #6. BTMG does not include at any time, any portion of a generating unit's capacity that is designated as a **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.



- Add clarity in Manual 14G, Section 1.6 regarding the MW amount of capability that may be designated as a Capacity Resource and/or Energy Resource based on the BTM load that the unit will serve.
- Update "Capacity Resource" in M14G, Section 1.6 and M14D, Appendix A, #6 to "Generation Capacity Resource" to be consistent with OATT definition of Behind the Meter Generation.

M14D, Appendix A, #12. A party may change all or a portion of a unit's capability from Capacity and/or Energy Resource status to BTMG status, or from BTMG status to Capacity and/or Energy Resource status (provided the generator has met the applicable requirements for Capacity Resource status), but cannot be used for both purposes simultaneously for a designated portion of a unit's capability..... Because of the number of procedural requirements associated with changing to or from BTMG status, such changes shall be limited to once per year in accordance with the schedule set forth below.

OATT Part VI, Attachment O, Appendix 2, Section 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.....



- Add details in M14D, Appendix A on the process to request a change to Generation Capacity Resource and/or Energy Resource status and the process to request a change to BTMG status.
- Existing OATT language conflicts with Removal of Generation Capacity Resource Status rules in M-18, section 5.4.7, and OATT, Attachment DD, Section 6.6(g).

OATT, Part VI, Attachment O, Appendix 2, Section 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.

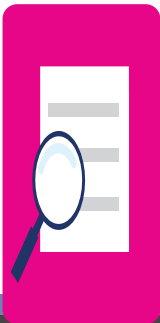


- “May 1, and no sooner than March 15” deadline to elect/designate MW of capability to be Capacity Resource status conflicts with Removal of Generation Capacity Resource status rules in M-18, section 5.4.7, and OATT, Attachment DD, Section 6.6(g).
- OATT language addresses timing and duration of a change to/from Capacity Resource status only.
- Address timing and duration of a change to/from Energy-only Resource status.

Manual 14D, Appendix A, #20. If a Capacity Resource moves behind the meter, its injection rights will be treated the same as if the unit had been deactivated. Those injection rights are defined in Section 230 of the PJM Tariff, generally, and Section 230.3.3 specifically with respect to rights that apply if a generation resource is deactivated.

## OATT, Part VI, Subpart C 230.3.3: Replacement of Generation:

In the event of the Deactivation of a Generation Capacity Resource (in accordance with Tariff, Part V and any Applicable Standards), or removal of Capacity Resource status (in accordance with Tariff, Attachment DD, section 6.6 or Tariff, Attachment DD, section 6.6A), any Capacity Interconnection Rights associated with such facility shall terminate one year from the Deactivation Date, or one year from the date the Capacity Resource status change takes effect, unless the holder of such rights (including any holder that acquired the rights after Deactivation or removal of Capacity Resource status) has submitted a new Generation Interconnection Request up to one year after the Deactivation Date, or up to one year from the date the Capacity Resource status changes take effect, which contemplates use of the same Capacity Interconnection Rights.....



- Clarify in Manual 14D, Appendix A, #20 that if there is a change to BTMG status, the CIRs associated with the status change should be treated as if the unit was removed from Capacity Resource status as described in Section 230.3.3 as opposed to deactivation.



Manual 14D, Appendix A, #7. Generation Owners shall not be eligible to receive payments, pursuant to Schedule 2 of the PJM Tariff, for reactive service for portions of generating units upon becoming a BTM Generator. Generation Owners subject to this rule shall cooperate with PJM in making any regulatory filings that may be required to implement this rule.

OATT, Schedule 2: At least 90 days prior to the Deactivation Date or disposition date of a generator or other source receiving payment in accordance with a Commission accepted or approved revenue requirement for providing reactive supply and voltage control service under this Schedule 2, the Generation Owner or other source owner must either: (1) submit to the Commission the appropriate filings to terminate or revise its cost-based revenue requirement for supplying reactive supply and voltage control service under this Schedule 2 to account for the deactivated or transferred generator or other source; or.....



- Add reference in Manual 14D, Appendix A, #7 to a deadline date for submitting a filing to amend annual revenue requirement for providing reactive service when MW capability changes status from Capacity Resource and/or Energy Resource status to BTMG status.
- OATT, Schedule 2 does not address the need submit a filing when there is a change in capability status from Capacity Resource and/or Energy Resource status to BTMG status.

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



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