Demand Response Behind the Meter Generation (BTMG) and Environmental Permit Requirements

4/29/16
• EPA provided “Guidance on Vacatur of RICE NESHAP and NSPS Provisions for Emergency Engines” on 4/15/16

CSPs with BTMG that will be used to reduce load when dispatched by PJM should understand these rules and take appropriate actions.
CSP DR BTMG requirements

- BTMG may only be used if it can operate when dispatched by PJM and comply with all Local, State and Federal laws (includes environmental permits)

- RPM auction
  - DR plan and associated officer certification
  - “Physical delivery” means BTMG can operate and be in compliance with all necessary permits

- DR Registrations
  - CSP must ensure accuracy of all information reported
  - CSP must report permit type (emergency or non-emergency) and permit status which enables BTMG to operate when dispatched by PJM.
  - CSP may only register locations that can reduce load and not violate any laws

- DR dispatched by PJM must perform or will receive penalty (there are no exceptions due to environmental permit status)
• OA/OATT, 1.5A.5 – on-site generators
  – May only be used as allowed by necessary permits
• OA/OATT, 8.4.5 – Registrations
  – BTMG must be operated in compliance with all environmental permits.
• Manual 11, 10.2.2
  – CSP must provide environmental permit type and status that will allow BTMG to participate as DR in PJM.