

BTMG Business Rules on Status Changes Problem Statement & Issue Charge

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- Behind the Meter Generation (BTMG) can be designated as Capacity Resource or Energy Resource in wholesale markets (participating as generator or demand response) or be designated as BTMG (netting against the load) on unit specific basis or a partial unit basis.
- OATT and BTMG rules #11-23 in Manual 14D, Appendix A contain specific business rules regarding changing status from BTMG to a resource participating in PJM Markets (and vice versa).
- BTMG rules were developed as a result of BTMG Working Group efforts from as early as 2003.
- Limited review of BTMG rules has occurred since their development.
- 2019 efforts in Operating Committee clarified business rules on reporting, netting, and operational requirements of Non-Retail BTMG and did not review or address business rules on BTMG status changes.

- Increased development of distributed generation resources and increased LSE requests for adjustment to Network Service Peak Load and Obligation Peak Load due to new BTMG units has pointed to inadequacies in existing business rules on status changes .
- Lack of clarity and detail in business rules hinder Members ability to effectively contract with generation developers.
- Lack of clarity on the applicability of netting full installed capacity value for first calendar year/delivery year (rule #13) and lack of details on the request process for NSPL or OPL adjustments, including unclear eligibility requirements (rules #14 and #15) hinder the ability to process requests for adjustments to NSPL or OPL in timely manner and lead to potential disagreements between parties.
- Conflicts exists with existing notification deadline in the OATT (Part VI, Attachment O, Appendix 2, Section 2.5.2) for a Generation Interconnection Customer to elect to make a change to operate MWs as a Generation Capacity Resource or BTMG for a Delivery Year.

- Review and propose updates, as necessary, to the existing BTMG business rules related to a BTMG unit changing status from BTMG (netting against the load) to a resource participating in PJM Markets (and vice versa) to ensure requirements are clear, adequately detailed, and do not conflict with other market business rules or other deadline dates in the BTMG business rules.
- Effort is not meant to change the substance of the initial BTMG filing or Settlement Agreement related to Non-Retail BTMG.

1. Provide education on the existing BTMG business rules related to status changes in OATT (Part VI, Attachment O, Appendix 2, Section 2.5) and Manual 14D, Appendix A (business rules #11-23).
2. Review and identify areas in existing business rules related to status changes that would benefit from clarification or additional detail or that may be in conflict with existing market rules or other BTMG rules.
3. Propose updates, if necessary, to existing BTMG business rules on status changes in agreements and manuals to clarify the rules and address any potential conflicts with other market rules or other deadline dates in the BTMG rules.

- Assign Issue Charge to MIC
- Agenda item at monthly MIC meeting
- Expected deliverables:
 - Revisions to Manual 14D, Appendix A.
 - Revisions to OATT, if necessary.
 - FERC Filing if revisions to OATT are found to be necessary.
- Expected duration of work: 4 months

- First Read
 - 09/02/2020 MIC

- Endorsement
 - 10/07/2020 MIC

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