

# 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
  - <https://www3.epa.gov/ttn/atw/icengines/docs/RICEVacaturGuidance041516.pdf>

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

- 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.