Stakeholder Feedback (Without Attribution) Regarding PJM's Feb. 23 BTMG Co-Located Load Compliance Filing

Please provide input on necessary changes or clarifications to the BTMG definition. **BTMG is currently defined in the PJM Tariff as follows:** *"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."*
Include language that BTMG resources shall not exceed 100MW at any one electrical location.
No concerns.
The phrase "generation unit" in the BTMG definition should be expanded to state "one or more generation units and/or energy storage facilities".
NA
PJM should not change the definition of BTMG. PJM should, instead, add the threshold to section III.34.2 of the OATT "Netting of Behind the Meter Generation," consistent with FERC's directive to establish "a new MW threshold for the amount of load at a particular electrical location that Network Customers may net by using BTMG." Adding the threshold directly to the definition of a BTMG would be more restrictive than FERC's directive. FERC does not preclude a load from using multiple BTMGs to net load up to the threshold, nor does FERC limit the size of the BTMG. FERC only directs PJM to limit the amount of load that the load customer can net by using BTMG. The threshold should NOT apply to the total size of the gross load (without BTMG netting) nor the nameplate capacity of the generation. We provide further rationale for this position in our answer to #3. In addition to adding the threshold to OATT section III.34.2, PJM should provide clarity on the meaning of "a particular electrical location." A particular electrical location should be consistent with the definition of "Location" in the OATT for purposes of the Economic Load Response Rules: "Location … shall mean an end-use customer site as defined by the relevant electric distribution company account number".
The definition has effectively described behind-the-meter activity by making it clear that it includes only the output that does not use the transmission system. Largely, the definition should remain unchanged. However, we offer two comments: 1. The tariff should be clear regarding how the definition of BTMG relates to the definition of Co-Located Load. Namely, is BTMG a subset of Co-Location Arrangements, or do Co-Location Arrangements describe only wholesale Generator Interconnection Customers and their associated on-site load? We have traditionally understood Retail BTMG to describe behind-the-meter generation activity behind a retail meter. The inclusion of a 'Non Retail Behind the Meter Generation' definition in the tariff seems to draw a distinction with BTMG that is 'retail'. We believe the retail nature of BTMG should be preserved in the Tariff, and its definition would be further clarified if 'retail' were explicitly included. 2. If there is an MW-based threshold, that threshold should not be included in the definition, but should be set forth outside the definition itself (e.g., in both cases, the BTMG definition applies, but some BTMG "qualifies" for netting and some do not). This approach of maintaining the definition of BTMG has the benefit of (1) maintaining technical consistency and (2) allowing for future changes without redefining a core technical concept.
PJM should not change the definition of BTMG. PJM should, instead, add the threshold to section III.34.2 of the OATT "Netting of Behind the Meter Generation," consistent with FERC's directive to establish "a new MW threshold for the amount of load at a particular electrical location that Network Customers may net by using BTMG." Adding the threshold directly to the definition of a BTMG would be more restrictive than FERC's directive. FERC does not preclude a load from using multiple BTMGs to net load up to the threshold, nor does FERC limit the size of the BTMG. FERC only directs PJM to limit the amount of load that the load customer can net by using BTMG. The threshold should NOT apply to the total size of the gross load (without BTMG netting) nor the nameplate capacity of the generation. We provide further rationale for this position in our answer to #3. In addition to adding the threshold to OATT section III.34.2, PJM should provide clarity on the meaning of "a particular electrical location." A particular electrical location should be consistent with the definition of "Location" in the OATT for purposes of the Emergency and Economic Load Response Rules: "Location … shall mean an end-use customer site as defined by the relevant electric distribution company account number."
PJM should consider whether since the purpose of this exercise is to distinguish between Behind the Meter generation and co-located load, the metering point is relevant (load behind gen or gen behind load). If so, then this definition should be to expressly state that BTMG is generation located behind a retail load meter. PJM should consider other changes or clarifications necessary to limit gaming and permissible netting for arrangements that should no longer be eligible.
Change wording to recognize that all generation uses the Transmission System to deliver energy to load, unless that generation and load are electrically disconnected from the Transmission System.
PJM should clarify the BTMG definition to better reflect current behind-the-meter resource configurations while remaining consistent with the Commission's cost causation principles. First, PJM should clarify that the definition of BTMG encompasses customer-sited resources that offset load at a particular electrical location, including storage resources when operated in a manner functionally equivalent to generation (e.g., serving load without withdrawing from the transmission system). Second, PJM should clarify the meaning of "at a particular electrical location" to ensure that distinct meters or operationally independent facilities are not inappropriately aggregated. Aggregation beyond a single electrical location could expand the scope of BTMG limitations beyond what is justified by transmission system impacts. Third, PJM should clarify that BTMG eligibility is based on demonstrated operational behavior and electrical configuration, rather than theoretical capability alone. Resources that are operationally constrained such that they do not rely on the transmission system during peak conditions should not be treated the same as resources that routinely do so. Finally, PJM should confirm that the exclusion of Capacity Resources from BTMG remains appropriate, while ensuring that temporary or transitional changes in capacity designation do not automatically disqualify otherwise eligible BTMG resources.

PJM should make clear exactly how it interprets the definitions of BTMG and Co-Located Load. Clarifying the definitions is necessary to understand if loads with BTMG can avail themselves of the transmission services (e.g., NITS, Interim, Non-Firm, Firm Contract Demand, and Non-Firm Contract Demand), described in the FERC Co-Location Order. The Co-Located Order states: "We clarify that, consistent with the definition in 159, provided above, supra P 164, BTMG is not Co-Located Load."

PJM should reaffirm and clearly demarcate distinctions between (1) retail BTMG, (2) retail BTMG that directly affects interstate transmission or interstate wholesale sales but retains a state-jurisdictional retail component, and (3) the FERC-jurisdictional aspects of Co-Located Load configurations—which FERC carefully explained are its wholesale generator interconnection and interstate transmission aspects. These are three different categories.

(1) Retail BTMG under PJM's Tariff is, by definition, exclusively state jurisdictional and therefore outside the scope of federal jurisdiction, including outside FERC's jurisdiction in the Co-Location Order.

(2) Assuming that FERC has asserted jurisdiction over a narrow class of BTMG related to "very large loads like data centers," that jurisdiction would be valid only to the extent that it preserves states' exclusive jurisdiction over retail sales and all other reserved state authority under the Federal Power Act. An overly broad reading of FERC's assertion would appear to extend beyond the record and the scope of the proceeding on Co-Location. Because the proceeding did not develop a legally sufficient record on BTMG, PJM should continue to focus where PJM and FERC have been focusing: on "the scale of large data centers" and "very large loads like data centers" that "raise cost shifting concerns" by trying to evade or manipulate the Co-Location rules.

(3) FERC defined Co-Located Load as "a configuration that refers to end-use customer load that is physically connected to the facilities of an existing or planned Customer Facility on the Interconnection Customer's side of the Point of Interconnection to the PJM Transmission System." In adopting this definition, FERC limited the Order's jurisdictional scope to "jurisdiction to oversee the interconnection of generating facilities, including the generators that are used to serve Co-Located Load, to the interstate transmission system, as well as jurisdiction over the provision of transmission service in interstate commerce used by an Eligible Customer to serve Co-Located Load."

To help clarify the definitions, it would be helpful if PJM provided examples of different configurations of generation and load that, in its view, illustrate each definition.

In the December 18, 2025 Co-location Order ("December 18 Order"), FERC found that PJM's BTMG rules are no longer just and reasonable. FERC found that the BTGM rules were developed for "substantially smaller loads (like a warehouse with solar panels) and not on a scale of large data centers." December 18 Order at P 186. FERC expressed the concern that if very large loads like data centers are allowed to lean on the PJM system when the co-located generation is on a full or partial outage, this may raise reliability and resource adequacy concerns. Id. Importantly, FERC acknowledges that "not all loads using BTMG are large loads that creating the reliability and resource adequacy risks described above." Id. at P 221. FERC directed PJM to "propose a new MW threshold for the amount of load at a particular that Network customers may net by using BTMG." Id. FERC notes "as points of references" that PJM requires any generator larger than 10 MW to be individually metered and that the Commission's definition of a small generator is 20 MW."

In response to the concerns expressed in the December 18 Order that customers relying upon BTMG do not raise reliability and resource concerns if their co-located generation is on outage, we recommend PJM adopt a 20 MW threshold as long as this is based on generation rather than load for the reasons discussed below:

First, this threshold is relatively low and would not raise reliability and resource adequacy concerns expressed by the Commission if the co-located generation were on an outage and the load is required to withdraw power from the grid. At a 20 MW level, which represents a tiny percentage of PJM's total generation capacity of approximately 180,000 MW, the PJM grid will be able to reliably accommodate the 20 MW of increased power requirement from the customer.

Second, this 20 MW threshold should protect (or not interrupt) the majority of customers in PJM who have relied on BTMG for many years to meet their power requirements. In the December 18 Order, the Commission recognized the concern raised by us and others as to "the potential impacts of the Commission changing PJM's BTMG rules for existing BTMG customers." December 18 Oder at P 223. Thus, in developing a new MW threshold, PJM should seek to minimize impacts on existing customers who have been using BTMG for decades without any adverse impact on reliability or resource adequacy.

Finally, the 20 MW is consistent with the Commission's points of references that FERC noted in the order (i.e., 20 MW is the threshold for the Commission's definition of a small generator).

In short, we propose a threshold of 20 MW as long as this is based on generation rather than load. And to capture this threshold, we propose tariff revisions to the BMTG definition as shown below with the addition of point (iii):

"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;" or (iii) any portion of generating unit that is in excess of 20 MW.

What should the threshold be for load being served by Behind the Meter Generation "at a particular electrical location" above which the BTMG rules no longer apply (no netting)?
100MW.
Based upon PJM's response in docket EL25-49 - BTMG works for small loads that are behind the generator but does not work for large loads.
From a capacity perspective, the threshold should be based upon a ratio of the peak load to the ELCC adjusted capacity value of the BTMG facility, as measured at the load delivery point. A ratio of 1:1.25 seems appropriate with 1 being load and 1.25 being the ELCC adjusted BTGM facility. From an energy perspective, the BTMG facility should be allowed to register in the PJM market and sell excess energy above the load's requirements at the Locational Margin Price. The BTMG facility must be responsive to real-time dispatch directives from the PJM operations desk.
We recommend that the threshold be set at 100% of the load size. Setting a threshold at 100% of load size aligns with the Commission's 'Beneficiary Pays' principle. If the load is served entirely by BTMG, it would not cause additional reliability problems or capacity costs on the system. Any threshold should be based on the percentage of the load size rather than a hard MW cap. Imposing a MW threshold for BTMG, like 50 MW, would arbitrarily incentivize the development of smaller loads rather than designing the loads to meet the needs of the customer.
200 MW
PJM should use a threshold of less than 20 MW which is the threshold used in the Commission's definition of a small generating facility (see Order No. 2006 at P1, fn3.). As discussed in the Show Cause Order a de minimis threshold "should reduce the reliability and resource adequacy risks" on the system.
The threshold for load being served by BTMG at the point of load or generation interconnection should be at least 75 MW. As evidenced by Senate Bill 6 https://legiscan.com/TX/text/SB6/2025) that recently became law in Texas to address large loads, 75 MW represents a likely point of demarcation between loads that have significant impacts to the grid and those that do not.
As set forth in our Request for Clarification filed on January 20 at FERC, we recommend a 200 MW threshold in order to include as much existing retail BTM generation at industrial facilities as possible. This threshold should be on a per-Location basis, as "Location" is defined in the PJM Tariff definitions section ("end-use customer site as defined by the relevant electric distribution company account number"). Additionally, we recommend a complete exemption for combined heat and power ("CHP") and cogeneration QFs, which would help to reduce the risk of exacerbating existing resource adequacy and infrastructure challenges.

The threshold for load being served by BTMG at the point of load or generation interconnection should be at least 75 MW. As evidenced by Senate Bill 6 (https://legiscan.com/TX/text/SB6/2025) that recently became law in Texas to address large loads, 75 MW represents a likely point of demarcation between traditional sources of large load (e.g. large industrial facilities) and data centers that were the impetus for the Commission Order. The Commission stated that "While reform to existing approaches is likely needed, customers – particularly captive ones – must not bear the cost of a data center-driven infrastructure buildout, and the risks and costs associated with this buildout must not be shifted to small businesses and residential customers."

The focus should be on data centers, and there are several expert reports that highlight a significant expected increase in average data center size. For example, this Mckinsey report (https://www.mckinsey.com/industries/private-capital/our-insights/scaling-bigger-faster-cheaper-data-centers-with-smarter-designs) stated: "To meet the growing demand for data centers—and the power capacity needed—over the next five years, data center campuses will have to expand from providing tens of megawatts (MW) of power to hundreds, even expanding to accommodate a gigawatt (GW) scale (a scale of one gigawatt or more)." This article on a Bloomberg NEF report found that "Driving part of the growth is the sheer scale of planned data centers. Today, only 10% of data centers draw more than 50 megawatts of electricity, but over the next decade, the average new facility will draw well over 100 megawatts."

A threshold for load being served by BTMG "at a particular electrical location" should depend on whether the retail load is interconnected to the distribution system or transmission system. For retail load with BTMG connected at distribution system the threshold should be 10MW. For retail load with BTMG connected at transmission level the threshold should be 49.99 MW.

Zero MW.

The threshold should apply to the maximum amount of load that can be netted by BTMG at a particular electrical location, not to the gross size of the load. The system impacts at issue relate to the amount of load that can be offset by BTMG, not the total size of the load itself.
The same maximum BTMG threshold should apply uniformly to all loads, regardless of gross MW size. An "all or nothing" approach based on gross load would not reflect actual system impacts and would undermine cost causation principles.
The threshold should also be set at a level that does not unintentionally capture traditional industrial and manufacturing facilities that have historically deployed BTMG for reliability and load management purposes. A threshold in the range of 100–200 MW, or at a minimum consistent with recent state precedents such as Texas's 75-MW large-load threshold, would strike an appropriate balance.

In determining the threshold for load being served by BTMG, PJM should keep in mind FERC's choice to highlight PJM's comments expressing concern specifically about "the scale of large data centers." The Commission remarked that "PJM has persuasively explained the problems that could occur if Network Customers with large loads were allowed to use the existing BTMG rules in the Tariff. For example, PJM explains that '[a]llowing very large loads like data centers to net is problematic because loads in this configuration do not carry reserves.'"

PJM did not support option 3, because "historically, BTMG has supported relatively small loads, not on the scale of large data centers." Furthermore, "charging load for its net use of the grid under the BTMG rules may not capture the costs caused by co-located data center arrangements because such arrangements could avoid all costs by netting to zero if the entire data center load is supplied by the associated generator."

FERC framed its discussion of BTMG in these terms, sharing PJM's clear focus on "the scale of large data centers." FERC stated "that, while the order is limited to Co-Located Loads, this finding [that PJM's existing BTMG rules may lead to both reliability and resource adequacy risks because PJM, per its Tariff, is obligated to serve transmission customers using BTMG but does not consider such customers in transmission and resource adequacy planning] applies to all Network Load." But an overly broad reading of this assertion would appear to extend beyond the record and the scope of the proceeding on Co-Location. Because the proceeding did not develop a legally sufficient record on BTMG, PJM should approach the threshold by continuing to focus where PJM and FERC have been focusing: on "the scale of large data centers" and "very large loads like data centers" trying to evade or manipulate the Co-Location rules that "raise cost shifting concerns."

Moreover, due to the clear focus on new, very large data center configurations, PJM should consider whether the load threshold should be different for existing BTMG load versus new BTMG load. Existing BTMGs that are combined heat & power (CHP) cogeneration facilities are long-standing facilities whose operations may be severely disrupted if required to fundamentally change how they supply and procure electricity.

Furthermore, some existing BTMGs that have CHP cogeneration facilities are configured such that when the generation trips offline, the load connected to the BTMG (or almost all the load) automatically trips offline. Such a configuration ensures that the load with BTMG does not materially "lean" on PJM. For these facilities, especially, PJM's selection of a threshold should be accompanied by analysis regarding the reliability impactions to PJM.

In general, PJM's selection of threshold(s) should be accompanied by analyses regarding the reliability (operational reliability and resource adequacy) implications to PJM and the number of BTMG facilities that are above the threshold(s). This information would help assess the threshold(s) and avoid extensive interconnection studies and other efforts on exiting BTMG that offer little improvement in reliability.

As discussed below, FERC's concern in the December 18 Order was the specific "amount of load at a particular that Network customers may net by using BTMG." In other words, FERC was not concerned with the customer's gross load level. For example, from the perspective of minimizing a customer with BTMG from "leaning" too much on the PJM grid, there is no material difference between (1) a customer with 100 MW of load who has a 20 MW of BTMG generation (i.e., using 80 MW of grid power); and (2) a customer with 50 MW of load who has 20 MW of co-located generation (i.e. using 30 MW of grid power). In either scenario, if the 20 MW co-located generation is on outage, the customer would be pulling the same amount of 20 MW of additional power from the grid. In other words, it does not matter the gross load of the customer, but only the capacity of the onsite/co-located generation.

Is it "all or nothing" (meaning if load exceeds threshold no BTMG available), or is BTMG still available for netting up to the threshold but not beyond the threshold?
BTMG should be available for all loads, up to the 100MW threshold and not beyond the threshold.
Up to the threshold but not to exceed the threshold.
NA
BTMG should be available for netting up to the threshold. An all or nothing approach would discourage investment in BTMG.
BTMG available for netting up to the threshold,
In order for the de minimis threshold to have the greatest impact on reducing reliability and resource adequacy risks, the threshold should be "all or nothing."
We understand "all or nothing" to mean that the size of the gross load would determine whether a load could use BTMG, and over a certain gross MW threshold, the load would be prohibited from netting using BTMG. If we've understood correctly, it should NOT be "all or nothing", and as stated in our answer to #1, the threshold should apply to the maximum amount of load that can be netted by BTMG at the particular electrical location. The same maximum threshold for BTMG must apply to all loads, regardless of the gross MW size of the load. "All or nothing" would contradict the Commission's intent to limit reliability risks and cost shifts to other customers. To illustrate, consider two loads. Load A is 105 MW and wishes to use 25 MW of BTMG to net their consumption to 80 MW. Load B is 85 MW and wishes to net their load to 0 MW with 85 MW of BTMG. Assuming an "all or nothing" approach that prohibited any gross load greater than 100 MW using BTMG, Load A would be prohibited from using BTMG, even though their use of BTMG would result in them paying a significantly higher amount toward capacity and transmission than Load B. The Commission's intent was to limit the reliability risk and cost shift of BTMG, but in this example, it's clear that applying the threshold to the gross size of the load does not achieve this objective. The superior, non-discriminatory approach is to apply the threshold to the maximum amount of load that can be netted by BTMG at the point of load or generation interconnection.
We support BTMG being available for netting up to the threshold, even if the project itself is larger. This is a non-discriminatory approach that reduces the disincentive for industrials to size projects to meet their energy needs at their facilities, especially thermal needs. If a manufacturer needs to size a CHP facility at 220 MW to produce adequate steam for internal industrial processes, an "all-or-nothing" approach might result in sizing the entire manufacturing facility too small or in choosing to develop the facility outside of the PJM region.

We understand “all or nothing” to mean that the size of the gross load would determine whether a load could use BTMG, and over a certain gross MW threshold, the load would be prohibited from using netting BTMG. If we’ve understood correctly, it should NOT be “all or nothing”, and as stated in our answer to #1, the threshold should apply to the maximum amount of load that can be netted by BTMG at the particular electrical location. The same maximum threshold for BTMG must apply to all loads, regardless of the gross MW size of the load. “All or nothing” would contradict the Commission’s intent to limit reliability risks and cost shifts to other customers.

To illustrate, consider two loads. Load A is 105 MW and wishes to use 25 MW of BTMG to net their consumption to 80 MW. Load B is 85 MW and wishes to net their load to 0 MW with 85 MW of BTMG. Assuming an “all or nothing” approach that prohibited any gross load greater than 100 MW using BTMG, Load A would be prohibited from using BTMG, even though their use of BTMG would result in them paying a significantly higher amount toward capacity and transmission than Load B. The Commission’s intent was to limit the reliability risk and cost shift of BTMG, but in this example, it’s clear that applying the threshold to the gross size of the load does not achieve this objective.

The superior, non-discriminatory approach is to apply the threshold to the maximum amount of load that can be netted by BTMG at the point of load or generation interconnection.

Yes.

N/A given Zero MW threshold.

BTMG should not be treated as an all-or-nothing construct.
If BTMG at a particular electrical location exceeds the applicable threshold, netting should remain available up to the threshold, with only the excess treated as non-BTMG. This approach aligns costs with actual system impacts, avoids artificial cliff effects, and preserves incentives for incremental behind-the-meter investment.
An all-or-nothing approach would be inconsistent with cost causation principles and could produce inequitable outcomes that do not meaningfully address reliability risks.

If there is netting, restrictions must be put in place to prevent a facility from being considered as BTMG below the threshold and a Co-located Load above the threshold.

From an implementation perspective, while an “all or nothing” would be easier to implement, it may not be a fair or just and reasonable result. For example, if a customer has a gross load of 50 MW with co-located generation of 21 MW and the BTMG threshold for netting is 20 MW, the customer should be allowed to net 20 MW to reflect its onsite generation.

`But under an “all or nothing” approach, this customer would not be allowed to net at all simply because it exceeded the 20 MW threshold by 1 MW. This result may not be just and reasonable and may discourage the use of co-located generation as a means to reduce network upgrades. In other words, in this example, if a customer is not allowed to net simply by exceeding the MW threshold by 1 MW, there would be no incentive for the customer to install onsite generation at all. Allowing the customer to net up to the MW threshold would preserve the incentives for co-location.

Are there opportunities for enhanced notice/reporting to PJM regarding BTMG and load?
Continue the existing requirement of BTMG over 10MW requiring additional notice & reporting to PJM. Perhaps create additional scale for notice requirements as the BTMG and/or load size increases.
Yes - BTMG can happen behind the meter that neither the utility or PJM are aware of. In many circumstances the customer does not notify the utility or PJM until after they are ready to start construction of the generator.
NA
The BTMG should comply with any PJM reporting requirements. PJM must ensure that BTMG that has a contractual agreement to serve large loads during emergencies may do so to facilitate a net-zero withdrawal guarantee during emergency events, thereby addressing resource adequacy concerns.
Yes, EDART or similar system for BTMG outage and maintenance reporting.
NA
Manual 14D already includes metering and reporting requirements for BTMG and loads utilizing BTMG which we believe should allow PJM to implement most, if not all, of FERC's requirements. To the extent that PJM believes additional metering and reporting requirements are necessary to effectuate new rules, these requirements should not impose new burdens or costs on customers which would materially disincentivize them from installing and utilizing on-site flexibility.
Any reporting should be narrowly tailored to the elements FERC determines are jurisdictional and are needed to effectuate the final orders/tariff provisions. It should not be burdensome or create compliance risks that materially increase costs for retail customers, especially for retail customers that do not elect to be involved directly in PJM markets. For retail customers, any reporting should occur through the local utility or load-serving entity, as appropriate, and respect the confidentiality of industrials' manufacturing processes, operations, and competitively sensitive information.
Manual 14D already includes metering and reporting requirements for BTMG and loads utilizing BTMG which we believe should allow PJM to implement most, if not all, of FERC's requirements. To the extent that PJM believes additional metering and reporting requirements are necessary to effectuate new rules, these requirements should not impose new burdens or costs on customers which would materially disincentivize them from installing and utilizing on-site flexibility.
All BTMG and load should be reported to PJM given Zero MW threshold.
PJM's existing metering and reporting requirements for BTMG and loads using BTMG already provide meaningful visibility into these resources and should be sufficient for most planning and compliance purposes. If PJM determines that additional reporting is necessary, any enhancements should be incremental, rely on existing infrastructure where possible, and avoid imposing new costs or administrative burdens that could discourage the deployment or use of on-site flexibility resources.

Yes. It would be very helpful if PJM made clear what the existing notice and reporting requirements are regarding BTMG and load and what additional requirements would facilitate load forecasting and planning.

Any reporting should be narrowly tailored to the elements FERC determines are jurisdictional and are needed to effectuate the final orders/tariff provisions. It should not be burdensome or create compliance risks that materially increase costs for any existing retail customers over which PJM and FERC claim jurisdiction, especially for retail customers that did not elect to be involved directly in PJM markets. For retail customers, any reporting should occur through the local utility or load-serving entity, as appropriate, and respect confidentiality of existing retail customers' manufacturing processes, operations, and competitively sensitive information.

Please provide example BTMG configurations you would like PJM to consider when establishing the threshold.
No specific configuration - but we recommend that both the load and genearation are metered independently and both values are provided to both the utility and PJM.
BTMG configurations should have no limitation regarding resource types and combinations of resources. For instance, BTMG could be gas + solar, solar + battery, battery + wind, or any combination thereof. The combined ELCC capacity value of the BTMG should be capped at 125% of the peak co-located load that is served on a netting basis.
BESS-backed energy park that takes non-firm service. This BESS + load should be capable of a 90-day joint study process (similar to SPP's HILLGA). This model ensures the capacity market is "isolated" from the price impacts of new large loads because the supply enters jointly with the load We support BIGPAL style integrations. T&D allocation should be distinct from energy in terms of netting.
1 GW Datacenter that would normally need all power from the grid could use BTMG to offset 200 MWs of grid power in most instances, with 800 MW from the grid. The 200 MWs are incentivized to be there in stressed system conditions via Demand Response program.
NA
We believe that PJM should consider the following scenarios, all of which may exist on the system today and may be of interest to market participants moving forward: Scenario A: Load and BTMG(s) are both at or below the BTMG threshold Scenario B: Load exceeds the threshold, BTMG(s) is at or below the BTMG threshold Scenario C: Load and BTMG(s) exceed the BTMG threshold Consistent with our response to question #3, under all three scenarios, the load should have the option to use the BTMG up to the established MW threshold, as long as the BTMG remains eligible under the definition of a BTMG. Finally, PJM should anticipate scenarios for loads that have BTMG(s) that wish to participate in other service options because they have BTMG that can no longer be netted above the threshold. For instance, any load that isn't netted with BTMG should be entitled to enroll in non-firm grid service subject to the rules of that service (including interruption in emergencies).
In its Request for Clarification or Rehearing, we outlined several examples on pages 27-31 of industrial or institutional facilities that the BTMG rules would affect. Configurations PJM should consider: •Cogeneration / CHP facilities •Qualified Facilities ("QFs") under the Public Utility Regulatory Policies Act of 1978 ("PURPA") •Facilities with high uptime/reliability levels (e.g., high ELCC values) oThis includes facilities where load and generation are designed to run together, meaning the system itself is designed so that if generation trips off, load must immediately follow due to loss of thermal energy. Using the "gross load" approach for such facilities would result in charging the customer for transmission and/or capacity far beyond the extent the facilities would use the service. oNote: Cogeneration QFs must meet certain efficiency requirements in order to qualify as QFs oMany facilities have a significant operational incentive to maintain a high generator uptime and capacity factors •Facilities that were at one time QFs, or could obtain QF status, but do not have active QF status because netting rules have provided necessary back-up power options •Battery storage – the Commission's Order was unclear as to how battery storage would be treated. Many industrial customers are considering battery storage installations to control their reliability and costs, which is important to their competitive position.

We believe that PJM should consider the following scenarios, all of which may exist on the system today and may be of interest to market participants moving forward:

1. Scenario A: Load and BTMG(s) are both at or below the BTMG threshold
2. Scenario B: Load exceeds the threshold, BTMG(s) is at or below the BTMG threshold
3. Scenario C: Load and BTMG(s) exceed the BTMG threshold

Consistent with our response to question #3, under all three scenarios, the load should have the option to use the BTMG up to the established MW threshold, as long as the BTMG remains eligible under the definition of a BTMG.

None needed given Zero MW threshold.

PJM should consider a range of representative BTMG configurations, including:
- Traditional industrial or manufacturing facilities with on-site generation used for reliability or load management
- Solar paired with storage where storage is charged from on-site generation and used to offset load
- Customer-sited storage used primarily for peak shaving and load management
- Campus-style facilities with centralized BTMG serving multiple buildings behind a common electrical location

These configurations differ materially from large co-located load arrangements that motivated the Commission's concerns and should be treated accordingly.

Please see our response to Question #1 and the additional information provided below.

In its Request for Clarification or Rehearing, PJMICC outlined several examples on pages 27-31 of industrial or institutional facilities that the BTMG rules would affect. Configurations PJM should consider:
- Cogeneration / Combined Heat & Power ("CHP") facilities
- Qualified Facilities ("QFs") under the Public Utility Regulatory Policies Act of 1978 ("PURPA")
- Facilities with high uptime/reliability levels (e.g., ELCC)
  - This includes facilities where load and generation are designed to run together, meaning the system itself is designed that if generation trips off, load must immediately follow. Using the "gross load" approach for such facilities would result in charging the customer for transmission and/or capacity far beyond the extent the facilities would use the service.
  - Cogeneration QFs must meet certain efficiency requirements in order to qualify as QFs
  - Many facilities have significant operational incentive to maintain a high generator uptime
- Facilities that were at one time QFs, or could obtain QF status, but do not have active QF status because netting rules have provided necessary back-up power options
- Battery storage – the Commission's Order was unclear as to how battery storage would be treated.

Customers throughout the PJM region have been using BTMG generation to partially or wholly meet their power needs. They may use a variety of configurations. In the December 18 Order, FERC did not focus on a customer's specific configuration to determine on the determination of a MW threshold. As such, there appears to be no reason for PJM to get into this issue in its compliance filing.

Considerations for aligning the transition period with the BRA schedule?
No
We are not sure what the transition period should be but there should be a transition period to allow PJM to publish the new rules and for everyone to understand the new rules.
NA
NA
Consistent with the closing thoughts provided under Question 5, a key consideration is that PJM should enable customers to plan well-ahead to transition how they use BTMG, for instance, by using this customer flexibility to enroll in non-firm service or DR.
Any 3-year period is overly short to avoid the risk of making retail BTMG uneconomic. The 3-year transition period should begin only after the rules are finalized—that is, after the Commission adjudicates the Paper Hearing, finalizes approval of PJM tariff changes, and has time to address any rehearing requests. Consequently, the earliest implementation date for grandfathered facilities should be Delivery Year 2030-31; the Base Residual Auction for 2030-31 is currently scheduled for May 2027.
The transition period should begin no sooner than the effective date of the compliance filing tariff language.
No comment.
The transition period should be aligned with PJM's capacity procurement timelines, including the Base Residual Auction. A three-year transition period is appropriate, as it aligns with forward capacity commitments and avoids disrupting existing planning, contracting, and reliability obligations. Changes affecting capacity treatment should apply prospectively and only beginning with a future commitment year.
The transition period should align with the BRA schedule, including incorporating any former BTMG load into the BRA forecasts, and the 3-year transition period extended if necessary to accommodate the transition. Any 3-year period is overly short to avoid the risk of making retail BTMG uneconomic. The 3-year transition period should begin only after the rules are finalized—that is, after the Commission adjudicates the Paper Hearing, finalizes approval of PJM tariff changes, and has time to address any rehearing requests. Consequently, the earliest implementation date for grandfathered facilities should be Delivery Year 2030-31; the Base Residual Auction for 2030-31 is currently scheduled for May 2027.

What is required to transition generation to jurisdictional agreements?
This will be incredibly state and contract specific.
TO needs to work with PJM because retail BTMG locations have ISAs/GIAs with PJM and we would need to work with both the customer and PJM on the transition of the agreement.
NA
NA
First, as discussed under Scenario D, loads and BTMG that wish to transition to a new service option should have the ability to do so. However, having a jurisdiction agreement should not be a requisite for participating in the new services. PJM should allow resources that never export to the system (like BTMG that is not being used to net load) to participate in the new transmission service options. In particular, the necessary metering infrastructure should already exist to enforce the threshold as PJM already requires revenue metering and telemetry for BTMG greater than 10 MW. Second, existing projects that are not subject to the grandfathering provisions should be allowed to net their BTMG up to the maximum threshold without transitioning the BTMG to jurisdictional agreements. BTMG at any level should not be required to become jurisdictional generation. A customer may wish to maintain BTMG above the allowed netted level for other purposes.
This is a complicated expectation for institutional and industrial retail loads with generation behind the meter, particularly those that do not participate in PJM jurisdictional markets. These are generally entities accustomed to working with their local utility and their state public utility commission. Industrial and institutional customers have expressed alarm at the prospect of being forced to operate outside these relationships under a potentially complicated and burdensome scheme that is outside core business. More information is needed to understand what PJM is considering for jurisdictional agreements. For example, when some PJM utilities terminated their mandatory must-purchase obligations about 20 years ago, industrial customers with large cogeneration/Qualified Facilities were required to obtain market-based rate authority and three-party interconnection service agreements. As a threshold matter, securing market-based rate authority results in the retail customer becoming a FERC-jurisdictional public utility, which many business and institutional customers may not be comfortable doing. Also, securing a three-party interconnection service agreement was a lengthy, time-intensive process that required new studies to be undertaken by retail customer that had been reliably operating and contributing to the cost of the grid for decades. Would existing retail BTMG customers similarly need to enter the PJM interconnection queue to effectuate any opportunity to monetize their behind-the-meter generation? This could be a time-intensive process during which BTM generation may not be economic, contributing to a deterioration in resource adequacy. In light of these concerns, any jurisdictional agreement should be narrowly tailored to the elements FERC determines are jurisdictional and are needed to effectuate the final orders/tariff provisions. For example: •Demand commitments •Existing protective equipment (if new transmission services are made available to retail customers) •Other information that directly affects transmission and resource adequacy planning. We encourage PJM to consider an approach that is not unduly burdensome for existing retail BTMG customers. PJM should consider that a realistic MW-based threshold and exemption for cogeneration facilities could reduce the transaction costs and burdensome process associated with creating “jurisdictional agreements.”

Existing projects that are not subject to the grandfathering provisions should be allowed to use their BTMG up to the maximum threshold without transitioning the BTMG to jurisdictional agreements. This BTMG should not be required to go through the PJM interconnection queue, as it has already gone through a utility study process. Forcing the generation to go through the PJM queue would unnecessarily crowd the queue at a time when PJM and stakeholders are eager to expedite projects. If the size of the existing BTMG exceeded the maximum threshold (consistent with our response to question 5), the maximum amount of load that could be netted by the BTMG would be the threshold. The necessary metering infrastructure should already exist to enforce the threshold as PJM already requires revenue metering and telemetry for BTMG greater than 10 MW. That said, loads and BTMG that wish to transition to a new service option should have the ability to do so. However, having a jurisdiction agreement should not be a requisite for participating in the new services. PJM should allow resources that never export to the system (like BTMG that is not being used to net load) to participate in the new transmission service options.
No comment.
Existing projects that are not subject to grandfathering should be allowed to continue operating as BTMG up to the applicable threshold without being required to transition to jurisdictional agreements. These resources have already completed the relevant utility interconnection process, and requiring them to enter the PJM interconnection queue would provide little benefit while adding unnecessary congestion. Where an existing BTMG facility exceeds the threshold, the appropriate treatment is to limit netting to the threshold rather than require wholesale reclassification. PJM's existing metering and telemetry requirements should be sufficient to enforce this limitation. Loads and BTMG resources should have the option to voluntarily transition to new transmission service options. However, participation in those services should not require execution of a jurisdictional interconnection agreement, particularly for resources that do not export energy to the PJM system.
No comment.

PJM's Anticipated Behind the Meter Generation Stakeholder Feedback Survey Responses
What types of things are deemed "existing contracts"?
BTMG that has been built and operating under the existing rules.
Large retail load customers with large scale BTMG with ISAs with PJM and the TO. Large retail customers with large scale BTMG that export 5 MWs or less under state PURPA rules.
NA
Existing contracts capped at 2X MW threshold, and complying with new rules otherwise.
NA
No response at this time.
Fuel contracts, service contracts, supply contracts, utility contracts, ground leases, and permits should all be considered. Each of these contracts may have been executed with the expectation that the relevant BTMG unit would continue operating. In addition, existing contracts between utilities and their industrial customers with retail BTMG agreements should be considered "existing contracts." For example, a regulated utility may have a long-term agreement with an industrial customer to provide supplemental power or back-up power. In such cases, the state regulator has considered the planning implications of the retail customer with BTMG. Such an arrangement should be considered a legacy contract eligible for grandfathering. "Existing contracts" should include all applicable contracts executed before the date the updated PJM tariff provisions concerning BTMG go into effect and are in force at that time.
"Existing contracts" should include contracts entered before the effective date of the compliance tariff language, and should include but not be limited to: 1. Interconnection agreements between a BTMG and the local utility with the stated intention of the installed BTMG to perform peak shaving or load management services 2. Agreements between BTMG and an end use customer, utility, or load serving entity for the delivery of a BTMG with the stated intention to perform peak shaving or load management services
No comment.
"Existing contracts" should include agreements entered into prior to the effective date of the compliance tariff language that were executed in reliance on the availability of BTMG treatment. These should include, but not be limited to: •Interconnection agreements with local utilities reflecting the intent to use BTMG for peak shaving or load management •Agreements between BTMG providers and end-use customers for the delivery or operation of BTMG for peak shaving or load management Existing contracts should also include other executed agreements that supported financing, construction, or operational decisions for BTMG resources. Grandfathering should apply for the remaining term of such contracts.
No comment.

Are there some other potential exceptions to consider based on tariffed criteria?
See answer to Q-8 on PURPA.
NA
FERC only provided grandfather exceptions for the “current term remaining under the existing contract” and PJM should be restrained in considering any other potential exceptions. A broad set of exceptions would not only swallow the rule but undermine the Commission’s intent in issuing the order.
No response at this time.
We believe it is critical that PJM’s tariff changes not destroy incentives that support grid reliability. We request that PJM consider proposed exemptions for: •QFs under PURPA •Battery storage •High-reliability units •PJM should consider proposing a tariff rate for back-up power for generators with high reliability that only rarely go offline
We are still considering whether there is good cause for exemptions and look forward to providing PJM feedback on this topic at the next opportunity to do so.
No comment.
Given PJM’s resource adequacy concerns, any PJM tariff changes should not adversely affect existing BTMG, CH&P cogeneration resources that support reliability.

Please comment on any aspect of the BTMG presentation that you would like PJM to address.
NA
1. Clarify Whether BTMG Will Be Allowed to Sell Excess Energy, 2. Clarify Whether BTMG Will Be Allowed to Sell Excess Energy
We encourage PJM to find the balance that allows end use customers who have been utilizing BTMG to continue to utilize the generation in which they have invested and not be required to draw from the grid if they would not otherwise have been contributing to the load the region needs to serve at peak (or times of greatest system stress) for which PJM secures capacity resources to ensure resource adequacy. In other words, don't pursue an implementation plan that further exacerbates the resource adequacy challenges facing the region. We also encourage additional transparency for PJM market to know how much load is currently utilizing BTMG resources by zone so that we may better understand potential impacts of any changes to how BTMG is handled going forward.
NA
First, we strongly support PJM enabling all load customers to participate in non-firm service options, not only Co-Located load. FERC's Order was explicit that Co-Located load must have the option to participate in these service options, but it did not exclude other load types from participating, as well. It would be discriminatory to reform rules around BTMG load without giving them commensurate options to also participate in non-firm service. Second, we strongly support PJM providing additional materials to clearly distinguish Co-Located Load and BTMG and the optionality that market participants would have to participate in these different options. Thank you to PJM for soliciting input on this critical topic.
PJM, in its compliance filing, should clarify that the new transmission services are available to any load (including BTMG-connected load and customers with load flexibility), not just Co-Located Load.
We would strongly support PJM providing additional materials to clearly distinguish Co-Located Load and BTMG and the optionality that market participants would have to participate in these different options.
No comment.
It would be helpful if PJM provided a report that described and quantified the existing BTMG arrangements and their impact on load forecasting, operational reliability, resource adequacy, and transmission planning.