

PJM Proposal for OATT, Attachment O, Appendix 2, Section 2.5

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MIC Special Session

BTMG Business Rules on Status Changes

June 3, 2021

OATT, Attachment O, Appendix 2, Section 2.5

- Allows a BTMG unit that received Capacity Interconnection Rights (CIRs) to elect to operate all or a portion of its capacity as a Generation Capacity Resource for a Delivery Year
 - Allows unit to change status from Generation Capacity Resource to BTMG status or vice versa (up to CIRs awarded)
 - Election notification required just prior to start of the Delivery Year

- Language was in place prior to RPM and was not updated with RPM implementation

- Existing Generation Capacity Resources are subject to Must Offer Requirement in RPM Auctions
 - Option to seek must offer exception
 - Must follow the removal of Generation Capacity Resource status process in advance of DY RPM Auction to remove MWs from Capacity Market
- Exception to Must Offer Requirement for Intermittent, Capacity Storage Resources, and Environmentally Limited Resources
 - Option to not offer all or portion of their available capacity
 - Must follow the removal of Generation Capacity Resource status process in advance of DY RPM Auction to remove MWs from Capacity Market

Deadline Date Conflicts in OATT

**September 1
prior to BRA**

Preliminary notice to seek removal from Capacity Resource Status

(Not applicable for 2022/23 DY BRA)

BRA

(Opens May 19, 2021 for 2022/2023 DY BRA)

120 days prior to 3rd IA

Final notice to seek removal from Capacity Resource Status

(End of October 2021 for 2022/2023 DY 3rd IA)

**May 1
(no sooner than Mar. 15) prior**



Notification deadline for Capacity Resource Election in OATT, Attachment O, Appendix 2, Section 2.5

**December 1
prior to BRA**

Final notice to seek removal from Capacity Resource Status

(December 8, 2020 for 2022/23 DY BRA)

240 days prior to 3rd IA

Preliminary notice to seek removal from Capacity Resource Status

(Not applicable for the 2022/23 DY 3rd IA)

3rd IA

(Opens end of February 2022 for 2022/2023 DY 3rd IA)

June 1, 2022

Effective date of status change from Capacity Resource to BTMG



Conflicts with deadlines to seek removal from Capacity Resource status

- PJM proposes to eliminate the entirety of Section 2.5 of OATT, Attachment O, Appendix 2
 - Section 2.5 would not be included in future service agreements
- Deleting obsolete language avoids confusion and eliminate conflicts with Removal of Generation Capacity Resource Status business rules

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



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

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Appendix

OATT, Attachment O, Appendix 2, Section 2.5

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.

2.5.1 Capacity Resource Election:

The Generation Interconnection Customer may elect to operate all or a portion of its Customer Facility as a Capacity Resource only to the extent that the Interconnection Service Agreement grants Capacity Interconnection Rights. Such an election may include all or any portion of the Customer Facility's capacity for which Capacity Interconnection Rights have been granted.

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.

Election by BTMG unit to operate as Capacity Resource

New Services Request

Behind-the-Meter

Gross
Generation
Output =
10 MW

Load
= **5 MW**

Station Service
& Aux. Load
1 MW

Max Host/
Process Load
4 MW

PJM Generation Resource

Max. Facility Output
= **9 MW**

Energy MW
9 MW

Capacity Interconnection
Rights
= **5 MW**

Capacity MW
5 MW

Initial election no later than 30 days prior to commencement of Interconnection Service

PJM Generation Resource

Max. Facility Output
= **9 MW**

Energy MW
9 MW

Capacity Interconnection
Rights
= **5 MW**

Capacity MW
3 MW

Subsequent election May 1 (no sooner than March 15) prior to Delivery Year

Process for Voluntary Removal of Generation Capacity Resource Status

- Capacity Market Seller initiates the process with a preliminary, and then final, written request to PJM and the IMM
 - Requests submitted to PJM via email to the rpm_hotline@pjm.com and to the IMM through the MIRA application
 - **Preliminary request** must identify the resource and MW, applicable Delivery Year of the status change, and include supporting data and documentation
 - Deadline to submit is September 1st prior to a Base Residual Auction (BRA), or 240 days prior for an Incremental Auction (IA)
 - **Final request** to confirm or withdraw the preliminary request
 - Deadline to submit is December 1st prior to BRA, or 120 days prior to IA

- PJM publicly posts the preliminary and final requested MW on an aggregate basis by zone and sub-zonal LDA

OATT Attachment DD, Section 6.6 (g) and Manual 18, Section 5.4.7

Process for Voluntary Removal of Generation Capacity Resource Status (cont'd)

- IMM reviews the requests for potential market power concerns
 - IMM provides determination by 90 days prior to auction
 - If market seller disagrees, must notify IMM and PJM by 80 days prior to auction
- PJM, considering advice and input from the IMM, makes final determination
 - Provides determination by 65 days prior to auction
 - PJM will not accept requests for resources that hold a capacity commitment for the applicable Delivery Year(s)

Approved Requests

- Capacity model is updated to reflect the status change and the resource is no longer eligible to offer in auctions or take on commitments for the applicable Delivery Year(s)
- The Capacity Interconnection Rights (CIRs) of the resource are subject to termination in a manner consistent with a deactivating unit
 - CIRs lost one year from the effective date of the status change if not re-used in queue

Activity	Deadline
Preliminary request for Capacity Resource status change	Sept 1 prior to BRA, 240 days prior to IA
Final request for Capacity Resource status change	Dec 1 prior to BRA, 120 Days prior to IA
IMM provides determination on status change request	90 days prior to auction
Capacity Market Sellers notifies of any disagreement	80 days prior to auction
PJM provides determination on status change request	65 days prior to auction