# **Policy Questions for Behind-The-Meter (BTM) Resource (04-12-2021)**

While it is not a current defined term in the ERCOT Nodal Protocols, for purposes of this discussion a BTM Resource is defined as a Resource at a site:

* With one or more Generation Resources (GRs) and/or Energy Storage Resources (ESRs) co-located with customer (retail) Load behind a single POI;
* Is a net Load site at all times; and
* Has ESRs/GRs seeking to participate in SCED and Ancillary Services.

## Background:

Under current practice, participation in SCED and Ancillary Services is limited to a Resource’s (GR, ESR, or Controllable Load Resource (CLR)) *net capability* — at the Point of Interconnection (POI) for transmission-connected Resources or at the Service Delivery Point (SDP) for distribution-connected Resources. Net capability is defined as the capacity available for injection to the grid after netting all load (including auxiliary Load) with the generation behind the meter. As a result, if the site is always a net Load, the GR or ESR are not allowed to provide AS since their net capability to deliver energy at the grid is zero. However, Non-Controllable Load Resource (NCLR) in a net generation site is allowed to provide RRS based on *gross capability*.

## Questions:

Should we change the current practice of limiting eligible AS quantity for ESR/GR to only the net capability that can be delivered at the POI or SDP?

* NOTE: Changing the current practice would cause misalignment of SCED Base Point instructions to the GRs and ESRs which is based on nodal pricing while the net Load at the site is settled using Load Zone prices. Although not relevant to the examples that have been presented at WMWG, similar misalignments would exist for CLRs when sharing a POI or PCC with a GR or ESR.
* In cases where there is a large delta between zonal and nodal prices, the incentive for a BTM Resource to follow the SCED BP instructions would be diluted or negated. To the degree a change in current practice is pursued, what changes to base point deviation and/or performance monitoring should be considered?
* Default uplift allocation today is based on the metered data. The metered data will never reflect BTM Resource’s activity in the market because the site will always be settled as net-load. How should these type of Resource be accounted for in the default uplift allocation?
* Should EPS Meters be installed at the POI/SDP for GR and ESR sites that are always a net Load to the grid? EPS Meters are not required for net Load sites.
* With the misalignment created between dispatch and Settlement, there is Real-Time Revenue Neutrality Allocation (RENA) impact which should be evaluated.
* Settlement issue – AS Imbalance for Generation Resource and ESR uses metered generation, this BTM site is net-load site and therefore there will be no metered generation. However, AS Imbalance for Load Resources (NCLR and CLR) uses telemetry.
* There are certain disclosure reporting rules specific to Private Use Networks (PUNs), e.g., Load Distribution Factor reporting. What rules are needed to distinguish between cases in which special disclosure rules are applicable and when they are not applicable?

## Technical Issues that would arise under BTM Resource dispatch:

ERCOT real-time Load is summation of Telemetered Net Generation Resource MW minus summation of Net DC Tie interchanges (DC Tie Exports positive; DC Tie Imports negative).

The Net Generation telemetry under the current proposal for these sites would not reflect the current practice of telemetering the net MW flow at the POI/PCC rather, the Net Generation telemetry would reflect MW output that only nets the GR/ESR auxiliary load but does not net the BTM retail load.

The ERCOT Operational Load Forecast today is forecasting net Load, which excludes any Load behind the meter which meets generation netting rules, including PUN Load.