

**PJM OPEN ACCESS
TRANSMISSION TARIFF**

Effective Date: 8/10/2011

IV. INTERCONNECTIONS WITH THE TRANSMISSION SYSTEM

References to section numbers in this Part IV refer to sections of this Part IV, unless otherwise specified.

Preamble

An Interconnection Customer that proposes to (i) interconnect a generating unit to the Transmission System in the PJM Region, (ii) increase the capacity of a generating unit in the PJM Region, (iii) interconnect Merchant Transmission Facilities with the Transmission System, (iv) increase the capacity of existing Merchant Transmission Facilities interconnected to the Transmission System, or (v) interconnect a generating unit to distribution facilities located in the PJM Region that are used for transmission of power in interstate commerce, and to make wholesale sales using the output of the generating unit shall request interconnection with the Transmission System pursuant to, and shall comply with, the terms, conditions, and procedures set forth in Part IV of the Tariff. Subpart G of Part IV of the Tariff and related portions of the PJM Manuals apply to Interconnection Requests involving new generation resources of 20 MW procedures, terms and conditions governing the Transmission Provider's administration of the New Services Queue, System Impact Studies and Facilities Studies of Interconnection Requests (as well as other New Service Requests), and agreements related to such studies and Interconnection Service. Each Interconnection Customer must pay for any Attachment Facilities, Local Upgrades, and Network Upgrades necessary to accommodate the requested interconnection.

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Subpart A – INTERCONNECTION PROCEDURES

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36 Interconnection Requests

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36.1 General:

Generation Interconnection Requests and Transmission Interconnection Requests shall be governed by this Section 36.

36.1.01 Generation Interconnection Request:

Except as otherwise provided in this Subpart A with respect to Behind The Meter Generation, an Interconnection Customer that seeks to interconnect new generation in, or to increase the capacity of generation already interconnected in, the PJM Region shall submit to the Transmission Provider a Generation Interconnection Request. A Generation Interconnection Request shall include: (i) the location of the proposed generating unit site or existing generating unit; (ii) evidence of an ownership interest in, or right to acquire or control the generating unit site, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; (iii) the size of the proposed generating unit or the amount of increase in capacity of an existing generating unit; (iv) a description of the equipment configuration and if the generating unit is a wind generation facility, a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator; (v) the planned date the proposed generating unit or increase in capacity of an existing generating unit will be in service, such date to be no more than seven years from the date the request is received by the Transmission Provider unless the Generation Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capacity will take more than seven years; and (vi) any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; (vii) an executed Generation Interconnection Feasibility Study Agreement, a form of which is contained in Attachment N, pursuant to which the Generation Interconnection Customer agrees to reimburse the Transmission Provider for the cost of the Generation Interconnection Feasibility Study; (viii) an initial deposit of \$100 for each MW requested if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; an initial deposit in the amount of \$150 for each MW requested if the Generation Interconnection Request is received in the fifth second-calendar month of the current New Services Queue; or an initial deposit in the amount of \$200 for each MW requested, if the Generation Interconnection Request is received in the sixth third-calendar month of the current New Services Queue; provided, however, that the maximum initial deposit for a Generation Interconnection Request will be \$100,000 regardless of both the size and timing of such request; and (ix) a base non-refundable deposit of \$10,000, if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; a base non-refundable deposit of \$20,000 if the Generation Interconnection Request is received in the fifth second-calendar month of the current New Services Queue; or a base non-refundable deposit of \$30,000, if the Generation Interconnection Request is received in the sixth third-calendar month of the current New Services Queue.

The base and initial deposit will be credited toward the amount of the Generation Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study. Upon completion of the Feasibility Study, the Transmission Provider will return any unused refundable deposit monies to Interconnection Customer. Any remaining non-refundable deposit monies will be credited toward the Interconnection Customer's cost responsibility for any other studies

conducted for that Interconnection Request under Part VI of the Tariff, which will be applied prior to the deposit monies collected for that other study. If any non-refundable deposit monies remain after all studies are complete, such monies will be returned to a Generation Interconnection Customer upon Initial Operation, or to a Transmission Interconnection Customer upon energization of completed facilities as provided in Attachment GG, Appendix III, Section 20 of the Tariff. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies (A) the proposed maximum summer and winter megawatt electrical output; (B) the location of the generation by county and state; (C) the station or transmission line or lines where the interconnection will be made; (D) the facility's projected date of Initial Operation; (E) the status of the Generation Interconnection Request, including its Queue Position; (F) the type of Generation Interconnection Service requested; (G) the availability of any studies related to the Interconnection Request; (H) the date of the Generation Interconnection Request; (I) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (J) for each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed. This list will not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Part IV of the Tariff. The list and the priority of Generation Interconnection Requests shall be included on the website as part of the New Services Queue.

36.1.02 Generation Interconnection Requests of 20 Megawatts or Less:

The Transmission Provider has developed streamlined processes for Generation Interconnection Requests involving new generation resources of 20 MW or less and increases in the capacity of a generating unit by 20 MW or less over any consecutive 24-month period. The processes for Generation Interconnection Requests involving increases in capacity by 20 MW or less are set forth in Subpart G of Part IV of the Tariff and the PJM Manuals.

36.1.03 Transmission Interconnection Request:

An Interconnection Customer that seeks to interconnect or add Merchant Transmission Facilities to the Transmission System, or to increase the capacity of existing Merchant Transmission Facilities interconnected with the Transmission System, or to advance the construction of any transmission enhancement or expansion other than Merchant Transmission Facilities that is included in the Regional Transmission Expansion Plan prepared pursuant to Schedule 6 of the Operating Agreement, shall submit to the Transmission Provider a Transmission Interconnection Request. A Transmission Interconnection Request shall include: (i) the location of the proposed Merchant Transmission Facilities and of the substation(s) or other location(s) where the Transmission Interconnection Customer proposes to interconnect or add its Merchant Transmission Facilities to the Transmission System; (ii) a description of the proposed Merchant Transmission Facilities; (iii) the nominal capability or increase in capability (in megawatts) of the proposed Merchant Transmission Facilities or planned increase in the capability of the existing facilities on which any proposed Merchant Network Upgrades would be installed; (iv) the planned date the proposed Merchant Transmission Facilities will be in service, such date to be no more than seven years from the date the request is received by the Transmission Provider, unless the Transmission Interconnection Customer demonstrates that engineering,

permitting, and construction of the Merchant Transmission Facilities will take more than seven years; (v) if the request relates to proposed Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that will interconnect with the Transmission System and with another control area outside the PJM Region, the Transmission Interconnection Customer's election to receive either (a) Transmission Injection Rights and/or Transmission Withdrawal Rights, or (b) Incremental Deliverability Rights, Incremental Auction Revenue Rights, Incremental Capacity Transfer Rights, and Incremental Available Transfer Capability Revenue Rights, associated with the capability of the proposed Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities; (vi) if the Transmission Interconnection Customer will be eligible to receive Incremental Deliverability Rights under Section 235 of the Tariff, identification of the point on the Transmission System where the Transmission Interconnection Customer wishes to receive Incremental Deliverability Rights created by the construction or installation of its proposed Merchant Transmission Facilities; (vii) any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; (viii) an executed Transmission Interconnection Feasibility Study Agreement, a form of which is contained in Attachment S, pursuant to which the Transmission Interconnection Customer agrees to reimburse the Transmission Provider for the cost of the Transmission Interconnection Feasibility Study; and (ix) an initial deposit in the amount of \$100 for each MW requested if the Transmission Interconnection Request is received in the first four calendar months of the current New Services Queue; an initial deposit in the amount of \$150 for each MW requested if the Transmission Interconnection Request is received within the ~~fifth~~ second calendar month of the current New Services Queue; or an initial deposit in the amount of \$200 for each MW requested, if the Transmission Interconnection Request is received within the ~~sixth~~ third calendar month of the current New Services Queue; provided, however, that the maximum initial deposit for a Transmission Interconnection Request will be \$100,000 regardless of both size and timing of such request; and (x) a base non-refundable deposit in the amount of \$10,000, if the Transmission Interconnection Request is received within the first four calendar months of the date of the beginning of the current New Services Queue; a base non-refundable deposit in the amount of \$20,000 if the Transmission Interconnection Request is received within the ~~fifth~~ second calendar month of the current New Services Queue; or a base non-refundable deposit in the amount of \$30,000, if the Transmission Interconnection Request is received within the ~~sixth~~ third calendar month of the current New Services Queue.

The base and initial deposit will be credited toward the amount of the Transmission Interconnection Customer's cost responsibility for the Transmission Interconnection Feasibility Study and other studies conducted under Part IV or Part VI of the Tariff. The Transmission Provider shall maintain on the Transmission Provider's OASIS a list of all Transmission Interconnection Requests that identifies (A) in megawatts the potential nominal capability or increase in capability; (B) the location of the Merchant Transmission Facilities by county and state; (C) the station or transmission line or lines where the interconnection will be made; (D) the facility's projected date of Initial Operation; (E) the status of the Transmission Interconnection Request, including its Queue Position; (F) the availability of any studies related to the Interconnection Request; (G) the date of the Transmission Interconnection Request; (H) the type of Merchant Transmission Facilities to be constructed; and (I) for each Transmission Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed. This list will not disclose the identity of the Transmission

Interconnection Customer, except as otherwise provided in Part IV or Part VI of the Tariff. The list and the priority of Transmission Interconnection Requests shall be included on the OASIS as a part of the New Services Queue.

Within 30 days of submitting its Interconnection Request, Transmission Interconnection Customer shall provide evidence that it has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting, if applicable. Transmission Interconnection Customer shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM interconnection process.

36.1.1 Interconnection Services for Generation:

Generation Interconnection Customers may request either of two forms of Interconnection Service, i.e., interconnection as a Capacity Resource or as an Energy Resource. Energy Resource status allows the generator to participate in the PJM Interchange Energy Market pursuant to the PJM Operating Agreement. Capacity Resource status allows the generator to participate in the PJM Interchange Energy Market to be utilized by load-serving entities in the PJM Region to meet capacity obligations imposed under the Reliability Assurance Agreement and/or to be designated as a Network Resource under Part III. Capacity Resources also may participate in Reliability Pricing Model Auctions and in Ancillary Services markets pursuant to the PJM Tariff or the Operating Agreement. Capacity Resource status is based on providing sufficient transmission capability to ensure deliverability of generator output to the aggregate PJM Network Load and to satisfy various contingency criteria established by the Applicable Regional Reliability Council in which the generator is located. Specific tests performed during the Generation Interconnection Feasibility Study and later System Impact Study will identify those upgrades required to satisfy the contingency criteria applicable at the generator's location.

Consistent with Section 1.7.4(i) of Schedule 1 to the Operating Agreement, to the extent its generating facility is dispatchable, an Interconnection Customer shall submit an Economic Minimum in the real-time market that is no greater than the higher of its physical operating minimum or its Capacity Interconnection Rights.

36.1.2 No Applicability to Transmission Service:

Nothing in this Part IV shall constitute a request for transmission service, or confer upon an Interconnection Customer any right to receive transmission service, under Part II or Part III.

36.1.3 Acknowledgement of Interconnection Request:

The Transmission Provider shall acknowledge receipt of the Interconnection Request (electronically when available to all parties, otherwise written) within five (5) business days after receipt of the request and shall attach a copy of the received Interconnection Request to the acknowledgement.

36.1.4 Deficiencies in Interconnection Request:

An Interconnection Request will not be considered a valid request if Interconnection Customer has failed to pay any outstanding invoices related to prior Interconnection Requests by the Interconnection Customer and until all information required under Section 36.1 has been received by the Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 36.1, except as provided below regarding the deposit, or is in arrears as described above, the Transmission Provider shall so notify the Interconnection Customer (electronically when available to all parties, otherwise written) within five (5) business days of receipt of the initial Interconnection Request. Such notice shall explain that the Interconnection Request does not constitute a valid request and the reasons for such failure to meet the applicable requirements. Interconnection Customer shall provide the additional information that Transmission Provider's notice identifies as needed to constitute a valid request and shall make any payments on any outstanding invoices within ten (10) business days after receipt of such notice. Upon timely correction of the deficiency, the Interconnection Request shall be assigned a Queue Position under Section 201 as of the date that Transmission Provider first received the request. In the event the Interconnection Customer fails to provide the further information and make payments on any outstanding invoices required by Transmission Provider's deficiency notice under this Section 36.1.4, its Interconnection Request shall be deemed to be terminated and withdrawn. Notwithstanding the above, the Interconnection Customer must submit its deposit at the time it submits its Interconnection Request. Failure to do so will result in rejection of the Interconnection Request.

36.1.5 Scoping Meeting:

The following provision shall apply to Interconnection Requests submitted prior to May 1, 2012:

Transmission Provider shall provide each Interconnection Customer with an opportunity for a scoping meeting among the Transmission Provider, the prospective Interconnected Transmission Owner and the Interconnection Customer. The purpose of the scoping meeting will be to identify one alternative Point(s) of Interconnection and configurations to evaluate in the Interconnection Studies and to attempt to select the best alternatives in a reasonable fashion given resources and information available. The Interconnection Customer may select a maximum of two Point(s) of Interconnection to be studied during the Interconnection Feasibility Study, a primary and secondary Point of Interconnection may be selected by the Interconnection Customer. After receipt of a valid Interconnection Request, Transmission Provider shall offer to arrange, within seven business days, for the scoping meeting, and shall provide a minimum of three suggested meeting dates and times for the scoping meeting. The scoping meeting shall be held, or waived by mutual agreement of the parties within 45 days after receipt of a valid Interconnection Request, if the Interconnection Request is received in the first calendar month of the current New Services Queue; or within 30 days if the Interconnection Request is received within the second calendar month of the current New Services Queue; or in 20 days if the Interconnection Request is received in the third calendar month of the date of the beginning of the current New Services Queue. The Interconnection Customer may choose to divide the scoping meeting into two sessions, one between the Transmission Provider and Interconnection Customer and one among Transmission Provider, the Interconnection Customer and the prospective Interconnected Transmission Owner. Such meetings may be held consecutively on the same day. Scoping

meetings may be held in person or by telephone or video conference. In the event the Interconnection Customer fails to waive or complete the scoping meeting requirement, its Interconnection Request shall be deemed to be terminated and withdrawn

The following provision shall apply to Interconnection Requests submitted on or after May 1, 2012:

Transmission Provider shall provide each Interconnection Customer with an opportunity for a scoping meeting among the Transmission Provider, the prospective Interconnected Transmission Owner and the Interconnection Customer. The purpose of the scoping meeting will be to identify one alternative Point(s) of Interconnection and configurations to evaluate in the Interconnection Studies and to attempt to select the best alternatives in a reasonable fashion given resources and information available. The Interconnection Customer may select a maximum of two Point(s) of Interconnection to be studied during the Interconnection Feasibility Study, a primary and secondary Point of Interconnection may be selected by the Interconnection Customer. After receipt of a valid Interconnection Request, Transmission Provider shall offer to arrange, within seven business days, for the scoping meeting, and shall provide a minimum of three suggested meeting dates and times for the scoping meeting. The scoping meeting shall be held, or waived by mutual agreement of the parties within 45 days after receipt of a valid Interconnection Request, if the Interconnection Request is received in the first four calendar months of the current New Services Queue; or within 30 days if the Interconnection Request is received within the fifth calendar month of the current New Services Queue; or in 20 days if the Interconnection Request is received in the sixth calendar month of the date of the beginning of the current New Services Queue. The Interconnection Customer may choose to divide the scoping meeting into two sessions, one between the Transmission Provider and Interconnection Customer and one among Transmission Provider, the Interconnection Customer and the prospective Interconnected Transmission Owner. Such meetings may be held consecutively on the same day. Scoping meetings may be held in person or by telephone or video conference. In the event the Interconnection Customer fails to waive or complete the scoping meeting requirement, its Interconnection Request shall be deemed to be terminated and withdrawn.

36.1.6 Coordination with Affected Systems:

The Transmission Provider will coordinate with Affected System Operators the conduct of any required studies in accordance with Section 202.

36.1.7 Base Case Data:

Transmission Provider shall provide Interconnection Customer with base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request and subject to the confidentiality provisions of Section 223 of the Tariff. Transmission Provider may require Interconnection Customer to sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include

all (1) generation projects and (ii) transmission projects, including merchant transmission projects, that are included in the then-current, approved Regional Transmission Expansion Plan.

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36.1A Behind The Meter Generation:

The following provisions shall apply with respect to Behind The Meter Generation:

36.1A.1 Generation Interconnection Requests:

Any Behind The Meter Generation that desires to be designated, in whole or in part, as a Capacity Resource or Energy Resource must submit a Generation Interconnection Request.

36.1A.2 Information Required in Generation Interconnection Requests:

In addition to the information described in Section 36.1 of the Tariff, a Generation Interconnection Request for Behind The Meter Generation shall include (1) the type and size of the load located (or to be located) at the site of such generation; (2) a description of the electrical connections between the generation facility and the load; and (3) the amount of the facility's generating capacity for which the customer seeks Capacity Interconnection Rights or that will be an Energy Resource. The amount of capacity included in the election pursuant to section (3) of the preceding sentence may be reduced, but shall not be increased, during the interconnection study process in accordance with any rules and procedures stated in the PJM Manuals.

36.1A.3 Small Generation Classification:

The amount of generating capacity of Behind The Meter Generation that the Generation Interconnection Customer identifies in its Generation Interconnection Request as the capacity that it wishes to be a Capacity Resource or Energy Resource shall determine whether Subpart A or Subpart G of Part IV will apply to such Generation Interconnection Request.

36.1A.4 Transmission Provider Determination:

Prior to commencing any Interconnection Studies related to a Generation Interconnection Request involving facilities described as Behind The Meter Generation, Transmission Provider shall determine, based on the information included in the Generation Interconnection Request and any other information requested and obtained from the Generation Interconnection Customer, whether the generating facility or expansion involved in the Generation Interconnection Request appears to meet the definition of Behind The Meter Generation in the Tariff. In the event that Transmission Provider finds that the subject project does not meet the definition of Behind The Meter Generation, it shall so notify the Generation Interconnection Customer and, for all purposes of Part IV and Part VI, shall thereafter deem the customer's Generation Interconnection Request to include the full generating capacity of the facility or expansion to which the request relates.

36.1A.5 Treatment As Energy Resource:

Any portion of the capacity of Behind The Meter Generation that a Generation Interconnection Customer identifies in its Generation Interconnection Request as capacity that it seeks to utilize,

directly or indirectly, in Wholesale Transactions, but for which the customer does not seek Capacity Resource status, shall be deemed to be an Energy Resource.

36.1A.6 Operation as Capacity Resource:

To the extent that a Generation Interconnection Customer that owns or operates generation facilities that otherwise would be classified as Behind The Meter Generation elects, in accordance with Section 2.5 at Appendix 2 of the form of Interconnection Service Agreement (set forth in Attachment O to the Tariff), to operate such facilities as a Capacity Resource, the provisions of the Tariff regarding Behind The Meter Generation shall not apply to such generation facilities for the period such election is in effect.

36.1A.7 Other Requirements:

Behind The Meter Generation for which a Generation Interconnection Request is not required under Part IV may be subject to other interconnection-related requirements of a Transmission Owner or Electric Distributor with which the generation facility will be interconnected.

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36.2 Interconnection Feasibility Study:

The following provision applies to Interconnection Requests that are submitted prior to May 1, 2012:

After receiving an Interconnection Request, a signed Generation Interconnection Feasibility Study Agreement or Transmission Interconnection Feasibility Study Agreement, as applicable, and the applicable deposit contained in Sections 36.1.01, 36.1.03, 110.1, 111.1, and 112.1 of the Tariff (as were in effect prior to May 1, 2012) from the Interconnection Customer, and, if applicable, subject to the terms of Section 36.1A.5, the Transmission Provider shall conduct an Interconnection Feasibility Study to make a preliminary determination of the type and scope of Attachment Facilities, Local Upgrades, and Network Upgrades that will be necessary to accommodate the Interconnection Request and to provide the Interconnection Customer a preliminary estimate of the time that will be required to construct any necessary facilities and upgrades and the Interconnection Customer's cost responsibility, estimated consistent with Section 217 of the Tariff. The Interconnection Feasibility Study assesses the practicality and cost of accommodating interconnection of the generating unit or increased generating capacity with the Transmission System. The analysis is limited to load-flow analysis of probable contingencies and, for Generation Interconnection Requests, short-circuit studies. This study also focuses on determining preliminary estimates of the type, scope, cost and lead time for construction of facilities required to interconnect the project. For a Generation Interconnection Customer, the Interconnection Feasibility Study may provide separate estimates of necessary facilities and upgrades and associated cost responsibility reflecting the generating facility being designated as either a Capacity Resource or an Energy Resource. The study for the primary Point of Interconnection will be conducted as a cluster, within the project's New Services Queue. The study for the secondary Point of Interconnection will be conducted as a sensitivity analysis. The Transmission Provider shall provide a copy of the Interconnection Feasibility Study and, to the extent consistent with the Office of the Interconnection's confidentiality obligations in Section 18.17 of the Operating Agreement, related work papers to the Interconnection Customer and the affected Transmission Owner(s). Upon completion, the Transmission Provider shall list the study and the date of the Interconnection Request to which it pertains on the Transmission Provider's OASIS. To the extent required by Commission regulations, the Transmission Provider shall make the completed Interconnection Feasibility Study publicly available upon request, except that the identity of the Interconnection Customer shall remain confidential. The Transmission Provider shall conduct Interconnection Feasibility Studies four times each year. For Interconnection Requests received during the three-month period ending January 31 the Transmission Provider shall use due diligence to complete Interconnection Feasibility Studies by April 30. For Interconnection Requests received during the three-month period ending April 30 the Transmission Provider shall use due diligence to complete Interconnection Feasibility Studies by July 31. For Interconnection Requests received during the three-month period ending July 31 the Transmission Provider shall use due diligence to complete Interconnection Feasibility Studies by October 31. For Interconnection Requests received during the three-month period ending October 31 the Transmission Provider shall use due diligence to complete Interconnection Feasibility Studies by January 31. In the event that the Transmission Provider is unable to complete an Interconnection Feasibility Study within such time period, it shall so notify the affected Interconnection Customer and the affected Transmission Owner(s) and

provide an estimated completion date along with an explanation of the reasons why additional time is needed to complete the study.

The following provision applies to Interconnection Requests that are submitted on or after May 1, 2012:

After receiving an Interconnection Request, a signed Generation Interconnection Feasibility Study Agreement or Transmission Interconnection Feasibility Study Agreement, as applicable, and the applicable deposit contained in Sections 36.1.01, 36.1.03, 110.1, 111.1, and 112.1 of the Tariff from the Interconnection Customer, and, if applicable, subject to the terms of Section 36.1A.5, the Transmission Provider shall conduct an Interconnection Feasibility Study to make a preliminary determination of the type and scope of Attachment Facilities, Local Upgrades, and Network Upgrades that will be necessary to accommodate the Interconnection Request and to provide the Interconnection Customer a preliminary estimate of the time that will be required to construct any necessary facilities and upgrades and the Interconnection Customer's cost responsibility, estimated consistent with Section 217 of the Tariff. The Interconnection Feasibility Study assesses the practicality and cost of accommodating interconnection of the generating unit or increased generating capacity with the Transmission System. The analysis is limited to load-flow analysis of probable contingencies and, for Generation Interconnection Requests, short-circuit studies. This study also focuses on determining preliminary estimates of the type, scope, cost and lead time for construction of facilities required to interconnect the project. For a Generation Interconnection Customer, the Interconnection Feasibility Study may provide separate estimates of necessary facilities and upgrades and associated cost responsibility reflecting the generating facility being designated as either a Capacity Resource or an Energy Resource. The study for the primary Point of Interconnection will be conducted as a cluster, within the project's New Services Queue. The study for the secondary Point of Interconnection will be conducted as a sensitivity analysis. The Transmission Provider shall provide a copy of the Interconnection Feasibility Study and, to the extent consistent with the Office of the Interconnection's confidentiality obligations in Section 18.17 of the Operating Agreement, related work papers to the Interconnection Customer and the affected Transmission Owner(s). Upon completion, the Transmission Provider shall list the study and the date of the Interconnection Request to which it pertains on the Transmission Provider's OASIS. To the extent required by Commission regulations, the Transmission Provider shall make the completed Interconnection Feasibility Study publicly available upon request, except that the identity of the Interconnection Customer shall remain confidential. The Transmission Provider shall conduct Interconnection Feasibility Studies two times each year. For Interconnection Requests received during the six-month period ending October 31 the Transmission Provider shall use due diligence to complete Interconnection Feasibility Studies by the last day of February. For Interconnection Requests received during the six-month period ending April 30 the Transmission Provider shall use due diligence to complete Interconnection Feasibility Studies by August 31. Following the closure of an interconnection queue on October 31 and April 30, the Transmission Provider will utilize the following one month period to conduct any remaining scoping meetings and assemble the necessary analysis models so as to initiate the performance of the Interconnection Feasibility Studies on December 1 and June 1, respectively. In the event that the Transmission Provider is unable to complete an Interconnection Feasibility Study within such time period, it shall so notify the affected Interconnection Customer and the affected

Transmission Owner(s) and provide an estimated completion date along with an explanation of the reasons why additional time is needed to complete the study.

36.2.1 Substitute Point:

If the Interconnection Feasibility Study reveals any result(s) not reasonably expected at the time of the Scoping Meeting, a substitute Point of Interconnection identified by the Interconnection Customer, Transmission Provider, or the Interconnected Transmission Owner, and acceptable to the others, but which would not be a Material Modification, will be substituted for the Point of Interconnection identified in the Interconnection Feasibility Study Agreement. The substitute Point of Interconnection will be effected without loss of Queue Position and will be utilized in the ensuing System Impact Study.

36.2.2 Meeting with Transmission Provider:

At the Interconnection Customer's request, Transmission Provider, the Interconnection Customer and the Interconnected Transmission Owner shall meet at a mutually agreeable time to discuss the results of the Interconnection Feasibility Study. Such meeting may occur in person or by telephone or video conference.

36.2.3 Re-Study.

~~If a re-study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, a modification of a higher queued project subject to 36.2A, or re-designation of the Point of Interconnection pursuant to Section 36.2.1, the Transmission Provider shall notify the Interconnection Customer in writing explaining the reason for the re-study. Transmission Provider shall use due diligence to complete such re-study within forty-five (45) calendar days from the date of the notice. Any cost of re-study shall be borne by the Interconnection Customer being restudied.~~

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36.2A Modification of Interconnection Request:

The Interconnection Customer shall submit to the Transmission Provider, in writing, any modification to its project that causes the project's capacity, location, or configuration to differ from any corresponding information provided in the Interconnection Request. The Interconnection Customer shall retain its Queue Position if the modification is in accordance with Sections 36.2A.1, 36.2A.2 or 36.2A.5, or, if not in accordance with one of those sections, is determined not to be a Material Modification pursuant to Section 36.2A.3. Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, the Interconnected Transmission Owner, or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the project's Point of Interconnection, capacity, and/or configuration in accordance with such changes and shall proceed with any re-studies that Transmission Provider finds necessary in accordance with Sections 205.5 and/or 207.2, as applicable, provided, however, that a change to the Point of Interconnection shall be permitted without loss of Queue Position only if it would not be a Material Modification.

36.2A.1 Modifications Prior to Executing A System Impact Study Agreement

36.2A.1.1 Prior to the commencement of the Feasibility Study, an Interconnection Customer may request to reduce by up to 60 percent of the electrical output (MW) (in the case of a Generation Interconnection Request) or the capability (in the case of a Transmission Interconnection Request) without losing its current Queue Position. For Interconnection Requests received in months one through five of the New Services Queue the Interconnection Customer must identify this change prior to the close of business on the last day of the sixth month of the New Services Queue. For Interconnection Requests received during the sixth month of the New Services Queue the Interconnection Customer must identify this change no later than close of business on the day following the completion of the scoping meeting.

36.2A.1.2 After the start of the Feasibility Study, but prior to the return of the ~~Prior to~~ ~~return of the~~ executed System Impact Study Agreement to the Transmission Provider, an Interconnection Customer may modify its project to reduce the size of the project as provided in this section 36.2A.1.2, subject to the limitation described in section 36.2A.6. The Interconnection Customer may reduce its project by up to 10 percent of the electrical output (MW) (in the case of a Generation Interconnection Request) or capability (in the case of a Transmission Interconnection Request) of the proposed project. For a request to reduce by more than 10 percent, an Interconnection Customer must request the Transmission Provider to evaluate if such a change would be a Material Modification and the Transmission Provider will allow the Interconnection Customer to reduce the size of its project: (i) to any size if the Transmission Provider determines the change is not a Material Modification; or (ii) by up to 60 percent of the electrical output (MW) (in the case of a Generation Interconnection Request) or capability (in the case of a Transmission Interconnection Request) if the Transmission Provider

determines the change is a Material Modification, however, such a project that falls within this subsection (ii) would be removed from its current Queue Position and will be assigned a new Queue Position at the beginning of the subsequent queue and a new Interconnection Feasibility Study will be performed consistent with the timing of studies for projects submitted in the subsequent queue. All projects assigned such new Queue Positions will retain their priority with respect to each other in their newly assigned queue and with respect to all later queue projects in subsequent queues, but will lose their priority with respect to other projects in the queue to which they were previously assigned. For increases in generating capacity or transmission capability, the Interconnection Customer must submit a new Interconnection Request for the additional capability and shall be assigned a new Queue Position for the additional capability.

36.2A.2 Modifications After the System Impact Study Agreement but Prior to Executing an Interconnection Service Agreement

After the System Impact Study Agreement is executed and prior to execution of the Interconnection Service Agreement, an Interconnection Customer may modify its project to reduce the size of the project as provided in this section 36.2A.2, subject to the limitation described in section 36.2A.6. The Interconnection Customer may reduce its project by the greater of 10 MW or 5 percent of the electrical output (MW) (in the case of a Generation Interconnection Request) or capability (in the case of a Transmission Interconnection Request) of the proposed project. For a request to reduce by more than the greater of 10 MW or 5 percent, an Interconnection Customer must request the Transmission Provider to evaluate if such a change would be a Material Modification and the Transmission Provider will allow the Interconnection Customer to reduce the size of its project: (i) to any size if the Transmission Provider determines the change is not a Material Modification; or ~~the electrical output (MW) (in the case of a Generation Interconnection Request) or the transmission capability (in the case of a Transmission Interconnection Request)~~ (ii) by up to the greater of 50 MW or 20 percent of the electrical output (MW) (in the case of a Generation Interconnection Request) or capability (in the case of a Transmission Interconnection Request) if the Transmission Provider determines the change is a Material Modification, however, such a project that falls within this subsection (ii) would be removed from its current Queue Position and will be assigned a new Queue Position at the beginning of the subsequent queue and a new System Impact Study will be performed consistent with the timing of studies for projects submitted in the subsequent queue. All projects assigned such new Queue Positions will retain their priority with respect to each other in their newly assigned queue and with respect to all later queue projects in subsequent queues, but will lose their priority with respect to other projects in the queue to which they were previously assigned.

36.2A.3

Prior to making any modifications other than those specifically permitted by Sections 36.2A.1, 36.2A.2 and 36.2A.5, the Interconnection Customer may first request that the Transmission Provider evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the Transmission Provider shall evaluate the proposed modifications prior to making them and shall inform the Interconnection Customer in writing of whether the modification(s) would constitute a Material Modification. For purposes of this

Section 36.2A.3, any change to the Point of Interconnection (other than a change deemed acceptable under Sections 36.1.5, 36.2.1, or 36.2A.1) or increase in generating capacity shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

36.2A.4

Upon receipt of the Interconnection Customer's request for modification under Section 36.2A.3, the Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but, except as otherwise provided in this Subpart A, the Transmission Provider shall commence such studies no later than thirty (30) calendar days after receiving notice of the Interconnection Customer's request. Any additional studies resulting from such modification shall be done at the Interconnection Customer's expense. Transmission Provider may require the Interconnection Customer to pay the estimated cost of such studies in advance.

36.2A.5

Extensions of less than three (3) cumulative years in the projected date of Initial Operation of the Customer Facility are not material and shall be handled through construction sequencing.

36.2A.6

An Interconnection Customer may be assigned a new queue Assignment of a new position as provided for in in the queue order as would occur under sections 36.2A.1.2 or 36.2A.2 may only occur, in aggregate, a total of two times for any single Interconnection Request. In the event that Interconnection Customer seeks to reduce the size of its project such that Transmission Provider determines the change is a material modification, and such change would result in the third assingment of a new queue position under sections 36.2A.1 .2 or 36.2A.2, it is determined there is a need to assign a new queue position in excess of two times then the Interconnection Request shall be terminated and withdrawn if the Interconnection Customer proceeds with such the change which is requiring the assignment of the new queue position for the third time.

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37 Additional Procedures:

Upon completion of the Interconnection Feasibility Study, the Transmission Provider shall tender affected Interconnection Customers a System Impact Study Agreement pursuant to Part VI. The procedures and other terms of Part VI shall apply to the System Impact Study and subsequent analysis of Interconnection Requests.

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Subpart G – SMALL GENERATION INTERCONNECTION PROCEDURE

Preamble

Requests for the interconnection of new generation resources of 20 MW or less or increases of 20 MW or less to the capability of existing generation resources may be processed, pursuant to the applicable provisions of Section 36 of the PJM Tariff, and through the expedited procedures set forth in this Subpart G. This Subpart G describes procedures for the following categories of “small resource” additions: permanent Capacity Resource additions of 20 MW or less, permanent Energy Resource additions of 20 MW or less but greater than 2 MW, temporary Energy Resource additions of 20 MW or less but greater than 2 MW, permanent and temporary Energy Resource additions of 2 MW or less, and certified small inverter-based facility additions no larger than 10 kW. Part VI of the Tariff contains the procedures, terms and conditions that govern, in general, the Transmission Provider’s administration of the New Services Queue, System Impact Studies and Facilities Studies of Interconnection Requests, and agreements related to such studies and Interconnection Service, except as otherwise provided in this Subpart G of Part IV of the Tariff.

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110 Permanent Capacity Resource Additions Of 20 MW Or Less

This section describes procedures related to the submission and processing of Generation Interconnection Requests related to (a) new generation resources of 20 MW or less, or (b) the increase in capability, by 20 MW or less over any period of 24 consecutive months, of an existing generation resource, for which Capacity Interconnection Rights are to be granted. Such resources may participate in the PJM energy and capacity markets and may, therefore, be used by load serving entities to meet capacity obligations imposed under the PJM Reliability Assurance Agreement. These procedures apply to generation resources which, when connected to the system, are expected to remain connected to the system for the normal life span of such a generation resource. These procedures do not apply to resources that are specifically being connected to the system temporarily, with the expectation that they will later be removed.

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110.1 Application

The Generation Interconnection Customer desiring the interconnection of a new Generation Capacity Resource of 20 MW or less or the increase in capacity, by 20 MW or less, of an existing Generation Capacity Resource, must submit a completed Attachment N – Form of Generation Interconnection Feasibility Study Agreement. Attachment N of the PJM Tariff may be found on the PJM web site at [and](#) must be submitted to Transmission Provider.

All requirements related to the submission, for a larger resource, of an Attachment N application must be satisfied for a capacity addition of 20 MW or less, including a refundable deposit in the amount of \$10,000 if the Generation Interconnection Request is received within the first four months of the New Services Queue; a refundable deposit in the amount of \$12,000 if the Generation Interconnection Request is received in the fifth month of the New Services Queue; or a refundable deposit in the amount of \$15,000 if the Generation Interconnection Request is received in the sixth month of the New Services Queue. ~~(i) an initial deposit in the amount of \$100 for each MW requested if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; an initial deposit in the amount of \$150 for each MW requested if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or an initial deposit in the amount of \$200 for each MW requested, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue; and (ii) a base non-refundable deposit in the amount of \$1,000, if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; a base non-refundable deposit in the amount of \$2,000 if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or a base non-refundable deposit of \$3,000, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue.~~

The ~~base and initial per MW~~ deposit received will be credited toward the Generation Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study or Alternate Queue Process studies as appropriate. ~~Upon completion of the Feasibility Study, the Transmission Provider will return any unused refundable deposit monies to Interconnection Customer.~~ Any remaining ~~non-refundable~~ deposit monies will be credited toward the Interconnection Customer's cost responsibility for any other studies conducted for that Interconnection Request under Part VI of the Tariff, which will be applied prior to the deposit monies collected for that other study. ~~If any non-refundable deposit monies remain after all studies are complete, such monies will be returned to a Generation Interconnection Customer upon Initial Operation, or to a Transmission Interconnection Customer upon energization of completed facilities as provided in Attachment GG, Appendix III, Section 20 of the Tariff.~~ The Generation Interconnection Customer is responsible for all actual costs associated with the processing of the request and the performance of the Feasibility Study or Alternate Queue Process studies related to the request and will be billed for such costs following the completion of the Feasibility Study or Alternate Queue Process studies as appropriate.

Documentation of site control must be submitted, for small resource additions, with the completed Attachment N. Site control may be demonstrated through an exclusive option to

purchase the property on which the generation project is to be developed, a property deed, or a range of tax or corporate documents that identify property ownership. Site control must either be in the name of the party submitting the generation interconnection request or documentation must be provided establishing the business relationship between the project developer and the party having site control.

All information required in the completed Attachment N related to the generating project site, Point of Interconnection, and generating unit size and configuration must be provided. Once it has been established that the requirements related to the submission of the Attachment N application have been met, the Generation Interconnection Request will be evaluated pursuant to this section 110.1.1. ~~entered into the then current New Services Queue for analysis. The generation addition project will be identified in the New Services Queue on the PJM web site by the size of the capacity addition and by its proposed Point of Interconnection on the PJM system.~~

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110.1.1. Small generation Project Evaluation

Small Generation projects are to be evaluated against a criteria which follows. In order to complete the evaluation of the proposed project it shall be necessary to complete a scoping meeting between the Interconnection Customer, Transmission Owner(s) and the Transmission Provider. The Interconnection Customer must identify the Point of Interconnection to be utilized in evaluation of the proposed project no later than the close of business on the next business day following the day on which the scoping meeting is held. If the project meets all portions of the following criteria, the project is eligible to enter the Alternate Queue Process discussed in section 112.5. Failure to meet any one of the following criteria shall result in the projects inclusion in normal Feasibility, Impact, and Facilities studies, as required and discussed beginning in section 110.2. Criteria for inclusion in the Alternate Queue Process is as follows; (i) project cannot be connected to a PJM monitored transmission facility as defined in PJM Manual M-03the Bulk Electric System. (ii) project cannot be an uprate or addition to an existing facility, (iii) project distribution factor for any PJM monitored transmission facilityBES element may not exceed 5% as evaluated against the case chosen to model the New Services Queue associated with the timing of the receipt of the Interconnection Request and the MW impact of the project cannot be greater than 1% of the element rating, (iv) project may not connect to the same Point of Interconnection as any other project, and (v) aggregate impact of all projects connecting on any individual radial connection to a PJM monitored transmission facility shall not exceed 1% of line rating.

110.2 Feasibility Study

Feasibility Study analyses can generally be expedited by examining a limited contingency set that focuses on the impact of the small capacity addition on contingency limits in the vicinity of the Generation Capacity Resource. Linear analysis tools are used to evaluate the impact of a small capacity addition with respect to compliance with Applicable Regional Reliability Council contingency criteria. Generally, small capacity additions will have very limited and isolated impacts on system facilities. If criteria violations are observed, further AC testing is required.

Short circuit calculations are performed for small resource additions to ensure that circuit breaker capabilities are not exceeded.

Once the Feasibility Study is completed, a Feasibility Study report will be prepared and transmitted to the Interconnection Customer along with a System Impact Study Agreement. In order to remain in the New Services Queue, the Interconnection Customer must return the executed System Impact Study Agreement within 30 days, along with documents demonstrating that an initial air permit application has been filed, if required, and the deposit contained in Section 204.3A of the Tariff. In some cases, where no network impacts are identified and there are no other projects in the vicinity of the small resource addition, the System Impact Study may not be required and the project will proceed directly to the Facilities Study.

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110.3 System Impact Study

As with the Feasibility Study, expedited analysis procedures will be utilized, where appropriate, in the course of the System Impact Study.

Load deliverability will only be evaluated for sub-areas where margins are known to be limited. In most cases, the addition of small *Generation Capacity Resources* will improve local deliverability margins. However, if sub-area margins are known to be limited, the impact of the new resource will be evaluated based on its impact on the contingencies limiting emergency imports to the sub-area.

Generation deliverability is tested using linear analysis tools. In most cases, small capacity additions will have no impact on generator deliverability in an area. If violations are observed, more detailed testing using AC tools is required.

Stability analysis is generally not performed for small capacity additions. If the capacity of an existing generating resource is increased by 20 MW or less, stability will be evaluated for critical contingencies only if existing stability margins are small. New *Generation Capacity Resources* of 20 MW or less will only be evaluated if they are connected at a location where stability margins associated with existing resources are small.

Short circuit calculations are performed during the System Impact Study for small resource additions, taking into consideration all elements of the regional plan, to ensure that circuit breaker capabilities are not exceeded.

Once the System Impact Study is completed, a System Impact Study report will be prepared and transmitted to the Interconnection Customer along with a Facilities Study Agreement. In order to remain in the New Services Queue, the Interconnection Customer must return the executed Facilities Study Agreement within 30 days, along with a deposit in the amount of the estimated cost of the Facilities Study. The Interconnection Customer is responsible for all actual costs associated with the performance of the Facilities Study related to the request and will be billed for such costs following the completion of the Facilities Study. If no transmission system facilities are required, the Facilities Study may not be required and the project will proceed directly to the execution of an Interconnection Service Agreement.

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110.4 Facilities Study

As with larger generation projects, transmission facilities design for any required Attachment Facilities, Local Upgrades and/or Network Upgrades will be performed through the execution of a Facilities Study Agreement between the Interconnection Customer and Transmission Provider. Transmission Provider may contract with consultants, including the Interconnected Transmission Owners, or contractors acting on their behalf, to perform the bulk of the activities required under the Facilities Study Agreement. In some cases, the Interconnection Customer and Transmission Provider may reach agreement allowing the Interconnection Customer to separately arrange for the design of some of the required transmission facilities. In such cases, facilities design will be reviewed, under the Facilities Study Agreement, by the Interconnected Transmission Owner.

Facilities design for small capacity additions will be expedited to the extent possible. In most cases, few or no Network Upgrades will be required for small capacity additions. Attachment Facilities, for some small capacity additions, may, in part, be elements of a “turn key” installation. In such instances, the design of “turn key” attachments will be reviewed by the Interconnected Transmission Owners or their contractors.

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110.5 Interconnection Service Agreement

As with larger generation projects, an Interconnection Service Agreement must be executed and filed with the FERC. The Interconnection Service Agreement identifies the obligations, on the part of the Interconnection Customer, to pay for transmission facilities required to facilitate the interconnection and the Capacity Interconnection Rights which are awarded to the *Generation* Capacity Resource.

In general, the execution of an Interconnection Service Agreement is no different for capacity additions of 20 MW or less than for larger *Generation* Capacity Resources. However, in instances where an increase of 20 MW or less to an existing *Generation* Capacity Resource can be put in service immediately, a modified Interconnection Service Agreement may be executed. If such an increase is expedited through the System Impact Study phase, ahead of larger projects already in the New Services Queue, an Interconnection Service Agreement will be executed granting interim Capacity Interconnection Rights. These interim rights will allow the capacity increase to be implemented and the resource to participate in the capacity market until studies have been completed for earlier queued resources and all related obligations have been defined. At such time, the interim rights awarded the smaller capacity addition will become dependent on the construction of any required transmission facilities and the satisfaction of any financial obligations for those facilities. If, once those obligations are defined, the smaller capacity addition desires to retain the interim Capacity Interconnection Rights; a new Interconnection Service Agreement will be executed.

If a new *Generation* Capacity Resource of 20 MW or less can be quickly connected to the system, interim Capacity Interconnection Rights can be awarded, as above, through the execution of a modified Interconnection Service Agreement.

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110.6 Other Requirements

Requirements and application procedures related to PJM membership are specified in the PJM Manuals. Additionally, the PJM Manuals detail a range of operational requirements for generation owners related to, among other things, the need for control center facilities and modelling in the PJM Energy Management System and unit commitment tools.

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111 Permanent Energy Resource Additions Of 20 MW Or Less But Greater Than 2MW

This section describes procedures related to the submission and processing of requests related to the interconnection of new generation resources of 20 MW or less but greater than 2 MW or the increase in capability of 20 MW or less but greater than 2 MW of an existing generation resource, for which Capacity Interconnection Rights will not be granted. Such resources may participate in the PJM energy markets, but not in the PJM capacity markets. They may, therefore, not be used by load serving entities to meet capacity obligations imposed under the PJM Reliability Assurance Agreement.. These procedures apply to generation resources which, when connected to the system, are expected to remain connected to the system for the normal life span of such a generation resource. These procedures do not apply to resources that are specifically being connected to the system temporarily, with the expectation that they will later be removed.

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111.1 Application

The Interconnection Customer desiring the interconnection of a new Energy Resource of 20 MW or less but greater than 2 MW or the increase in capability, by 20 MW or less but greater than 2 MW of an existing resource, must submit a completed Attachment N – Form of Generation Interconnection Feasibility Study Agreement. Attachment N of the PJM Tariff may be found on the PJM web site at <http://pjm.com/planning/rtep-development/expansion-plan-process/form-attachment-n.aspx> and must be submitted to Transmission Provider.

All requirements related to the submission, for a larger resource, of an Attachment N application must be satisfied for a capability addition of 20 MW or less but greater than 2 MW, including a refundable deposit of \$10,000 if the Generation Interconnection Request is received within the first four months of the New Services Queue; a refundable deposit in the amount of \$12,000 if the Generation Interconnection Request is received during the fifth month of the New Services Queue; or a refundable deposit in the amount of \$15,000 if the Generation Interconnection Request is received within the sixth month of the New Services Queue. ~~(i) an initial deposit amount of \$100 for each MW requested if the Generation Interconnection Request is received within the first calendar month of the date of the beginning of the current New Services Queue; an initial deposit amount of \$150 for each MW requested if the Generation Interconnection Request is received within the second calendar month of the date of the beginning of the current New Services Queue; or an initial deposit in the amount of \$200 for each MW requested, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue; and (ii) a base non-refundable deposit amount of \$1,000, if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; a base non-refundable deposit in the amount of \$2,000 if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or a base non-refundable deposit in the amount of \$3,000, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue.~~

The deposit received will be credited toward the Generation Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study or Alternate Queue Process studies as appropriate. Upon completion of the Feasibility Study or Alternate Queue Process studies, the Transmission Provider will return any unused refundable deposit monies to the Interconnection Customer. ~~base and initial per MW deposit received will be credited toward the Generation Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study. Upon completion of the Feasibility Study, the Transmission Provider will return any unused refundable deposit monies to Interconnection Customer. Any remaining non-refundable deposit monies will be credited toward the Interconnection Customer's cost responsibility for any other studies conducted for that Interconnection Request under Part VI of the Tariff, which will be applied prior to the deposit monies collected for that other study. If any non-refundable deposit monies remain after all studies are complete, such monies will be returned to a Generation Interconnection Customer upon Initial Operation, or to a Transmission Interconnection Customer upon energization of completed facilities as provided in Attachment GG, Appendix III, Section 20 of the Tariff.~~ The Generation Interconnection Customer is responsible for all actual costs associated with the processing of the request and the performance of the Feasibility Study or Alternate Queue Process studies related to the request and will be

billed for such costs following the completion of the Feasibility Study [or Alternate Queue Process studies](#).

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111.1.1 Small Generation Project Evaluation

Small Generation projects are to be evaluated against a criteria which follows. In order to complete the evaluation of the proposed project it shall be necessary to complete a scoping meeting between the Interconnection Customer, Transmission Owner(s) and the Transmission Provider. The Interconnection Customer must identify the Point of Interconnection to be utilized in evaluation of the proposed project no later than the close of business on the next business day following the day on which the scoping meeting is held. If the project meets all portions of the following criteria, the project is eligible to enter the Alternate Queue Process discussed in section 112.5. Failure to meet any one of the following criteria shall result in the projects inclusion in normal Feasibility, Impact, and Facilities studies, as required and discussed beginning in section 111.2. Criteria for inclusion in the Aternate Queue Process is as follows: (i) project cannot be connected to the a PJM monitored transmission facility as defined in PJM Manual M-03Bulk Electric System. (ii) project cannot be an uprate or addition to an existing facility, (iii) project distribution factor for any PJM monitored transmission facilityBES element may not exceed 5% as evaluated against the case chosen to model the New Services Queue associated with the timing of the receipt of the Interconnection Request and the MW impact of the project cannot be greater than 1% of the element rating, (iv) project may not connect to the same Point of Interconnection as any other project, and (v) aggregate impact of all projects connecting on any individual radial connection to a PJM monitored transmission facility shall not exceed 1% of line rating.

111.2 Feasibility Study

Feasibility Study analyses can generally be expedited by examining a limited contingency set that focuses on the impact of the small Energy Resource addition on contingency limits in the vicinity of the resource. Linear analysis tools are used to evaluate the impact of a small Energy Resource addition with respect to compliance with Applicable Regional Reliability Council contingency criteria. Generally, small resource additions will have very limited and isolated impacts on system facilities. If criteria violations are observed, further AC testing is required.

Short circuit calculations are performed for small resource additions to ensure that circuit breaker capabilities are not exceeded.

Once the Feasibility Study is completed, a Feasibility Study report will be prepared and transmitted to the Interconnection Customer along with a System Impact Study Agreement. In order to remain in the New Services Queue, the Interconnection Customer must return the executed System Impact Study Agreement within 30 days, along with documents demonstrating that an initial air permit application has been filed, if required, and the deposit contained in Section 204.3A of the Tariff. In some cases, where no network impacts are identified and there are no other projects in the vicinity of the small resource addition, the System Impact Study may not be required and the project will proceed directly to the Facilities Study.

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111.3 System Impact Study

As with the Feasibility Study, expedited analysis procedures will be utilized, where appropriate, in the course of the System Impact Study.

Load deliverability and generation deliverability tests are not performed for Energy Resources.

Stability analysis is generally not performed for small capacity additions. If the capacity of an existing generating resource is increased by 20 MW or less, stability will be evaluated for critical contingencies only if existing stability margins are small. New Generation Capacity Resources of 20 MW or less will only be evaluated if they are connected at a location where stability margins associated with existing resources are small.

Short circuit calculations are performed during the System Impact Study for small resource additions, taking into consideration all elements of the regional plan, to ensure that circuit breaker capabilities are not exceeded.

Once the System Impact Study is completed, a System Impact Study report will be prepared and transmitted to the Interconnection Customer along with a Facilities Study Agreement. In order to remain in the New Services Queue, the Interconnection Customer must return the executed Facilities Study Agreement within 30 days, along with a deposit in the amount of the estimated cost of the Facilities Study. The Interconnection Customer is responsible for all actual costs associated with the performance of the Facilities Study related to the request and will be billed for such costs following the completion of the Facilities Study. If no transmission system facilities are required, the Facilities Study may not be required and the project will proceed directly to the execution of an Interconnection Service Agreement.

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111.4 Facilities Study

As with larger generation projects, transmission facilities design for any required Attachment Facilities, Local Upgrades and/or Network Upgrades will be performed through the execution of a Facilities Study Agreement between the Interconnection Customer and Transmission Provider. Transmission Provider may contract with consultants, including the Interconnected Transmission Owners, or contractors acting on their behalf, to perform the bulk of the activities required under the Facilities Study Agreement. In some cases, the Interconnection Customer and Transmission Provider may reach agreement allowing the Interconnection Customer to separately arrange for the design of some of the required transmission facilities. In such cases, facilities design will be reviewed, under the Facilities Study Agreement, by the Interconnected Transmission Owner.

Facilities design for small Energy Resource additions will be expedited to the extent possible. In most cases, few or no network upgrades will be required for small Energy Resource additions. Attachment facilities, for some small Energy Resource additions, may, in part, be elements of a “turn key” installation. In such instances, the design of “turn key” attachments will be reviewed by the Interconnected Transmission Owners or their contractors.

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111.5 Interconnection Service Agreement

As with larger generation projects, an Interconnection Service Agreement must be executed and filed with the FERC. For an Energy Resource, the Interconnection Service Agreement identifies the interconnection and the rights of the Interconnection Customer to participate in the energy market as well as the obligations, on the part of the Interconnection Customer, to pay for transmission facilities required to facilitate the interconnection.

In general, the execution of an Interconnection Service Agreement is no different for Energy Resource additions of 20 MW or less than for larger Energy Resources. However, in instances where an increase of 20 MW or less to an existing resource can be put in service immediately, a modified Interconnection Service Agreement may be executed. If such an increase is expedited through the System Impact Study phase, ahead of larger projects already in the New Services Queue, an Interconnection Service Agreement will be executed granting an interim interconnection. This interim interconnection will allow the Energy Resource increase to be implemented and the resource to participate in the energy market until studies have been completed for earlier queued resources and all related obligations have been defined. At such time, the interim rights awarded the smaller Energy Resource addition will become dependent on the construction of any required transmission facilities and the satisfaction of any financial obligations for those facilities. If, once those obligations are defined, the smaller Energy Resource addition desires to retain its interconnection, a new Interconnection Service Agreement will be executed.

If a new Energy Resource of 20 MW or less can be quickly connected to the system, an interim interconnection can be facilitated, as above, through the execution of a modified Interconnection Service Agreement.

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111.6 Other Requirements

Requirements and application procedures related to PJM membership are specified in the PJM Manuals. Additionally, the PJM Manuals detail a range of operational requirements for generation owners related to, among other things, the need for control center facilities and modeling in the PJM Energy Management System and unit commitment tools.

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112 Temporary Energy Resource Additions Of 20 MW Or Less But Greater Than 2 MW

This section describes procedures related to the submission and processing of requests related to the temporary interconnection of new generation resources of 20 MW or less but greater than 2 MW. These procedures apply to generation resources which can be quickly connected to the system in order to participate in the energy market and are connected with the expectation that they will be removed from the system within six months. Such resources may submit subsequent requests to modify or extend their interconnection status. The inherent assumptions justifying the greater degree of expedition in these procedures for temporary Energy Resources are (1) that such resources will typically only be interconnected to participate in the spot market to assist in meeting peak energy demand, and (2) that such resources will only be connected in situations where minimal or no transmission upgrades are required.

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112.1 Application

The Generation Interconnection Customer desiring the interconnection of a temporary Energy Resource of 20 MW or less but greater than 2 MW must submit a completed Attachment N – Form of Generation Interconnection Feasibility Study Agreement. Attachment N of the PJM Tariff may be found on the PJM web site at [and](#) must be submitted to Transmission Provider.

For temporary Energy Resources, all required analysis will be performed within the scope of the Feasibility Study referred to in the Attachment N application. These analyses will include all evaluations of transmission system impacts as well as any facilities design or review.

All requirements related to the submission, for a larger resource, of an Attachment N application must be satisfied for a temporary Energy Resource addition of 20 MW or less, including a refundable deposit in the amount of \$10,000 if the Generation Interconnection Request was received within the first four months of the New Services Queue; a refundable deposit in the amount of \$12,000 if the Generation Interconnection Request is received in the fifth month of the New Services Queue; or a refundable deposit in the amount of \$15,000 if the Generation Interconnection Request is received in the sixth month of the New Services Queue. ~~(i) an initial deposit in the amount of \$100 for each MW requested if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; an initial deposit in the amount of \$150 for each MW requested if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or an initial deposit in the amount of \$200 for each MW requested, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue; and (ii) a base non-refundable deposit in the amount of \$1,000, if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; a base non-refundable deposit in the amount of \$2,000 if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or a base non-refundable deposit of \$3,000, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue.~~

The ~~base and initial per MW~~ deposit received will be credited toward the Generation Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study or Alternate Queue Process studies as appropriate. ~~Upon completion of the Generation Interconnection Feasibility Study or Alternate Queue Process studies, the Transmission Provider will return any unused refundable deposit monies to the Generation Interconnection Customer. Upon completion of the Feasibility Study, the Transmission Provider will return any unused refundable deposit monies to Interconnection Customer. Any remaining non-refundable deposit monies will be credited toward the Interconnection Customer's cost responsibility for any other studies conducted for that Interconnection Request under Part VI of the Tariff, which will be applied prior to the deposit monies collected for that other study. If any non-refundable deposit monies remain after all studies are complete, such monies will be returned to a Generation Interconnection Customer upon Initial Operation, or to a Transmission Interconnection Customer upon energization of completed facilities as provided in Attachment GG, Appendix III, Section 20 of the Tariff.~~ The Interconnection Customer is responsible for all costs associated with the processing of the request and the performance of the Feasibility Study or Alternate Queue

[Process studies](#) related to the request and will be billed for such costs following the completion of the Feasibility Study [or Alternate Queue Process studies](#).

Documentation of site control must be submitted, for small resource additions, with the completed Attachment N. Site control may be demonstrated through an exclusive option to purchase the property on which the generation project is to be developed, a property deed, or a range of tax or corporate documents that identify property ownership. Site control must either be in the name of the party submitting the generation interconnection request or documentation must be provided establishing the business relationship between the project developer and the party having site control.

All information required in the completed Attachment N related to the generating project site, point of interconnection, and generating unit size and configuration must be provided.

Because temporary Energy Resources are not granted any long term rights with respect to the transmission system, such requests will not be identified in the New Services Queue on the PJM web site. A separate queue of such requests will, however, be maintained in order to facilitate processing.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

112.1.1 Small Generation Project Evaluation

Small Generation projects are to be evaluated against a criteria which follows. In order to complete the evaluation of the proposed project it shall be necessary to complete a scoping meeting between the Interconnection Customer, Transmission Owner(s) and the Transmission Provider. The Interconnection Customer must identify the Point of Interconnection to be utilized in evaluation of the proposed project no later than the close of business on the next business day following the day on which the scoping meeting is held. If the project meets all portions of the following criteria, the project is eligible to enter the Alternate Queue Process discussed in section 112.5. Failure to meet any one of the following criteria shall result in the projects inclusion in normal Feasibility, Impact, and Facilities studies, as required and discussed beginning in section 112.2. Criteria for inclusion in the Aternate Queue Process is as follows; (i) project cannot be connected to the a PJM monitored transmission facility as defined in PJM Manual M-03Bulk Electric System, (ii) project cannot be an uprate or addition to an existing facility, (iii) project distribution factor for any PJM monitored transmission facilityBES element may not exceed 5% as evaluated against the case chosen to model the New Services Queue associated with the timing of the receipt of the Interconnection Request and the MW impact of the project cannot be greater than 1% of the element rating, (iv) project may not connect to the same Point of Interconnection as any other project, and (v) aggregate impact of all projects connecting on any individual radial connection to a PJM monitored transmission facility shall not exceed 1% of line rating.

112.2 Feasibility/Impact/Facilities Study

Limited power flow analyses will be performed to ensure that local contingency criteria are not violated.

Load deliverability and generation deliverability tests are not performed for Energy Resources.

Stability analysis will only be performed if temporary Energy Resources are connected at a location where stability margins associated with existing resources are small.

Short circuit calculations are performed for small resource additions to ensure that circuit breaker capabilities are not exceeded.

It is expected that the attachment of temporary Energy Resources will be based on “turn key” installations. Transmission Provider may contract with consultants, including the Interconnected Transmission Owners, or contractors acting on their behalf, to evaluate the engineering details of the physical attachment as well as the relaying and metering associated with the resource.

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112.3 Interconnection Service Agreement

A modified Interconnection Service Agreement will be executed and filed with the FERC, identifying the obligations and rights related to the interconnection of a temporary Energy Resource. Such agreement will identify the interconnection of the resource, cost responsibility for transmission system upgrades, if any, and the date when the temporary interconnection will expire.

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112.4 Other Requirements

Membership and application fees will be waived for parties wishing to interconnect temporary Energy Resources, if they are not otherwise required based on a party's participation in PJM. Additionally, control center facilities and modeling requirements are also waived. However, temporary Energy Resources must have hourly integrated energy meters to facilitate payment for sales to the PJM spot market. Meter readings are also required to adjust hourly loads to accurately determine transmission and capacity obligations of load serving entities.

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112.5 Alternate Queue Process

Upon receipt of an Interconnection Request associated with the proposal of new generation facilities and following the determination set forth in sections 110.1.1, 111.1.1, or 112.1.1, a new Interconnection Request may be evaluated under the terms set forth in the Alternate Queue Process, under this section 112.5. The evaluation of Interconnection Requests under the Alternate Queue Process shall be conducted by the Transmission Owner(s) under the direction of the Transmission Provider. The evaluation of these projects (i) may include study processes similar to those as described as Generation Feasibility Study, System Impact Study, and Facilities Study, (ii) shall include studies as required to ensure the reliable planning and operation of the applicable power system, (iii) shall have engineering studies conducted by the appropriate Transmission Owner(s). The studies listed in this section 112.5 shall include thermal studies, short circuit studies, stability studies, and additional appropriate studies as required for the reliable integration of the Interconnection Request. The Transmission Provider shall monitor and coordinate completion of any studies required under this Alternate Queue Process. The studies conducted under this Alternate Queue Process shall be completed in a timely manner. In the event it is expected that the cost and initial time estimate of required system upgrades to mitigate thermal and short circuit violations cannot be provided to the Interconnection Customer within 6 months from the scoping meeting, an estimate of the time required to complete these initial studies shall be provided to the Interconnection Customer within 30 days of the scoping meeting. In the event that the Transmission Provider anticipates that the Interconnection Customer's study cost responsibility will substantially exceed the deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the study costs and the Interconnection Customer's cost responsibility. Within 10 business days of receiving such estimate, the Interconnection Customer may withdraw its Interconnection Request by providing written notice to the Transmission Provider, in which event the deposit paid to Transmission Provider shall be refunded. Unless the Interconnection Request is withdrawn within 10 business days, the Interconnection Customer agrees to pay the amount of its actual cost responsibility and will pay additional deposits as required to meet the estimated study cost. If the Interconnection Customer fails to provide the required additional deposit within 10 business days, the Interconnection Request shall be deemed terminated and withdrawn.

112A Screens Process for Permanent or Temporary Energy Resources of 2 MW or Less

This section describes procedures related to the submission and processing of requests related to the interconnection of permanent and temporary Energy Resources of 2 MW or less that meet the certification requirements of Attachments Z and AA of this Tariff. In the event that such an Energy Resource does not meet such certification requirements, the request for interconnection of the Energy Resource shall be processed under section 111 or 112, as applicable.

Energy Resources requesting interconnection under this Section 112A may be expedited ahead of larger projects already in the New Services Queue. In such instance, the Energy Resource shall be able to participate in the energy market until the studies have been completed for the earlier queued projects and all related obligations have been defined. At such time as these studies are completed and reveal additional obligations required of the Energy Resource interconnected under this Section 112A, a revised Interconnection Service Agreement shall be executed.

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112A.1 Application

The Interconnection Customer desiring the interconnection of a new permanent or temporary Energy Resource of 2 MW or less under the procedures set forth in this section 112A must submit a completed Attachment Y -- Form of Screens Process Interconnection Request and provide the Transmission Provider a refundable deposit in the amount of \$10,000 if the Generation Interconnection Request was received within the first four months of the New Services Queue; a refundable deposit in the amount of \$12,000 if the Generation Interconnection Request is received in the fifth month of the New Services Queue; or a refundable deposit in the amount of \$15,000 if the Generation Interconnection Request is received in the sixth month of the New Services Queue. (i) ~~an initial deposit in the amount of \$100 for each megawatt requested if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; an initial deposit in the amount of \$150 for each megawatt requested if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or an initial deposit in the amount of \$200 for each megawatt requested, if the Generation Interconnection Request is received within the third calendar month; all per megawatt amounts to be proportionately allocated to .1 (one tenth) of a megawatt, and (ii) a base non-refundable processing fee in the amount of \$500, if the Generation Interconnection Request is received within the first calendar month of the current New Services Queue; a base non-refundable deposit in the amount of \$1,000 if the Generation Interconnection Request is received within the second calendar month of the current New Services Queue; or a base non-refundable deposit in the amount of \$1,500, if the Generation Interconnection Request is received within the third calendar month of the current New Services Queue.~~ The base and initial per MW deposit received will be credited toward the Generation Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study, screens evaluation, or Alternate Queue Process studies as appropriate. Upon completion of the Generation Interconnection Feasibility Study, screens evaluation, or Alternate Queue Process studies, the Transmission Provider will return any unused refundable deposit monies to the Generation Interconnection Customer. Upon completion of the Feasibility Study, the Transmission Provider will return any unused refundable deposit monies to Interconnection Customer. Any remaining non-refundable deposit monies will be credited toward the Interconnection Customer's cost responsibility for any other studies conducted for that Interconnection Request under Part VI of the Tariff, which will be applied prior to the deposit monies collected for that other study. If any non-refundable deposit monies remain after all studies are complete, such monies will be returned to a Generation Interconnection Customer upon Initial Operation, or to a Transmission Interconnection Customer upon energization of completed facilities as provided in Attachment GG, Appendix III, Section 20 of the Tariff. Attachment Y of the PJM Tariff may be found on the PJM web site at. Within 15 business days after the Transmission Provider notifies the Interconnection Customer it has received a complete Screens Process Interconnection Request, the Transmission Provider in consultation with the Interconnected Transmission Owner(s) shall: (i) perform an initial review using the screens set forth below, (ii) notify the Interconnection Customer of the results of the initial review, and (iii) shall provide the Interconnection Customer with the analysis and data underlying the Transmission Provider's determinations under the screens. The Interconnection Parties may mutually agree to a reasonable extension of time, for completion of the initial review, agreement not to be unreasonably withheld.

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112A.2 Screens

112A.2.1 The proposed interconnection must be on a portion of the Interconnected Transmission Owner's distribution facilities located in the PJM Region and the output of the Customer Facility to be used for wholesale sales in the PJM Region. Distribution facilities shall include facilities that are non-networked, often lower voltage facilities that carry power in one direction, but does not include sub transmission facilities.

112A.2.2 For interconnection of a proposed Energy Resource to a radial distribution circuit, the aggregated generation, including the proposed Energy Resource on the circuit shall not exceed 15% of the line section annual peak load as most recently measured at the substation. A line section is that portion of an Interconnected Transmission Owner's electric system connected to a customer and bounded by automatic sectionalizing devices or the end of the distribution line.

112A.2.3 For interconnection of a proposed Energy Resource to the load side of spot network protectors, the proposed Energy Resource must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5% of a spot network's maximum load or 50 kW.

112A.2.4 The proposed Energy Resource, in aggregation with other generation on the distribution circuit, shall not contribute more than 10% to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

112A.2.5 The proposed Energy Resource, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the proposed interconnection be accepted for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

112A.2.6 Using the table below, Transmission Provider, in consultation with the Interconnected Transmission Owner, shall determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Interconnected Transmission Owner's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

112A.2.7 If the proposed Energy Resource is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Energy Resource, shall not exceed 20 kW.

112A.2.8 If the proposed Energy Resource is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.

112A.2.9 The proposed Energy Resource, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Energy Resource proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

112A.2.10 No construction of facilities by the Interconnected Transmission Owner on its own system shall be required to accommodate the Energy Resource.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

112A.3 Results of Screens

112A.3.1 If the proposed interconnection passes the screens set forth in section 112A.1 of this Tariff, the proposed interconnection shall be approved and the Transmission Provider will undertake Reasonable Efforts to provide the Interconnection Customer with an executable Interconnection Service Agreement within five business days after the determination. In the event that the Transmission Provider is unable to provide Interconnection Customer with an executable Interconnection Service Agreement within five business days, it shall provide Interconnection Customer with reasonable notification of the delay, including the reasons for the delay and the date it anticipates being able to provide the executable Interconnection Service Agreement. Interconnection Customer shall execute the Interconnection Service Agreement, request dispute resolution, or request that the Interconnection Service Agreement be filed unexecuted in accordance with section 212.4 of this Tariff.

112A.3.2 If the proposed interconnection of the Energy Resource fails the screens set forth in section 112A.1 of this Tariff, but the Transmission Provider, in consultation with the Interconnected Transmission Owner, determines that the Energy Resource may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider will undertake Reasonable Efforts to provide the Interconnection Customer an executable Interconnection Service Agreement within five business days after such determination. In the event that the Transmission Provider is unable to provide Interconnection Customer with an executable Interconnection Service Agreement within five business days, it shall provide Interconnection Customer with reasonable notification of the delay, including the reasons for the delay and the date it anticipates being able to provide the executable Interconnection Service Agreement. Interconnection Customer shall execute the Interconnection Service Agreement, request dispute resolution, or request that the Interconnection Service Agreement be filed unexecuted in accordance with section 212.4 of this Tariff.

112A.3.3 If the proposed interconnection of the Energy Resource fails the screens set forth in section 112A.1 of this Tariff, but the Transmission Provider does not or cannot determine from the initial review that the Energy Resource may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

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112A.4 Customer Options Meeting

112A.4.1 If the Transmission Provider determines that the Interconnection Request cannot be approved without minor modifications at minimal cost; or a supplemental study or other additional studies or actions; or at significant cost to address safety, reliability, or power quality problems, within the five business day period after the determination, the Transmission Provider shall notify the Interconnection Customer and provide copies of all data and analyses underlying its conclusion. Within ten business days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider and the Transmission Owner to review possible Customer Facility modifications or the screens analysis and related results, to determine what further steps are needed to permit the Energy Resource to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider and Transmission Owner, as applicable, shall:

112A.4.1.1 Offer to perform facility modifications or minor modifications to the Transmission System (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission System; or

112A.4.1.2 Offer to perform a supplemental review if the Transmission Provider concludes that the supplemental review might determine that the Energy Resource could continue to qualify for interconnection pursuant to the screens process in section 112A of the Tariff, and provide a non-binding good faith estimate of the costs of such review; or

112A.4.1.3 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under sections 111 or 112 of the Tariff, as applicable.

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112A.5 Supplemental Review

112A.5.1 If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within 15 business days of the offer, and submit a deposit for the estimated costs. The Interconnection Customer shall be responsible for the Transmission Provider's and Transmission Owner's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 business days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 business days of the invoice without interest.

112A.5.2 Within ten business days following receipt of the deposit for a supplemental review, the Transmission Provider will determine if the Energy Resource can be interconnected safely and reliably.

112A.5.2.1 If so, the Transmission Provider will undertake Reasonable Efforts to provide the Interconnection Customer with an executable Interconnection Service Agreement within five business days after the determination. In the event that the Transmission Provider is unable to provide Interconnection Customer with an executable Interconnection Service Agreement within five business days, it shall provide Interconnection Customer with reasonable notification of the delay, including the reasons for the delay and the date it anticipates being able to provide the executable Interconnection Service Agreement. Interconnection Customer shall execute the Interconnection Service Agreement, request dispute resolution, or request that the Interconnection Service Agreement be filed unexecuted in accordance with section 212.4 of this Tariff.

112A.5.2.2 If so, and Customer Facility modifications are required to allow the Energy Resource to be interconnected consistent with safety, reliability, and power quality standards under screens process in section 112A of the Tariff, the Transmission Provider will undertake Reasonable Efforts to provide the Interconnection Customer with an executable Interconnection Service Agreement within five business days after confirmation that the Interconnection Customer has agreed to make the necessary changes at the Interconnection Customer's cost. In the event that the Transmission Provider is unable to provide Interconnection Customer with an executable Interconnection Service Agreement within the five business days, it shall provide Interconnection Customer with reasonable notification of the delay, including the reasons for the delay and the date it anticipates being able to provide the executable Interconnection Service Agreement. Interconnection Customer shall execute the Interconnection Service Agreement, request dispute resolution, or request that the Interconnection Service Agreement be filed unexecuted in accordance with section 212.4 of this Tariff.

112A.5.2.3 If so, and minor modifications to the Transmission System are required to allow the Energy Resource to be interconnected consistent with safety, reliability, and power quality standards under the screens process in section 112A of the Tariff, the Transmission Provider will undertake Reasonable Efforts to provide the Interconnection Customer with an executable Interconnection Service Agreement within ten business days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection. In the event

that the Transmission Provider is unable to provide Interconnection Customer with an executable Interconnection Service Agreement within the ten business days, it shall provide Interconnection Customer with reasonable notification of the delay, including the reasons for the delay and the date it anticipates being able to provide the executable Interconnection Service Agreement. Interconnection Customer shall execute the Interconnection Service Agreement, request dispute resolution, or request that the Interconnection Service Agreement be filed unexecuted in accordance with section 212.4 of this Tariff.

112A.5.2.4 If not, the Interconnection Request will continue to be evaluated under section 111 or section 112 of the Tariff, as applicable.

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112B Certified Inverter-Based Small Generating Facilities No Larger Than 10 kW

This section describes the procedures related to the submission and processing of requests related to the interconnection of Small Inverter Facilities.

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112B.1 Application

An Interconnection Customer desiring the interconnection of a Small Inverter Facility must submit to Transmission Provider an executed Attachment BB - Form of Interconnection Service Agreement for Certified Inverter-Based Generating Facility (“Small Inverter ISA”) and a non-refundable processing fee of ~~\$5,000+00~~. Attachment BB is available on the PJM web site. In the Small Inverter ISA, Interconnection Customer shall provide, among other things, (i) contact information for itself and any other entity that may be interfacing with Transmission Provider on its behalf; and (ii) the legal names of the owner(s) of the Small Inverter Facility, including the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either. Transmission Provider shall acknowledge that it received the Small Inverter ISA within three business days of receipt. Within ten business days, Transmission Provider shall notify Interconnection Customer that the Small Inverter ISA is complete or identify any deficiencies that need to be addressed.

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112B.2 Verification of Interconnection

Within 15 business days of notification to the Interconnection Customer that its Small Inverter ISA is complete, Transmission Provider shall notify Interconnection Customer whether its Small Inverter Facility can be interconnected safely and reliably. Transmission Provider shall make this determination using the screens set forth in section 112A of this Tariff. In the event that the Transmission Provider determines that the Small Inverter Facility can be safely and reliably interconnected, Transmission Provider shall tender the Small Inverter ISA to the Interconnected Transmission Owner for execution. The Interconnected Transmission Owner shall have five business days to execute the Small Inverter ISA and return it to Transmission Provider. Transmission Provider then will provide the Interconnected Parties with the Small Inverter ISA. In the event an Interconnection Party does not execute the Small Inverter ISA, the Interconnection Customer may request the agreement be filed unexecuted with the FERC or alternative dispute resolution in accordance with section 212.4 of this Tariff.

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112B.3 Certificate of Completion and Inspection

112B.3.1 Upon receipt of an executed Small Inverter ISA, the Interconnection Customer may commence construction (including operational testing not to exceed two hours) of its Small Inverter Facility. After completion of the Small Inverter Facility, Interconnection Customer shall provide Transmission Provider with a completed Attachment CC - Form of Certificate of Completion.

112B.3.2 Prior to parallel operation, Transmission Provider and/or Interconnected Transmission Owner may inspect the Small Inverter Facility for compliance with standards, which may include a witness test. All inspections by Transmission Provider and/or the Interconnected Transmission Owner shall be at its own expense, within ten business days after receipt of the completed Certificate of Completion and shall take place at a time agreeable to the Transmission Provider and/or Interconnected Transmission Owner and the Interconnection Customer. Unless otherwise agreed by the Transmission Provider and/or the Interconnected Transmission Owner and the Interconnection Customer, if the Transmission Provider and/or the Interconnected Transmission Owner do not schedule an inspection of the Small Inverter Facility within ten business days after receipt of the completed Certificate of Completion, the right to inspection, including the witness test, is waived. Transmission Provider and/or the Interconnected Transmission Owner shall provide a written statement that the Small Inverter Facility has passed inspection or shall notify the Interconnection Customer of what steps are necessary to pass inspection as soon as practicable after the inspection takes place.

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112B.4 Interconnection and Operation

112B.4.1 The Interconnection Customer may interconnect and operate the Small Inverter Facility after all of the following have occurred:

- (a) Upon completing construction, the Interconnection Customer has caused the Small Inverter Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- (b) The Interconnection Customer provides Transmission Provider with a completed Certificate of Completion, and
- (c) In accordance with section 112B.3(b) of this Tariff, the Transmission Provider and/or Interconnected Transmission Owner has either completed its inspection of the Small Inverter Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes or has waived such inspection.

112B.4.2 Transmission Provider and/or the Interconnected Transmission Owner shall have the right to disconnect the Small Inverter Facility in the event of improper installation of the Small Inverter Facility, an unsatisfactory witness test, or failure to return a completed Certificate of Completion.

112B.4.3 Revenue quality metering equipment must be installed at the Small Inverter Facility and tested in accordance with applicable ANSI standards. Prior to parallel operation of the Small Inverter Facility, Transmission Provider and/or Interconnected Transmission Owner may schedule appropriate metering replacement, if necessary.

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112B.5 Safe Operations and Maintenance

The Interconnection Customer shall be fully responsible to operate, maintain, and repair the Small Inverter Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

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112B.6 Access

Transmission Provider and/or the Interconnected Transmission Owner shall have ready access to the disconnecting means and metering equipment of the Small Inverter Facility at all times. Transmission Provider and/or Interconnected Transmission Owner shall provide reasonable notice to the Interconnection Customer when possible prior to using its right of access.

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112B.7 Disconnection

112B.7.1 The Transmission Provider and/or the Interconnected Transmission Owner may temporarily disconnect a Small Inverter Facility upon the following conditions:

- (a) For scheduled outages upon reasonable notice.
- (b) For unscheduled outages or emergency conditions.
- (c) If the Small Inverter Facility does not operate in the manner consistent with the terms and conditions of section 112B of this Tariff or applicable PJM Manuals.

112B.7.2 Transmission Provider shall inform the Interconnection Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

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112B.8 Indemnification

The Transmission Provider, Interconnected Transmission Owner, and the Interconnection Customer shall at all times indemnify, defend, and save the other party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other party's action or inactions relating to its obligations under this section 112B of this Tariff on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified party.

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112B.9 Insurance

An Interconnection Customer interconnecting a Small Inverter Facility shall maintain commercially reasonable amounts of general liability insurance and additionally shall follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state. The amount and type of insurance to be evidenced by an insurance certificate. All other insurance requirements in section 13 of Appendix 2 of Attachment O of this Tariff and 11 of Appendix 2 of Attachment P of this Tariff are applicable to certified inverter-based small generating facilities no larger than 10 kilowatts.

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112B.10 Limitation of Liability

Transmission Provider's, Interconnected Transmission Owner's, and Interconnection Customer's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of its obligations under section 112B of this Tariff shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under section 112B.8 of this Tariff.

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112B.11 Termination

A Small Inverter Facility ISA and parallel operation pursuant to this section 112B may be terminated under the following conditions:

- (a) **By the Interconnection Customer.** By providing written notice to the Transmission Provider and the Interconnected Transmission Owner.
- (b) **By the Transmission Provider.** If the Small Inverter Facility fails to operate for any consecutive 12 month period or the Interconnection Customer fails to remedy a violation of the terms of this section 112B or the Small Inverter ISA.
- (c) **Permanent Disconnection.** In the event that a Small Inverter ISA or parallel operation under this section 112B is terminated, the Transmission Provider and/or Interconnected Transmission Owner shall have the right to disconnect its facilities or direct the Interconnection Customer to disconnect its Small Inverter Facility.
- (d) **Survival Rights.** The Small Inverter ISA shall continue in effect after termination of parallel operation of the Small Inverter Facility or the Small Inverter ISA to the extent necessary to allow or require the party[ies] to fulfill rights or obligations that arose under this section 112B and the Small Inverter ISA.

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112B.12 Assignment/Transfer of Ownership of the Small Inverter Facility

A Small Inverter Facility ISA shall survive the transfer of ownership of the Small Inverter Facility to a new owner when the new owner agrees in writing to comply with the terms of the Small Inverter Facility ISA and so notifies the Transmission Provider and Interconnected Transmission Owner.

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VI. ADMINISTRATION AND STUDY OF NEW SERVICE REQUESTS; RIGHTS ASSOCIATED WITH CUSTOMER-FUNDED UPGRADES

References to section numbers in this Part VI refer to sections of this Part VI, unless otherwise specified.

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Preamble

Part VI of the Tariff sets forth the procedures and other terms governing the Transmission Provider's administration of the New Services Queue; procedures and other terms regarding studies and other processing of New Service Requests; the nature and timing of the agreements required in connection with studies and construction of required facilities; and terms and conditions relating to the rights available to New Service Customers in consideration of their payments for Customer-Funded Upgrades.

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200 Applicability:

Part VI of the Tariff applies (a) to an Interconnection Request, upon the Transmission Provider's determination in an Interconnection Feasibility Study that a System Impact Study is needed to evaluate the facilities required to accommodate the requested interconnection; (b) to a Completed Application for new transmission service, upon the Transmission Provider's determination in an Initial Study that a System Impact Study is needed to evaluate the facilities required to provide the requested service; and (c) to Upgrade Requests, upon the Transmission Provider's receipt of a completed request containing all applicable information in the form required by Attachment EE to the Tariff. Notwithstanding the foregoing sentence, however, the provisions of Subpart G of Part IV shall govern with respect to Generation Interconnection Requests that involve (i) proposed new generation resources having capability of 20 MW or less, or (ii) increases of 20 MW or less to the capability of existing generation resources, except where, and only to the extent, otherwise expressly provided herein.

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201 Queue Position:

Each New Service Request shall be assigned a priority, or Queue Position, based on the date and time it is received, i.e., Queue Positions will be assigned on a first-come, first-served basis. The Queue Position of each Interconnection Request and each Completed Application shall be assigned in accordance with the applicable terms of Part II, Part III, or Part IV. The Queue Position of each Upgrade Request shall be the date of Transmission Provider's receipt of all applicable information required by Attachment EE of the Tariff. Subject to the applicable terms of the Tariff, all New Service Requests shall be processed as part of a single New Services Queue, except where such projects have been assigned to a subsequent queue pursuant to Sections 36.2A.1.2 or 36.2A.2, in which case such projects will be studied as part of a single New Services Queue with such subsequent queue. The Transmission Provider shall publish the New Services Queue on its OASIS identifying each pending New Service Request and its status as and to the extent consistent with applicable terms of the Tariff. For the purpose of determining the amount of a New Service Customer's cost responsibility for the construction of necessary facilities or upgrades to accommodate its New Service Request, a New Service Request that is deemed terminated and withdrawn under this Part VI or other applicable terms of the Tariff shall concurrently lose its Queue Position and will not be included in any further studies. Nothing in this Section 201, however, precludes an entity from later submitting another New Service Request or resubmitting a withdrawn or terminated New Service Request and receiving a new Queue Position.

201.1 Transferability of Queue Position:

A New Service Customer may transfer its Queue Position to another entity only if, (a) in the case of a transfer by an Interconnection Customer, the other entity acquires the rights to the same Point(s) of Interconnection identified in the Interconnection Request, or, (b) in the case of a transfer by any other New Service Customer, the acquiring entity accepts, as applicable, the same receipt and delivery points or the same source and sink as stated in the transferor's New Service Request.

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**Subpart A – System Impact Studies and Facilities Studies
for New Service Requests**

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

202 Coordination with Affected Systems:

The Transmission Provider will coordinate with Affected System Operators the conduct of any studies required to determine the impact of a New Service Request on any Affected System and, if possible, will include those results in its New Service Studies within the time frames specified in this Part VI. The Transmission Provider will invite such Affected System Operators to participate in all meetings held with the Interconnection Customer as required by Part VI. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies by Affected System Operators and the determination of modifications to Affected Systems needed to accommodate the Interconnection Request. Transmission Provider shall contact any potential Affected System and shall provide information regarding each relevant New Service Request as required for the Affected System Operator's studies of the effects of such request. A provider of transmission services on a system that may be an Affected System shall cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems related to New Service Requests under the Tariff.

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203 System Impact Study Agreement:

Transmission Provider shall conduct System Impact Studies pursuant to a System Impact Study Agreement with each affected New Service Customer. The form of the System Impact Study Agreement is included in Attachment N-1 of the Tariff. Pursuant to the System Impact Study Agreement, the New Service Customer shall agree to reimburse the Transmission Provider for the cost of a System Impact Study.

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203.1 Cost Responsibility:

The System Impact Study Agreement tendered by the Transmission Provider will clearly specify the Transmission Provider's estimate (determined in coordination with the affected Transmission Owner(s)) of the cost and time required for completion of the study in which the New Service Request is being evaluated and the New Service Customer's cost responsibility for that study. The charges to all affected New Service Customers shall not exceed the actual cost of the System Impact Study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. New Service Customers will not be assessed a charge for such existing studies; however, a New Service Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of such customer's New Service Request. In the event more than one New Service Request is evaluated in a single System Impact Study, the cost of such study shall be allocated among the participating New Service Customers such that (i) each Interconnection Customer pays 100 percent of the study costs associated with evaluating the Attachment Facilities necessary to accommodate its Interconnection Request; (ii) each Eligible Customer pays 100 percent of the study costs associated with evaluating the Direct Assignment Facilities necessary to accommodate its Completed Application for new transmission service; and (iii) each New Service Customer pays the study costs associated with evaluating the Local Upgrades and/or Network Upgrades necessary to accommodate its New Service Request in proportion to its projected cost responsibility (as determined in the Interconnection Feasibility Study or the Initial Study) for such upgrades. In the event that a New Service Customer's responsibility for the actual cost of the System Impact Study under this section is less than the deposit provided with its executed System Impact Study Agreement, the unexpended balance of its deposit shall be refunded, with interest determined at the applicable rate under the Commission's regulations.

203.1.1 Transmission Owners:

For System Impact Studies that the Transmission Provider conducts on behalf of a Transmission Owner, the Transmission Owner shall record the cost of the System Impact Studies pursuant to Section 8.

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204 Tender of System Impact Study Agreement:

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204.1 Completed Applications:

After completing an Initial Study regarding a Completed Application for new transmission service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is required to accommodate the requested transmission service. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer as soon as practicable. In such cases, the Transmission Provider shall, upon completion of the Initial Study, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for the required System Impact Study. For a Completed Application to retain its Queue Position, the Eligible Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider within thirty (30) days, and (ii) shall pay the Transmission Provider a \$50,000 deposit which will be applied to the Interconnection Customer's study cost responsibility. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Completed Application shall be deemed terminated and withdrawn, and its deposit provided pursuant to Section 17.3 shall be returned, with interest.

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204.2 Upgrade Requests:

After receiving an Upgrade Request pursuant to section 7.8 of Schedule 1 of the Operating Agreement, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is required to evaluate the request. If the Transmission Provider determines that a System Impact Study is necessary, it shall so inform the Upgrade Customer as soon as practicable. In such cases, the Transmission Provider shall, within thirty (30) days of receipt of a valid and complete Upgrade Request, tender a System Impact Study Agreement pursuant to which the Upgrade Customer shall agree to reimburse the Transmission Provider for the required System Impact Study. For an Upgrade Request to retain its Queue Position, the Upgrade Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider within thirty (30) days, and (ii) shall pay the Transmission Provider a \$50,000 deposit which will be applied to the Interconnection Customer's study cost responsibility. If the Upgrade Customer elects not to execute the System Impact Study Agreement, its Upgrade Request shall be deemed terminated and withdrawn.

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204.3 Interconnection Requests:

Upon completion of the Interconnection Feasibility Study, the Transmission Provider shall tender to the affected Interconnection Customer a System Impact Study Agreement. For an Interconnection Request to retain its assigned Queue Position pursuant to Section 201, within 30 days of receiving the tendered System Impact Study Agreement, the Interconnection Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider, (ii) shall remit to Transmission Provider all past due amounts of the actual Feasibility Study costs exceeding the Feasibility Study deposit fee contained in Sections 36.1.02, 36.1.03, 110.1, 111.1, and 112.1 of the Tariff, if any, (iii) shall pay the Transmission Provider a deposit as provided in 204.3A below, (iv) shall identify the Point(s) of Interconnection, and (v) in the case of a Generation Interconnection Customer, shall (A) demonstrate that it has made an initial application for the necessary air emission permits, if any, for its proposed generation, (B) specify whether it desires to interconnect its generation to the Transmission System as a Capacity Resource or an Energy Resource, (C) provide required machine modeling data as specified in the PJM Manuals ~~and~~, (D) in the case of a wind generation facility, provide a detailed electrical design specification and other data (including system layout data) as required by the Transmission Provider for completion of the System Impact Study no later than 6 months after submission of the Generation Interconnection Request, and (E) notify the Transmission Provider if it seeks to use Capacity Interconnection Rights in accordance with section 230.3.3; or, (vi) in the case of a Transmission Interconnection Customer, shall (A) provide Transmission Provider with evidence of an ownership interest in, or right to acquire or control, the site(s) where major equipment (e.g., a new transformer or D.C. converter stations) would be installed, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; (B) demonstrate in a manner acceptable to Transmission Provider that it holds rights to use (or an option to obtain such rights) any existing facilities of the Transmission System that are necessary for construction of the proposed Merchant Transmission Facilities; and (C) provide required modeling data as specified in the PJM Manuals. If an Interconnection Customer fails to comply with any of the applicable listed requirements, its Interconnection Request shall be deemed terminated and withdrawn, however in the event that the information required per (v) (C), (v) (D), or (vi) (C) above is provided and deemed to be deficient by the Transmission Provider, Interconnection Customer may provide additional information acceptable to the Transmission Provider within 10 (ten) business days. Failure of the Interconnection Customer to provide information identified as being deficient within 10 (ten) business days shall result in the Interconnection Request being terminated and withdrawn. If an Interconnection Request has returned their System Impact Study Agreement and all required information prior to May 1, 2012, and it is determined that the data supplied as required per (v) (C), (v) (D), or (vi) (C) above is deficient, the Interconnection Customer shall be required to remedy all deficiencies no later than June 1, 2012. In the case of the Interconnection Requests for which the System Impact Study Agreement and all required information have been returned prior to May 1, 2012, failure of the Interconnection Customer to provide information identified as being deficient by no later than June 1, 2012 shall result in the Interconnection Request being terminated and withdrawn. If a terminated and withdrawn Interconnection Request was to be included in a System Impact Study evaluating more than one New Service Request, then the costs of the System Impact Study shall be redetermined and reallocated among the remaining participating New Service Customers as specified in this Section 204.

204.3ADeposits: (i) For a proposed Customer Facility that is greater than 100 MW, Interconnection Customer shall pay (a) a non-refundable deposit of \$50,000 and (b) a refundable deposit of \$300 for each MW requested, not to exceed \$300,000; (ii) for a proposed Customer Facility that is greater than 20 MW but equal to or less than 100 MW, Interconnection Customer shall pay a non-refundable deposit of \$500 for each MW requested; (iii) for a proposed Customer Facility that is greater than 2 MWs but equal to or less than 20 MWs, Interconnection Customer shall pay a ~~non~~-refundable deposit of \$10,000; or (iv) for a proposed Customer Facility that equal to or less than 2 MWs, Interconnection Customer shall pay a ~~non~~-refundable deposit of \$5,000. The Interconnection Customer is responsible for all actual costs associated with the performance of the System Impact Study related to the Interconnection Request and will be billed for any such costs exceeding the deposits at such time the exceedance is identified. Any unused portion of the non-refundable deposit under (i) through ~~(iv)~~ above will become refundable if the System Impact Study is not completed within 60 days after the expected completion date specified in Section 5 of Attachment N-1 to the Tariff. Upon completion of the System Impact Study, the Transmission Provider will return any unused refundable deposit monies to Interconnection Customer. Any remaining non-refundable deposit monies will be credited toward the Interconnection Customer's cost responsibility for any other studies conducted for that Interconnection Request under Part VI of the Tariff, which will be applied prior to the deposit monies collected for that other study. If any non-refundable deposit monies remain after all studies are complete, such monies will be returned to a Generation Interconnection Customer upon Initial Operation, or to a Transmission Interconnection Customer upon energization of completed facilities as provided in Attachment GG, Appendix III, Section 20 of the Tariff. If the Interconnection Customer withdraws its Interconnection Request, or is otherwise deemed terminated and withdrawn under this Part VI of the Tariff, any unused portion of the non-refundable deposit will be used to (x) fund Re-Studies due to such withdrawal under Section 205.5 of the Tariff, and (y) fund payments due to Interconnected Transmission Owners and third party contractors, as applicable, as a result of any failure of Interconnection Customer to pay actual study costs as provided herein.

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205 System Impact Study Procedures:

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

205.1 Coordination:

The Transmission Provider shall coordinate, to the extent practical, all System Impact Studies conducted pursuant to this Section 205 for New Service Customers. Such coordination may involve, at the Transmission Provider's sole discretion, combining System Impact Studies for multiple New Service Requests into one study. Transmission Provider shall describe in the PJM Manuals the process by which it will coordinate System Impact Studies and Facilities Studies pertaining to different types of New Service Requests.

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205.2 Scope of Studies:

The System Impact Study is a comprehensive regional analysis of the effect of adding to the Transmission System the new facilities and services contemporaneously proposed by New Service Customers and an evaluation of their impact on deliverability to the aggregate of PJM Network Load. The System Impact Study identifies the system constraints, identified with specificity by transmission element or flowgate, relating to each proposed new project and service included therein and the Attachment Facilities, Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades required to accommodate such projects. The System Impact Study provides refined and comprehensive estimates of cost responsibility and construction lead times for new facilities and system upgrades. The Transmission Provider, in its sole discretion, may determine to evaluate in the same System Impact Study two or more New Service Requests relating to interconnections, Upgrade Requests, or proposed new transmission services where the associated increases in service or capability are in electrical proximity to each other. Each System Impact Study shall identify the system constraints, identified with specificity by transmission element or flowgate, relating to the New Service Requests being evaluated in the study and, as applicable to each included request, the redispatch options, additional Direct Assignment Facilities, Attachment Facilities, Local Upgrades, and/or Network Upgrades necessary to accommodate such request. The System Impact Study shall refine and more comprehensively estimate each New Service Customer's cost responsibility (determined in accordance with Section 217 of the Tariff) for necessary facilities and upgrades than the estimates provided in the Interconnection Feasibility Study or the Initial Study, if applicable. In the event that more than one New Service Request is evaluated in a study, the Transmission Provider may provide a series of estimates to each participating New Service Customer to reflect the customer's estimated cost responsibility based on varying assumptions regarding the number of New Service Customers that decide to continue their New Service Requests after completion of the System Impact Study. A description of the Transmission Provider's methodology for completing a System Impact Study for Completed Applications is provided in Attachment D of the Tariff. If applicable, the System Impact Study for a Transmission Interconnection Customer shall also include a preliminary estimate of the Incremental Deliverability Rights associated with the customer's proposed Merchant Transmission Facilities.

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205.3 Timing of Studies:

The following provision shall apply to all New Service Requests submitted prior to November 1, 2011:

The Transmission Provider shall conduct System Impact Studies each year commencing on (i) June 1, for New Service Requests received between November 1 of the previous year and January 31 of the same year, (ii) September 1, for New Service Requests received between February 1 and April 30 of the same year, (iii) December 1, for New Service Requests received between May 1 and July 31 of the same year, and (iv) March 1, for New Service Requests received between August 1 and October 31 of the preceeding year. The Transmission Provider shall use due diligence to complete the System Impact Studies within 120 days of the date the study commences. In the event that the Transmission Provider is unable to complete a System Impact Study within the applicable indicated time period, it shall so notify the affected New Service Customers and the affected Transmission Owner(s) and provide an estimated completion date, along with an explanation of the reasons why additional time is needed to complete the study. The Transmission Provider will use the same due diligence in completing the System Impact Study for a New Service Customer as it uses when completing studies for a Transmission Owner.

The following provision shall apply to all New Service Requests submitted between November 1, 2011 and January 31, 2012:

The Transmission Provider shall conduct System Impact Studies commencing on July 1, 2012 for all New Service Requests received between November 1, 2011 and January 31, 2012. The Transmission Provider shall use due diligence to complete the System Impact Studies within 120 days of the date the study commences. In the event that the Transmission Provider is unable to complete a System Impact Study within the applicable indicated time period, it shall so notify the affected New Service Customers and the affected Transmission Owner(s) and provide an estimated completion date, along with an explanation of the reasons why additional time is needed to complete the study. The Transmission Provider will use the same due diligence in completing the System Impact Study for a New Service Customer as it uses when completing studies for a Transmission Owner.

The following provision shall apply to all New Service Requests submitted between February 1, 2012 and April 30, 2012:

The Transmission Provider shall conduct System Impact Studies commencing on November 1, 2012 for all New Service Requests received between February 1, 2012 and April 30, 2012. The Transmission Provider shall use due diligence to complete the System Impact Studies within 120 days of the date the study commences. In the event that the Transmission Provider is unable to complete a System Impact Study within the applicable indicated time period, it shall so notify the affected New Service Customers and the affected Transmission Owner(s) and provide an estimated completion date, along with an explanation of the reasons why additional time is needed to complete the study. The Transmission Provider will use the same due diligence in

completing the System Impact Study for a New Service Customer as it uses when completing studies for a Transmission Owner.

The following provision shall apply to all New Service Requests submitted on or after May 1, 2012:

The Transmission Provider shall conduct System Impact Studies each year commencing on (i) June 1, for New Service Requests received between May 1 and October 31 of the previous year, (ii) December 1, for New Service Requests received between November 1 of the previous year, and April 30 of the same year. The Transmission Provider shall use due diligence to complete the System Impact Studies within 120 days of the date the study commences. In the event that the Transmission Provider is unable to complete a System Impact Study within the applicable indicated time period, it shall so notify the affected New Service Customers and the affected Transmission Owner(s) and provide an estimated completion date, along with an explanation of the reasons why additional time is needed to complete the study. The Transmission Provider will use the same due diligence in completing the System Impact Study for a New Service Customer as it uses when completing studies for a Transmission Owner.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

205.4 Completion of Studies:

205.4.1 Notice to Eligible Customers:

The Transmission Provider shall notify each Eligible Customer whose Completed Application for new transmission service was included in the System Impact Study upon completion of the System Impact Study whether the Transmission System will be adequate to accommodate all or part of the request for service. In the event that the System Impact Study indicates that no new transmission facilities or upgrades are needed to accommodate the requested service, in order for the Completed Application to retain its Queue Position, within sixty (60) days of completion of the System Impact Study, the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3 or Section 32.4, as applicable, or the Completed Application shall be deemed terminated and withdrawn.

205.4.2 Materials for Customers:

The Transmission Provider shall provide a copy of the System Impact Study and, to the extent consistent with the Office of the Interconnection's confidentiality obligations in Section 18.17 of the Operating Agreement, related work papers to all New Service Customers that had New Service Requests evaluated in the study and to the affected Transmission Owner(s).

205.4.3 Availability of Information:

Upon completion of the System Impact Study, the Transmission Provider shall post on the Transmission Provider's OASIS (i) the existence of the study, (ii) the New Service Customers that had New Service Requests evaluated in the study, (iii) the location and size in megawatts of each New Service Customer's project or requested rights, as applicable, and (iv) each New Service Customer's Queue Position. The Transmission Provider also shall, to the extent required by the Commission's regulations, make the completed System Impact Study publicly available upon request.

205.4.4 Meeting with Transmission Provider:

At the New Service Customer's request, Transmission Provider, the affected Transmission Owner(s) and the New Service Customer shall meet to discuss the results of the System Impact Study. Such meeting may occur in person or by telephone or video conference.

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205.5 Re-Study:

If a re-study of the System Impact Study is required due to a higher queued New Service Request dropping out of the queue, a modification of a higher queued New Service Request subject to 36.2A, or re-designation of the Point of Interconnection of an Interconnection Request pursuant to Section 36.2.1 or 36.2A, the Transmission Provider shall notify the affected New Service Customer(s) in writing explaining the reason for the re-study. Transmission Provider shall use due diligence to complete such re-study within sixty (60) calendar days from the date of the notice. Any cost of re-study shall be borne by the New Service Customer(s) being restudied.

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206 Facilities Study Agreement:

Upon completion of the System Impact Study, the Transmission Provider, if it determines that a Facilities Study is required, shall tender to the affected New Service Customer(s) a Facilities Study Agreement in the form included in Attachment N-2 to the Tariff. Transmission Provider, in its sole discretion, may determine to evaluate multiple New Service Requests in the same Facilities Study.

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206.1 Study Agreement:

Pursuant to the Facilities Study Agreement, the New Service Customer shall agree to reimburse the Transmission Provider for the cost of a Facilities Study. The Transmission Provider shall provide the New Service Customer with an estimate of the time needed to complete the Facilities Study, the cost of the study, and, if more than one New Service Request is being evaluated in the study, the New Service Customer's allocated share of the costs. The Facilities Study Agreement also may contain reasonable milestone dates that an Interconnection Customer's project must meet for the customer's Interconnection Request to retain its assigned Queue Position pursuant to Section 201 while the Transmission Provider is completing the Facilities Study.

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206.2 Retaining Queue Position:

For a New Service Request to retain its assigned Queue Position pursuant to Section 201, a New Service Customer must, within 30 days of receipt of the Facilities Study Agreement, (i) remit to Transmission Provide all past due amounts of the actual System Impact Study costs exceeding the System Impact Study deposits contained in Section 204.3A, if any, and (ii) execute and return the Facilities Study Agreement to the Transmission Provider. If a participating New Service Customer fails to remit past due amounts, execute the Facilities Study Agreement or to pay the deposit required under this Section 206, its New Service Request shall be deemed terminated and withdrawn.

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206.3 Deposit:

At the time the New Service Customer executes the Facilities Study Agreement, the New Service Customer shall pay a refundable deposit in the amount of \$100,000 or the estimated amount of its Facilities Study cost responsibility for the first three months of work on the study, whichever is greater. Notwithstanding the foregoing, for an Interconnection Customer with a proposed Customer Facility that is: (a) equal to or less than 20 MW but greater than 2 MW shall pay a refundable deposit in the amount of \$50,000; or (b) equal to or less than 2 MW shall pay a refundable deposit in the amount of \$15,000. Transmission Provider shall retain the deposit until settlement of the final invoice for the Facilities Study, provided, however, in the event that the total estimated cost of the Facilities Study does not exceed the amount of the deposit required under this section, then the deposit may be applied for payment of invoices for the cost of the study. Notwithstanding the preceding sentence, in the event and to the extent that the sum of (i) the aggregate amount timely paid by the New Service Customer pursuant to invoices for the cost of the Facilities Study, and (ii) the amount of the deposit provided by the customer, exceeds 125% of the New Service Customer's total estimated cost responsibility for such study, the customer's deposit shall be applied for payment of invoices for the cost of the study. Application of the New Service Customer's deposit in this manner shall not reduce or otherwise affect its liability for the full cost of the Facilities Study or its full allocated share thereof. Remaining deposit monies, if any, will be returned at the completion of the study or upon withdrawal of the Interconnection Request.

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206.4 Allocation of Costs:

In the event more than one New Service Request is being evaluated in a single Facilities Study, the cost of such study shall be allocated among the participating New Service Customers such that (i) each Interconnection Customer pays 100 percent of the study costs associated with evaluating the Attachment Facilities necessary to accommodate its Interconnection Request; (ii) each Eligible Customer pays 100 percent of the study costs associated with evaluating the Direct Assignment Facilities necessary to accommodate its Completed Application for new transmission service; and (iii) each New Service Customer pays the study costs associated with evaluating the Local Upgrades and/or Network Upgrades necessary to accommodate its New Service Request in proportion to its projected cost responsibility (as determined in the System Impact Study) for such upgrades. Each New Service Customer's cost responsibility shall equal its estimated cost responsibility for the work on the Facilities Study scheduled to be completed during each three-month period after such work commences. Transmission Provider's estimates of the required quarterly payments will be stated in the Facilities Study Agreement. If a terminated and withdrawn New Service Request was to be included in a Facilities Study evaluating more than one request, then the costs of the Facilities Study shall be redetermined and reallocated among the remaining participating New Service Customers.

206.4.1 Invoices and Payment:

Except in instances when the total estimated cost of the Facilities Study does not exceed the amount of the deposit required under Section 206.3, Transmission Provider shall invoice New Service Customer on a quarterly basis for work to be conducted on the Facilities Study during the subsequent three months. The initial invoice shall be delivered prior to the start of work and shall be for the cost of work scheduled to be completed during the first three months after work commences. New Service Customer shall pay invoiced amounts within twenty (20) days of receipt of the invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

206.4.1.1 Reconciliation of Costs:

New Service Customer may request in writing, prior to or at the time of execution of the Facilities Study Agreement that the Transmission Provider provide a quarterly cost reconciliation provision in the Facilities Study Agreement. Such quarterly cost reconciliation will have a one-quarter lag, e.g., reconciliation of costs for the first calendar quarter of work will be provided at the start of the third calendar quarter of work, provided, however, that Section 12.B of the Facilities Study Agreement shall govern the timing of the final cost reconciliation upon completion of the study.

206.4.1.2 Failure to Pay:

In the event that a New Service Customer fails to make timely payment of any invoice for work on the Facilities Study, its New Service Request shall be deemed to be terminated and withdrawn as of the date when payment was due.

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206.5 Estimates of Certain Upgrade-Related Rights:

206.5.1 Incremental Available Transfer Capability Revenue Rights:

The New Service Customer may request Transmission Provider to provide a non-binding estimate in the Facilities Study of the Incremental Available Transfer Capability Revenue Rights associated with the required facilities or upgrades for which the New Service Customer has cost responsibility. The ultimate assignment of Incremental Available Transfer Capability Revenue Rights associated with the required facilities or upgrades for which the New Service Customer has cost responsibility will be made pursuant to the process set forth in Section 233 of the Tariff.

206.5.2 Incremental Auction Revenue Rights:

The New Service Customer may request Transmission Provider to provide a non-binding estimate in the Facilities Study of the Incremental Auction Revenue Rights associated with the required facilities or upgrades for which the New Service Customer has cost responsibility on up to three (3) pairs of point-to-point combinations. The ultimate assignment of Incremental Auction Revenue Rights associated with the required facilities or upgrades for which the New Service Customer has cost responsibility will be made pursuant to the allocation process set forth in Section 231 of the PJM Tariff and may depend upon the point-to-point combination requests and cost responsibilities of other New Service Customers.

206.5.3 Transmission Injection Rights and Transmission Withdrawal Rights:

The assignment of Transmission Injection Rights and Transmission Withdrawal Rights associated with new Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities will be made in accordance with Section 232 of the Tariff and may depend upon the capabilities of facilities and upgrades necessary to accommodate other New Service Requests.

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207 Facilities Study Procedures:

The Transmission Provider will conduct Facilities Studies relating to the New Service Requests that were evaluated in the corresponding System Impact Studies, to the extent such New Service Requests have not been terminated and withdrawn. With respect to Interconnection Requests, the Transmission Provider shall use Reasonable Efforts to complete the Facilities Study and issue it to an Interconnection Customer within 180 days after receipt of an executed Facilities Study Agreement. If Transmission Provider determines that it will not meet the 180 day time frame for completing the Facilities Study, Transmission Provider shall notify Interconnection Customer as to the scheduled status of the Facilities Study. If Transmission Provider is unable to complete the Facilities Study and issue a Facilities Study within 180 days, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. When completed, the Facilities Studies will include, commensurate with the degree of engineering specificity on which the New Service Customer and Transmission Provider mutually agree as provided in the Facilities Study Agreement, good faith estimates of the cost, determined in accordance with Section 217 of the Tariff, (a) to be charged to each affected New Service Customer for the (i) Attachment Facilities or Direct Assignment Facilities, and (ii) the Local Upgrades and/or Network Upgrades that are necessary to accommodate each New Service Request evaluated in the study; (b) the time required to complete detailed design and construction of the facilities and upgrades; and (c) a description of any site-specific environmental issues or requirements that could reasonably be anticipated to affect the cost or time required to complete construction of such facilities and upgrades. The Facilities Study will document the engineering design work necessary to begin construction of any required transmission facilities, including estimating the costs of the equipment, engineering, procurement and construction work needed to implement the conclusions of the System Impact Study in accordance with Good Utility Practice and, when applicable, identifying the electrical switching configuration of the connection equipment, including without limitation: the transformer, switchgear, meters, and other station equipment; and the nature and estimated costs of Attachment Facilities, Direct Assignment Facilities, Local Upgrades and/or Network Upgrades necessary to accommodate the New Service Request.

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207.1 Meeting with Transmission Provider:

At New Service Customer's request, Transmission Provider, the affected Transmission Owner(s) and New Service Customer shall meet to discuss the results of the Facilities Study. Such meeting may occur in person or by telephone or video conference.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

207.2 Re-Study:

If re-study of the Facilities Study is required due to a higher queued New Service Request dropping out of the queue or a modification of a higher queued New Service Request subject to Section 36.2A, the Transmission Provider shall notify the New Service Customer in writing explaining the reason for the re-study. Transmission Provider shall use due diligence to complete such re-study within sixty (60) calendar days from the date of the notice. Any cost of re-study shall be borne by the New Service Customer being restudied.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

207.3 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider or the affected Transmission Owners that significantly affect the final cost of new facilities or upgrades to be charged to the New Service Customer pursuant to the applicable provisions of the Tariff.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

230 Capacity Interconnection Rights:

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

230.1 Purpose:

Capacity Interconnection Rights shall entitle the holder to deliver the output of a Generation Capacity Resource at the bus where the Generation Capacity Resource interconnects to the Transmission System. The Transmission Provider shall plan the enhancement and expansion of the Transmission System in accordance with Schedule 6 of the Operating Agreement such that the holder of Capacity Interconnection Rights can integrate its Capacity Resources in a manner comparable to that in which each Transmission Owner integrates its Capacity Resources to serve its Native Load Customers.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

230.2 Receipt of Capacity Interconnection Rights:

Generation accredited under the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region as a Generation Capacity Resource prior to the original effective date of Part IV shall have Capacity Interconnection Rights commensurate with the size in megawatts of the accredited generation. When a Generation Interconnection Customer's generation is accredited as deliverable through the applicable procedures in Part VI and Part VI of the Tariff, the Generation Interconnection Customer also shall receive Capacity Interconnection Rights commensurate with the size in megawatts of the generation as identified in the Interconnection Service Agreement. Pursuant to applicable terms of Schedule 10 of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, a Transmission Interconnection Customer may combine Incremental Deliverability Rights associated with Merchant Transmission Facilities with generation capacity that is not otherwise accredited as a Generation Capacity Resource for the purposes of obtaining accreditation of such generation as a Generation Capacity Resource and associated Capacity Interconnection Rights.

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230.3 Loss of Capacity Interconnection Rights:

230.3.1 Operational Standards:

To retain Capacity Interconnection Rights, the Generation Capacity Resource associated with the rights must operate or be capable of operating at the capacity level associated with the rights. Operational capability shall be established consistent with Schedule 9 of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region and the PJM Manuals. Generation Capacity Resources that meet these operational standards shall retain their Capacity Interconnection Rights regardless of whether they are available as a Generation Capacity Resource or are making sales outside the PJM Region.

230.3.2 Failure to Meet Operational Standards:

This Section 230.3.2 shall apply only in circumstances other than Deactivation of a Generation Capacity Resource. In the event a Generation Capacity Resource fails to meet the operational standards set forth in Section 230.3.1 of the Tariff for any consecutive three-year period (with the first such period commencing on the date the Interconnection Customer must demonstrate commercial operation of the generating unit(s) as specified in the Interconnection Service Agreement), the holder of the Capacity Interconnection Rights associated with such Generation Capacity Resource will lose its Capacity Interconnection Rights in an amount commensurate with the loss of generating capability. Any period during which the Generation Capacity Resource fails to meet the standards set forth in Section 230.3.1 as a result of an event that would constitute a Force Majeure event under Section 10 of the Tariff shall be excluded from such consecutive three-year period, provided that the holder of the Capacity Interconnection Rights exercises due diligence to remedy the event. A Generation Capacity Resource that loses Capacity Interconnection Rights pursuant to this section may continue Interconnection Service, to the extent of such lost rights, as an Energy Resource in accordance with (and for the remaining term of) its Interconnection Service Agreement and/or applicable terms of the Tariff.

230.3.3 Replacement of Generation:

In the event of the Deactivation of a Generation Capacity Resource (in accordance with Part V and applicable VACAR or other requirements), any Capacity Interconnection Rights associated with such facility shall terminate one year from the Deactivation Date unless the holder of such rights (including any holder that acquired the rights after Deactivation) has submitted a new Generation Interconnection Request up to within one year after the Deactivation Date which contemplates use of the same Capacity Interconnection Rights at the Point of Interconnection associated with such rights. The Interconnection Customer must provide notification to the Transmission Provider that it intends to utilize such Capacity Interconnection Rights on or before the date the Interconnection Customer executes the System Impact Study Agreement associated with the Generation Interconnection Request for which it intends to utilize such Capacity Interconnection Rights. Notwithstanding the previous sentence, Interconnection Customers in the New Services Queue prior to May 1, 2012 must provide notice of intent to utilize such Capacity Interconnection Rights when it executes its Facilities Study Agreement or, if it has already executed its Facilities Study Agreement, then by November 1, 2012. Such new

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Generation Interconnection Request may include a request to increase Capacity Interconnection Rights in addition to the replacement of the previously deactivated amount as a single **Generation Interconnection Request**. Transmission Provider may perform studies, as necessary, due to any changes in the electrical characteristics of any newly proposed equipment, **or where there is a change in Point of Interconnection, which may result in the loss of a portion or all of the Capacity Interconnection Rights as determined by such studies.**

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Upon execution of an Interconnection Service Agreement reflecting its new Interconnection Request, the holder of the Capacity Interconnection Rights will retain only such rights that are commensurate with the size in megawatts of the replacement generation, not to exceed the amount of the holder's Capacity Interconnection Rights associated with the facility upon Deactivation. Any desired increase in Capacity Interconnection Rights must be requested in the new Generation Interconnection Request and be accredited through the applicable procedures in Part IV and Part VI of the Tariff. In the event the new Interconnection Request to which this section refers is or is deemed to be terminated and/or withdrawn for any reason at any time, the pertinent Capacity Interconnection Rights shall **not terminate until the end of the one year period from the Deactivation Date.** ~~immediately terminate.~~

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

230.4 Transfer of Capacity Interconnection Rights:

Capacity Interconnection Rights may be sold or otherwise transferred subject to compliance with such procedures as may be established by the Transmission Provider regarding such transfer and notice to the Transmission Provider of any generation facilities that will use the Capacity Interconnection Rights after the transfer. The transfer of Capacity Interconnection Rights shall not itself extend the periods set forth in Section 230.3 regarding loss of Capacity Interconnection Rights.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

ATTACHMENT P
FORM OF
INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT
By and Among
PJM Interconnection, L.L.C.
And
[Name of Interconnection Customer]
And
[Name of Interconnected Transmission Owner]

(PJM Queue Position #___)

- 1.0 Parties. This Interconnection Construction Service Agreement (“CSA”) including the Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”) and the following Interconnection Customer and Interconnected Transmission Owner:

Interconnection Customer:

[full name] [OPTIONAL: (also referred to as “[short name”])]_____

Interconnected Transmission Owner:

[full name] [OPTIONAL: (also referred to as “[short name”])]_____

All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the Tariff.

- 2.0 Authority. This CSA is entered into pursuant to Part VI of the Tariff. The standard terms and conditions for construction are attached at Appendix 2 to this CSA and are hereby specifically incorporated as provisions of this agreement. Transmission Provider, the Interconnection Customer and the Interconnected Transmission Owner agree to and assume all of their respective rights and obligations as set forth in the standard terms and conditions for construction in Appendix 2 to this CSA. Further, Interconnection Customer and the Interconnected Transmission Owner each agrees to and assumes all of the rights and obligations of a Constructing Entity with respect to the facilities that each of them is responsible for constructing, as set forth in this CSA.

- 3.0 Customer Facility. This CSA specifically relates to the following Customer Facility at the following location:

a. Name of Customer Facility:

APPENDIX 2

STANDARD CONSTRUCTION TERMS AND CONDITIONS

Preamble

The construction of any Interconnection Facilities required to interconnect a Customer Facility with the Transmission System shall be in accordance with the following Standard Construction Terms and Conditions.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

3.4 Suspension:

The following provision applies to CSAs tendered to the Interconnection Customer Interconnection Requests which have entered the New Services Queue prior to February 1, 2011:

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Interconnection Customer shall have the right, upon written notice to Transmission Provider and Interconnected Transmission Owner, to suspend at any time all work by Interconnected Transmission Owner associated with the construction and installation of the Transmission Owner Interconnection Facilities and/or Merchant Network Upgrades required under an Interconnection Service Agreement or Interconnection Construction Service Agreement, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the Interconnection Customer to request one or more suspensions of work for a cumulative period of up to three years for each Interconnection Request. Interconnection Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

The following provision applies to Interconnection Requests which have entered the New Services Queue CSAs tendered to the Interconnection Customer on or after February 1, 2011:

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Interconnection Customer shall have the right, upon written notice to Transmission Provider and Interconnected Transmission Owner, to suspend at any time all work by Interconnected Transmission Owner associated with the construction and installation of the Transmission Owner Interconnection Facilities and/or Merchant Network Upgrades required under an Interconnection Service Agreement or Interconnection Construction Service Agreement, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the Interconnection Customer to request one or more suspensions of work for a cumulative period of up to (i) three years for an Interconnection Request for which the Transmission Provider determines that such suspension would not result in a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any subsequently queued project constitute a Material Modification, or (ii) one year for an Interconnection Request for which the Transmission Provider determine that such suspension would result in a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any subsequently queued project constitute a Material Modification. Interconnection Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

3.4.1 Costs:

In the event of a suspension under this section, Interconnection Customer shall be responsible for all reasonable and necessary Cancellation Costs which Interconnected Transmission Owner or Transmission Provider (i) has incurred pursuant to the Interconnection Service Agreement or

Interconnection Construction Service Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and/or labor contracts which Interconnected Transmission Owner or Transmission Provider cannot reasonably avoid; provided, however, that prior to cancelling or suspending any such material, equipment or labor contract, Interconnected Transmission Owner or Transmission Provider, as the case may be, shall obtain Interconnection Customer's authorization to do so. Transmission Provider shall invoice Interconnection Customer pursuant to Section 9 of this Appendix 2 for Cancellation Costs for which the customer is liable under this section. Interconnected Transmission Owner and Transmission Provider shall use due diligence to minimize Cancellation Costs in the event of a suspension of work.

3.4.2 Duration of Suspension:

In the event Interconnection Customer suspends work by Interconnected Transmission Owner required under an Interconnection Service Agreement or Interconnection Construction Service Agreement pursuant to this Section 3.4, and has not requested Transmission Provider and the Interconnected Transmission Owner to recommence the work required under the applicable agreement(s) on or before the expiration of the time period allowed under this Section 3.4~~three (3) years~~ following commencement of such suspension, the Interconnection Construction Service Agreement and the Interconnection Service Agreement for the Interconnection Request for which Interconnection Customer suspended work shall be deemed terminated as of the end of such suspension time period. ~~The suspension time three years. The three year~~ period shall begin on the date the suspension is requested, or on the date of Interconnection Customer's written notice of suspension to Transmission Provider, if no effective date was specified.

Effective Date: 9/17/2010 - Docket #: ER10-2710-000

ATTACHMENT GG

**FORM OF
UPGRADE CONSTRUCTION SERVICE AGREEMENT**

By and Among

PJM Interconnection, L.L.C.,

**[New Service Customer (other than an Interconnection
Customer whose project includes generation capability or Merchant Transmission
Facilities other than Merchant Network Upgrades)],**

[Transmission Owner]

(PJM Queue Position #____)

This Upgrade Construction Service Agreement, including the Appendices attached hereto and incorporated herein (collectively, "Upgrade CSA") is made and entered into as of the Effective Date (as defined in the attached Appendix III) by and among PJM Interconnection, L.L.C. ("Transmission Provider" or "PJM"), _____ ("New Service Customer" [OPTIONAL: or "[short name]"]) and _____ ("Transmission Owner" [OPTIONAL: or "[short name]"]). Transmission Provider, New Service Customer and Transmission Owner are referred to herein individually as "Party" and collectively as "the Parties."

WITNESSETH

WHEREAS, New Service Customer has requested (1) Long-Term Firm Point-To-Point Transmission Service or Network Integration Transmission Service ("Transmission Service") from Transmission Provider pursuant to Transmission Provider's Open Access Transmission Tariff, designated as FERC Electric Tariff, Sixth Revised Volume No. 1 (the "PJM Tariff"); or (2) Incremental Auction Revenue Rights pursuant to Section 7.8 of Schedule 1 of the Operating Agreement of PJM Interconnection L.L.C. ("Operating Agreement") and Part VI of the PJM Tariff; or (3) installation of one or more Merchant Network Upgrades pursuant to Part IV and Part VI of the PJM Tariff;

WHEREAS, pursuant to New Service Customer's Completed Application, Upgrade Request Form or Interconnection Request proposing Merchant Network Upgrades only and in accordance with the PJM Tariff, Transmission Provider has conducted the required studies to determine whether such requests can be accommodated, and if so, under what terms and conditions, including the identification of any Direct Assignment Facilities or Customer-Funded Upgrades that must be constructed in order to provide the service or rights requested by New Service Customer;

WHEREAS, Transmission Provider's studies have identified the Direct Assignment Facilities and/or Customer-Funded Upgrades described in Appendix I of this Upgrade CSA as necessary to provide New Service Customer the service or rights it has requested; and

APPENDIX III

GENERAL TERMS AND CONDITIONS

Effective Date: 7/14/2011 - Docket #: ER11-4040-000

6.4 Suspension.

The following provision applies to New Service Requests which have entered the New Services Queue Upgrade CSAs tendered to the New Service Customer prior to February 1, 2011:

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New Service Customer shall have the right, upon written notice to Transmission Provider and Transmission Owner, to suspend at any time all work by the Transmission Owner associated with the construction and installation of the Direct Assignment Facilities and/or Customer-Funded Upgrades, identified in Appendix I to this Upgrade CSA, required under this Upgrade CSA, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the New Service Customer to request one or more suspensions of work for a cumulative period of up to three years for each request. New Service Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

The following provision applies to New Service Requests which have entered the New Services Queue Upgrade CSAs tendered to the New Service Customer on or after February 1, 2011:

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New Service Customer shall have the right, upon written notice to Transmission Provider and Transmission Owner, to suspend at any time all work by the Transmission Owner associated with the construction and installation of the Direct Assignment Facilities and/or Customer-Funded Upgrades, identified in Appendix I to this Upgrade CSA, required under this Upgrade CSA, with the condition that, notwithstanding such suspension, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. This suspension right permits the New Service Customer to request one or more suspensions of work for a cumulative period of up to (i) three years for a request for which the Transmission Provider determines that such suspension would not constitute result in a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any subsequently queued project Material Modification, or (ii) one year for a request for which the Transmission Provider determines that such suspension would constitute result in a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any subsequently queued project Material Modification. New Service Customer's notice of suspension shall include an estimated duration of the suspension and other information related to the suspension.

6.4.1 Costs.

In the event of a suspension under this section, New Service Customer shall be responsible for all reasonable and necessary Cancellation Costs which the Transmission Owner or Transmission Provider: (i) has incurred pursuant to this Upgrade CSA prior to the suspension; and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during

such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and/or labor contracts which Transmission Owner or Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Transmission Owner or Transmission Provider, as the case may be, shall obtain New Service Customer's authorization to do so. Upon the request of the New Service Customer, the Transmission Owner shall provide an estimate of the Cancellation Costs. Transmission Provider shall invoice New Service Customer for Cancellation Costs for which the customer is liable under this section. Transmission Owner and Transmission Provider shall use due diligence to minimize Cancellation Costs in the event of a suspension of work.

6.4.2 Duration of Suspension.

If the Transmission Owner suspends work on the Direct Assignment Facilities and/or Customer-Funded Upgrades required under this Upgrade CSA pursuant to this Section 6.4.2, and the New Service Customer has not requested Transmission Provider and the Transmission Owner to recommence the work required under the applicable agreement(s) on or before the expiration of the time period allowed under this Section 6.4 ~~three (3) years~~ following commencement of such suspension, then this Upgrade CSA shall terminate. The suspension time ~~three year~~ period shall begin on the date of the New Service Customer's written notice of suspension to Transmission Provider and Transmission Owner.

Effective Date: 7/14/2011 - Docket #: ER11-4040-000