

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 (i) 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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36.2 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 position as provided for in sections 36.2A.1.2 or 36.2A.2 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, then the Interconnection Request shall be terminated and withdrawn if the Interconnection Customer proceeds with such change.

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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 [www.pjm.com](#) 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-03, (ii) project cannot be an uprate or addition to an existing facility, (iii) project distribution factor for any PJM monitored transmission facility 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.

111.1 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-03, (ii) project cannot be an uprate or addition to an existing facility, (iii) project distribution factor for any PJM monitored transmission facility 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.

112.1 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.

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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-03, (ii) project cannot be an uprate or addition to an existing facility, (iii) project distribution factor for any PJM monitored transmission facility 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.

112.5 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.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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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~~¹⁰⁰. 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.

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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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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205.3 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 preceding 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.

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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 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 Rrequest. 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.

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-~~

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3.4 Suspension:

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

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 on or after February 1, 2011:

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, 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. 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.

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6.4 Suspension.

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

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 on or after February 1, 2011:

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 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, or (ii) one year for a request for which the Transmssion Provider determines 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. 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.

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