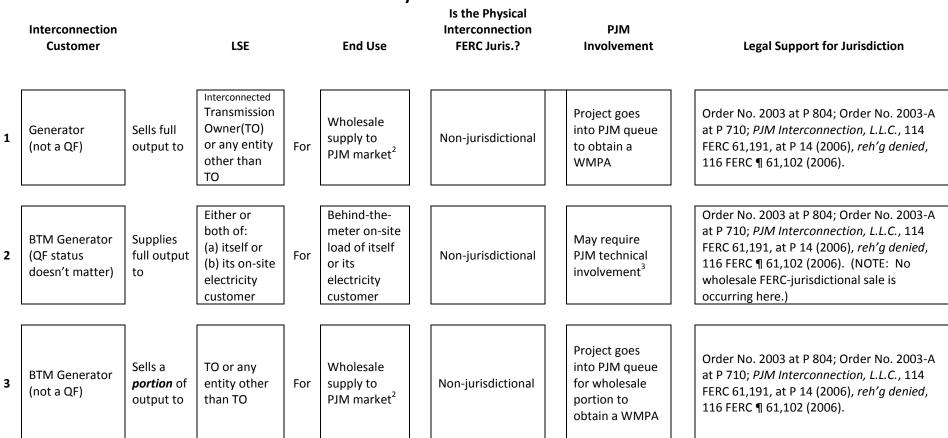
FERC Jurisdiction over Distribution Interconnections and Required PJM Involvement



A. With NO Prior Wholesale Use of Distribution System¹

¹FERC has stated that its jurisdiction applies to interconnections to local distribution facilities where there is a pre-existing interconnection <u>and</u> a wholesale sale over the local distribution facilities prior to a developer submitting a new interconnection request. *See PJM Interconnection, L.L.C.,* 114 FERC ¶ 61,191 (Feb. 22, 2006). Some examples of prior use include: (a) an existing FERC jurisdictional generator interconnection on circuit; (b) existing FERC jurisdictional connection of a co-op or wholesale municipality delivery point on a circuit for which the TO charges a FERC-approved rate for service over a distribution facility (*see* Order No. 2003 at P 804; Order No. 2003-A at PP 710, 730; Order No. 2003-C at P 51); and (c) a generator on the circuit with an existing WMPA even if the physical interconnection is state jurisdictional. For a customer who is increasing output, the customer's own generator is considered as an existing generator when applying this test.

² All of a TO's own generation is sold into the PJM market, including that used to serve that TO's own load.

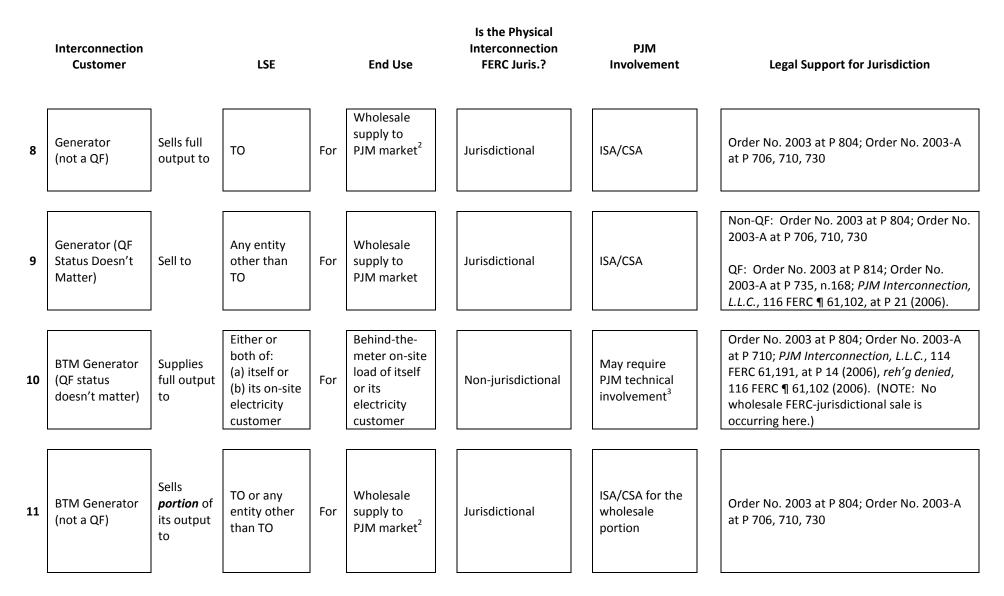
³ Notify PJM for their possible technical involvement when the aggregate generation at the associated PJM node will be \geq 300 kW, regardless of the amount of generation added by the instant case.

	Interconnection Customer		LSE		End Use	Is the Physical Interconnection FERC Juris.?	PJM Involvement	Legal Support for Jurisdiction
4	Generator-QF	Sells full output to	TO pursuant to PURPA ⁴	For	TO's load	Non-jurisdictional	PJM involvement required if output sold into capacity market, otherwise may require PJM technical involvement ³	Order No. 2003 at P 813 (<i>But see Niagara Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008)
5	BTM Generator- QF	Sells a portion of output to	TO pursuant to PURPA ⁴	For	TO's load	Non-jurisdictional	PJM involvement required if output sold into capacity market, otherwise may require PJM technical involvement ³	Order No. 2003 at P 813 (<i>But see Niagara Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008)
6	Generator - QF	Sells its output to	Either: (i) TO but not pursuant to PURPA or (ii) any entity other than the TO	For	Wholesale supply to PJM market ²	Jurisdictional	ISA/CSA	Order No. 2003 at P 814; Order No. 2003-A at P 735, n.168; <i>PJM Interconnection, L.L.C.</i> , 116 FERC ¶ 61,102, at P 21 (2006). Order No. 2003 at P 813 (<i>See Niagara Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008); <i>Florida Power & Light Co.</i> , 133 FERC ¶ 61,121 (2010) (holding that an interconnection agreement with a QF is jurisdictional when the QF has the right to sell to a third party, whether or not such sales to third parties actually occur).

⁴ Selling pursuant to PURPA means that a unit with QF status is using that QF status to sell power to TO as the host utility. Such sales to TO typically occur under a state avoided rate tariff. However, if a generator is permitted under its contracts to sell any output to an entity other than the TO, the interconnection is handled under Rows 6 and 7 or 14 and 15, as applicable. This is true even if no sales to an entity other than the TO actually occur. It is the contract's permissibility that controls. *See Florida Power & Light Co.*, 133 FERC ¶ 61,121 (2010).

	Interconnection Customer		LSE		End Use	Is the Physical Interconnection FERC Juris.?	PJM Involvement	Legal Support for Jurisdiction
7	BTM Generator- QF	Sells a portion of output to	Either: (i) TO, but not pursuant to PURPA or (ii) any entity other than TO	For	Wholesale supply to PJM market ²	Jurisdictional	ISA/CSA for the wholesale portion	Order No. 2003 at P 814; Order No. 2003-A at P 735, n.168; <i>PJM Interconnection, L.L.C.</i> , 116 FERC ¶ 61,102, at P 21 (2006). Order No. 2003 at P 813 (<i>See Niagara</i> <i>Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008); <i>Florida Power & Light Co.</i> , 133 FERC ¶ 61,121 (2010) (holding that an interconnection agreement with a QF is jurisdictional when the QF has the right to sell to a third party, whether or not such sales to third parties actually occur)

B. With Prior Wholesale Use of Distribution System



	Interconnection Customer		LSE		End Use	Is the Physical Interconnection FERC Juris.?	PJM Involvement	Legal Support for Jurisdiction
12	Generator-QF	Sells full output to	TO pursuant to PURPA ⁴	For	TO's load	Non-jurisdictional	PJM involvement required if output sold into capacity market, otherwise may require PJM technical involvement ³	Order No. 2003 at P 813 (<i>But see Niagara</i> <i>Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008)
13	BTM Generator (QF status)	Sells a portion of output to	TO pursuant to PURPA ⁴	For	TO's load	Non-jurisdictional	PJM involvement required if output sold into capacity market, otherwise may require PJM technical involvement ³	Order No. 2003 at P 813 (<i>But see Niagara Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008)
14	Generator-QF	Sells its output to	TO but not pursuant to PURPA	For	wholesale supply to PJM market	Jurisdictional	ISA/CSA	Order No. 2003 at P 814; Order No. 2003-A at P 735, n.168; <i>PJM Interconnection, L.L.C.</i> , 116 FERC ¶ 61,102, at P 21 (2006). Order No. 2003 at P 813 (<i>See Niagara</i> <i>Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008); <i>Florida Power & Light Co.</i> , 133 FERC ¶ 61,121 (2010) (holding that an interconnection agreement with a QF is jurisdictional when the QF has the right to sell to a third party, whether or not such sales to third parties actually occur)

	Interconnection Customer		LSE		End Use	Is the Physical Interconnection FERC Juris.?	PJM Involvement	Legal Support for Jurisdiction
15	BTM Generator- QF	Sells a portion of output to	Either: (i) TO, but not pursuant to PURPA or (ii) any entity other than TO	For	Wholesale supply to PJM market	Jurisdictional	ISA/CSA for the wholesale portion	Order No. 2003 at P 814; Order No. 2003-A at P 735, n.168; <i>PJM Interconnection, L.L.C.</i> , 116 FERC ¶ 61,102, at P 21 (2006). Order No. 2003 at P 813 (<i>See Niagara</i> <i>Mohawk Power Corp.</i> , 121 FERC 61,183 (2007), <i>reh'g denied</i> , 123 FERC 61,061 (2008); <i>Florida Power & Light Co.</i> , 133 FERC ¶ 61,121 (2010) (holding that an interconnection agreement with a QF is jurisdictional when the QF has the right to sell to a third party, whether or not such sales to third parties actually occur)