- 1. Existing generating facilities regulated by the U.S. Nuclear Regulatory Commission
- 2. Any generator that has submitted a request to PJM to be deactivated within the next year.

3. Technical reason exemption:

Those generators that otherwise would be required to provide PFR but cannot technically be retrofitted with Primary Frequency Response capability shall submit a request to PJM within 6 months of the implementation date of business rule changes recommended by PFRSTF. The request should explain the technical infeasibility, including data to justify the exemption request such as OEM documentation, or other regulatory restrictions, etc. Economics cannot be used as exemption criteria; the technical infeasibility has to be a physical restriction that cannot be rectified using any available commercial alternatives. Cost of physical modifications and modes of operation (i.e. sliding pressure control) are examples of economic considerations.

Those generators for which Primary Frequency Response is technically infeasible as determined by PJM, with input from the IMM, /IMM-may be granted a permanent exemption from the requirement.

PJM/IMM review will consider the justification for the exemption along with the system impact from a reliability perspective.

PJM will make a determination within 90 calendar days following receipt of the request and required documentation. If PJM does not grant an exemption, the generator shall acquire the capability to provide Primary Frequency Response within 12 months of being notified of that determination. An attestation to PJM will be required confirming that unit is compliant with endorsed business rules regarding Primary Frequency Response requirements. PJM and IMM will monitor performance and follow up as required.

(Note: This exemption is similar to that allowed in <u>BAL-001-TRE-1</u>, Primary Frequency Response in the ERCOT Region, <u>ISO-NE OP-14</u>, & <u>ISO-NE M/LCC 10</u>.)

Examples of what PJM would consider justifying technical infeasibility:

- Original Equipment Manufacture's documentation
- A state or federal mandated regulation
- A federal, state, or local jurisdiction mandated permit, or safety requirement

Examples of what PJM would NOT consider justifying technical infeasibility:

- Economic Decisions on how to operate the unit
- Outdated or degraded technology or lack of enhancements to bring the unit or equipment to modern operating standards (unless the unit has a firm retirement date)
- A conservative operations approach to operating the unit or equipment to reduce equipment maintenance

• Marketing or operational strategies to limit unit response