



for the Local or Network Upgrades. The Load Flow Cost Allocation methods discussed in this manual, including cutoffs, still apply to the individual projects.

Definitions

- Interconnection Queue Close Date – The date on which an Interconnection Queue ends. Currently, in the PJM Open Access Transmission Tariff, the Interconnection Queue Close Dates are January 31st and July 31st.
- Interconnection Customer – The responsible party for a generator or merchant transmission project that is in the PJM Interconnection Process.
- Queue Date – The date on which PJM receives a valid Interconnection Request from an Interconnection Customer.

PJM Generation and Transmission Interconnection Cost Allocation Methodologies

The cost allocation procedure will continue to be evaluated and modified, if required, as the generator and transmission interconnection process proceeds.

Load Flow Cost Allocation Method

Interconnection Customer requests are studied as a single study for all active projects in an individual New Services Queue. System Upgrades are identified to maintain system reliability.

Individual Local & Network Upgrades which cost less than \$5,000,000

All Interconnection Customers with active Interconnection Requests in an individual New Services Queue will be allocated a cost for these System Upgrades based upon the following criteria:

- Contingent to the individual Interconnection Request contributing MW impact being greater than 5 MW AND greater than 1% of the applicable line rating OR (if its Distribution Factor (DFAX) on the facility is greater than 5% AND its MW impact on the facility's rating is greater than 3%), the contribution of an Interconnection Customer is determined by the voltage level of the facility that it impacts:
 - For a transmission facility whose rated voltage level is below 500 kV, an Interconnection Customer/Developer will have some cost allocation if its Distribution Factor (DFAX) on the facility is greater than 5% OR if its MW impact on the facility's rating is greater than 5%.
 - For a transmission facility whose rated voltage level is 500 kV or above, an Interconnection Customer/Developer will have some cost allocation if its DFAX on the facility is greater than 10% OR if its MW impact on the facility's rating is greater than 5%.