

(Project Identifier #____)

GENERATION INTERCONNECTION AGREEMENT

**By and Between
PJM INTERCONNECTION, L.L.C.
And**

And

1.0 Parties. This Generation Interconnection Agreement (“GIA”) including the Specifications, Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C., the Regional Transmission Organization for the PJM Region (hereinafter “Transmission Provider” or “PJM”), _____ (“Project Developer” [OPTIONAL: or “[short name]”]) and _____ (“Transmission Owner” [OPTIONAL: or “[short name]”]). All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part VII and Part VIII of the PJM Open Access Transmission Tariff (“Tariff”). [Use as/when applicable: Project Developer and Transmission Owner, together, constitute a Vertically Integrated Utility subject to the Vertically Integrated Utility provisions of this GIA.] [Use as/when applicable: This GIA supersedes the _____ {insert details to identify the agreement being superseded, the effective date of the agreement, the service agreement number designation, and the FERC docket number, if applicable, for the agreement being superseded.}]. [Use as/when applicable: Pursuant to the terms of an Agreement to Amend signed by all Parties effective {INSERT DATE}, this GIA amends the {GIA} entered into by {Party 1}, {Party 2}, and Transmission Provider effective {INSERT DATE} and designated as Service Agreement No. {INSERT NUMBER}.]

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5.0 Security.

In accord with the GIP, Project Developer shall provide the Transmission Provider (for the benefit of the Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to the Transmissions Provider and that names the Transmission Provider as beneficiary (“Security”) in the amount of \$_. Such Security can also be applied to unpaid Cancellation Costs and for completion of some or all of the required Transmission Owner Interconnection Facilities, and/or Customer-Funded Upgrades. This amount represents the sum of the estimated Costs, determined in accordance with the GIP for which the Project Developer will be responsible, less any Costs already paid by Project Developer. Project Developer acknowledges that its ultimate cost responsibility will be based upon the actual Costs of

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the facilities described in the Specifications, whether greater or lesser than the amount of Security provided under this section.

~~Notwithstanding the foregoing, Project Developer shall be exempt from providing Security under this GIA where Project Developer and Transmission Owner are the same Vertically Integrated Utility. If at any time Project Developer and Transmission Owner no longer constitute the same Vertically Integrated Utility, Project Developer shall be required to provide Security at the earlier of any Tariff prescribed deadline, or at least thirty (30) Business Days prior to the effective date of the change in status of the Vertically Integrated Utility. Exempting Project Developer from any Security obligation under this GIA does not relieve Project Developer from cost responsibility for any Network Upgrade(s) under this GIA.~~

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- 14.0 Third Party Beneficiaries. No third party beneficiary rights are created under this GIA, except, however, that, subject to modification of the payment terms stated in section 10 of this GIA pursuant to the Negotiated Contract Option, payment obligations imposed on Project Developer under this GIA are agreed and acknowledged to be for the benefit of the Transmission Owner(s). Project Developer expressly agrees that the Transmission Owner(s) shall be entitled to take such legal recourse as it deems appropriate against Project Developer for the payment of any Costs or charges authorized under this GIA or the GIP with respect to Interconnection Service for which Project Developer fails, in whole or in part, to pay as provided in this GIA, the GIP and/or the Operating Agreement.

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12 Assignment

12.1 Assignment with Prior Consent:

Except as provided in section 12.2 to this Appendix 2, no Interconnection Party shall assign its rights or delegate its duties, or any part of such rights or duties, under the Generation Interconnection Agreement without the written consent of the other Interconnection Parties, which consent shall not be unreasonably withheld, conditioned, or delayed. Any such assignment or delegation made without such written consent shall be null and void. An Interconnection Party may make an assignment in connection with the sale, merger, or transfer of a substantial portion or all of its properties including the Interconnection Facilities and Transmission Owner Upgrades which it owns or will own upon completion of construction and the transfer of title required as set forth in section 23 of this Appendix 2, so long as the assignee in such a sale, merger, or transfer assumes in writing all rights, duties and obligations arising under this Generation Interconnection Agreement. In addition, the Transmission Owner shall be entitled, subject to Applicable Laws and Regulations, to assign the Generation Interconnection Agreement to any Affiliate or successor that owns and operates all or a substantial portion of the Transmission Owner's transmission facilities.

12.2 Assignment Without Prior Consent

12.2.1 Assignment to Owners:

Project Developer may assign the Generation Interconnection Agreement without the Transmission Owner's or Transmission Provider's prior consent to any Affiliate or person that purchases or otherwise acquires, directly or indirectly, all or substantially all of the Generating Facility or Merchant Transmission Facility and the Project Developer Interconnection Facilities, provided that prior to the effective date of any such assignment, the assignee shall demonstrate that, as of the effective date of the assignment, the assignee has the technical and operational competence to comply with the requirements of this Generation Interconnection Agreement and assumes in a writing provided to the Transmission Owner and Transmission Provider all rights, duties, and obligations of Project Developer arising under this Generation Interconnection Agreement. However, any assignment described herein shall not relieve or discharge the Project Developer from any of its obligations hereunder absent the written consent of the Transmission Provider, such consent not to be unreasonably withheld, conditioned or delayed. Project Developer shall provide Transmission Provider with notice of any such assignment in accordance with the PJM Manuals.

In addition to the above, if Project Developer has not provided Security under the GIA because it and Transmission Owner are the same Vertically Integrated Utility, the following additional conditions must be satisfied:

Project Developer must provide PJM with at least sixty (60) days advance written notice prior to assignment of this GIA and any related PJM service agreements, including NUCRAs, that would terminate the Vertically Integrated Utility status.

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- ~~At least thirty (30) days prior to the effective date of the assignment, an amended GIA must be executed by the assignee, at which point the Security requirements referenced in amended GIA, section 5.0 and amended GIA, Specifications, section 4.7 (and any adjustments thereof) shall apply.~~
- ~~PJM must receive the required Security from the assignee (or someone on its behalf) in the amount and form required no later than thirty (30) days prior to the effective date of such assignment.~~
- ~~After receipt of the executed amended GIA, any associated NUCRAs, and any other related service agreements, and all required Security are provided to PJM, PJM will file the amended agreement(s) with FERC or report them in PJM's Electric Quarterly Reports to the extent required by FERC regulation.~~
- ~~(a) Subject to any necessary regulatory acceptance, the effective date of the amended GIA, any associated amended NUCRAs, and any other related service agreements subject to an assignment will be the same as the effective date of the assignment.~~

12.2.2 Assignment to Lenders:

Project Developer may, without the consent of the Transmission Provider or the Transmission Owner, assign the Generation Interconnection Agreement to any Project Finance Entity(ies), provided that such assignment does not alter or diminish Project Developer's duties and obligations under this Generation Interconnection Agreement. If Project Developer provides the Transmission Owner with notice of an assignment to any Project Finance Entity(ies) and identifies such Project Finance Entities as contacts for notice purposes pursuant to section 21 of this Appendix 2, the Transmission Provider or Transmission Owner shall provide notice and reasonable opportunity for such entity(ies) to cure any Breach under this Generation Interconnection Agreement in accordance with this Generation Interconnection Agreement. Transmission Provider or Transmission Owner shall, if requested by such lenders, provide such customary and reasonable documents, including consents to assignment, as may be reasonably requested with respect to the assignment and status of the Generation Interconnection Agreement, provided that such documents do not alter or diminish the rights of the Transmission Provider or Transmission Owner under this Generation Interconnection Agreement, except with respect to providing notice of Breach to a Project Finance Entity. Upon presentation of the Transmission Provider and/or the Transmission Owner's invoice therefore, Project Developer shall pay the Transmission Provider and/or the Transmission Owner's reasonable documented cost of providing such documents and certificates. Any assignment described herein shall not relieve or discharge the Project Developer from any of its obligations hereunder absent the written consent of the Transmission Owner and Transmission Provider.

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25 Vertically Integrated Utilities

The following provisions shall apply only where the Project Developer and Transmission Owner under this GIA constitute a Vertically Integrated Utility.

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25.1 Security:

The Interconnection Parties recognize that the Project Developer is exempt from the Tariff requirement to provide Security as identified in this GIA, section 5.0 and GIA, Specifications, section 4.7, conditioned upon:

1. Project Developer and Transmission Owner under this GIA constituting a Vertically Integrated Utility; and

~~1.2.~~ The required Network Upgrade(s) and Interconnection Facilities that form the basis for the Security reflected in this GIA, section 5.0 and GIA, Specifications, section 4.7 are entirely on a transmission system wholly owned by the Transmission Owner.

For the avoidance of doubt, exemption of the Tariff requirement to provide Security does not relieve Project Developer from any cost responsibility for the actual Costs for the facilities described in this GIA, including any cancellation Costs, arising from the termination or cancellation of this GIA. If at any time Project Developer and Transmission Owner no longer constitute a Vertically Integrated Utility, Project Developer shall be required to provide Security at the earlier of any Tariff prescribed deadline or at least thirty (30) Business Days prior to the effective date of the change in status of the Vertically Integrated Utility.

25.2 Default:

If Project Developer defaults under this GIA, PJM retains its right under the Operating Agreement, section 14B.4(d) to set off any amount owed by Project Developer under this GIA and the Tariff against any amounts owed to Transmission Owner ~~under this GIA~~ as a member under the Operating Agreement. Similarly, if Project Developer defaults under this GIA, PJM retains its right under this GIA, Appendix 2, section 11.1.1 to net remittances of Transmission Owner, against any amounts owed by Project Developer, under the Tariff.

For avoidance of doubt, PJM's rights of setoff, recoupment, and netting, including in the event of bankruptcy, shall apply notwithstanding that the Vertically Integrated Utility is acting in different capacities under this GIA and PJM's governing documents. The Vertically Integrated Utility shall be recognized as a single legal entity for purposes of all such rights, and PJM may offset any amounts owed to the Vertically Integrated Utility (in any capacity) against any amounts owed by the Vertically Integrated Utility (in any capacity), including in any insolvency, receivership, or bankruptcy proceedings.

~~If Project Developer defaults under this GIA and any associated NUCRA, Transmission Owner agrees not to seek payment for any amounts due from Project Developer under this GIA and any associated NUCRA from any non-defaulting Project Developers, Transmission Provider or any third party. —~~For purposes of PJM's rights of setoff, recoupment, and netting, the Vertically Integrated Utility's obligations to PJM under this GIA and the Tariff, and any amounts payable to the Vertically Integrated Utility through PJM Settlement, Inc. under the Operating Agreement and Tariff, shall be deemed mutual obligations between the same parties, and shall be

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enforceable notwithstanding the role of PJM Settlement, Inc. as PJM's settlement and payment agent.

Notwithstanding the Breach provisions in this GIA, Appendix 2, section 15, if Project Developer fails to pay an amount due within five days from the receipt of notice of the Breach and PJM must use the rights of setoff, recoupment, and netting described herein to cure such Breach, Project Developer shall be in automatic Default and its project and this Agreement shall be deemed terminated and withdrawn and Transmission Owner shall still be obligated to construct all required Network Upgrades.

25.32 Common Use Network Upgrades:

To the extent this GIA includes Common Use Upgrades for which a Network Upgrade Cost Responsibility Agreement ("NUCRA") is required, PJM, Project Developer, and Transmission Owner agree that the following additional conditions apply:

1. If Project Developer defaults under this GIA, any non-defaulting Project Developer that is a party to any related NUCRA shall not be liable for any portion of defaulting Project Developer's cost responsibility under the applicable NUCRA;
2. Upon a default under any applicable NUCRA by Project Developer, no portion of defaulting Project Developer's unpaid cost responsibility for a Common Use Upgrade shall be reallocated to the non-defaulting Project Developers; and,
3. Transmission Owner and defaulting Project Developer agree to hold all non-defaulting Project Developers harmless from any cost responsibility that is allocated to defaulting Project Developer under any applicable NUCRA.

While Transmission Owner agrees that it is a signatory for acknowledgment purposes of any NUCRA(s) associated with this GIA, exemption of Project Developer's otherwise applicable requirement to provide Security under this GIA specifically obligates Transmission Owner to incur cost responsibility for any Network Upgrade(s) under this GIA for which the Project Developer defaults under the associated NUCRA(s).

25.4 Assignment:

Assignment to parties other than the Vertically Integrated Utility.

Notwithstanding the Assignment provisions in this Appendix 2, a Project Developer or Transmission Owner constituting a Vertically Integrated Utility must provide PJM with at least sixty (60) days advance written notice prior to an assignment of this GIA and any related PJM service agreements, including NUCRAs, that would terminate the Vertically Integrated Utility status. Consistent with this GIA, Appendix 2, section 12.2.1, any assignment herein shall not relieve or discharge Project Developer from any of its obligations hereunder absent prior written consent of PJM. Thus, the following conditions must be satisfied:

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1. Project Developer shall not assign this GIA, in whole or in part, without the written consent of PJM. Any such assignment made without PJM's prior written consent shall be null and void.
2. The exemption from the requirement to provide Security shall become void thirty (30) days prior to the effective date of such assignment, at which point the Security requirements referenced in this GIA, section 5.0 and this GIA, Specifications, section 4.7 (and any adjustments thereof) shall apply.
3. PJM must receive the required Security in the amount required and form acceptable to PJM no later than thirty (30) days prior to the effective date of such assignment. Failure to timely provide such Security shall constitute a Breach of this GIA.
- ~~1.4.~~ This GIA, any associated NUCRAs, and any other related service agreements will be amended to reflect the assignment and furnishing of Security and will be filed with FERC or reported in PJM's Electric Quarterly Reports, as necessary.

Subject to any necessary regulatory acceptance, the effective date of the amended GIA, any associated amended NUCRAs, and any other related service agreements subject to an assignment will be the same as the effective date of the assignment.