

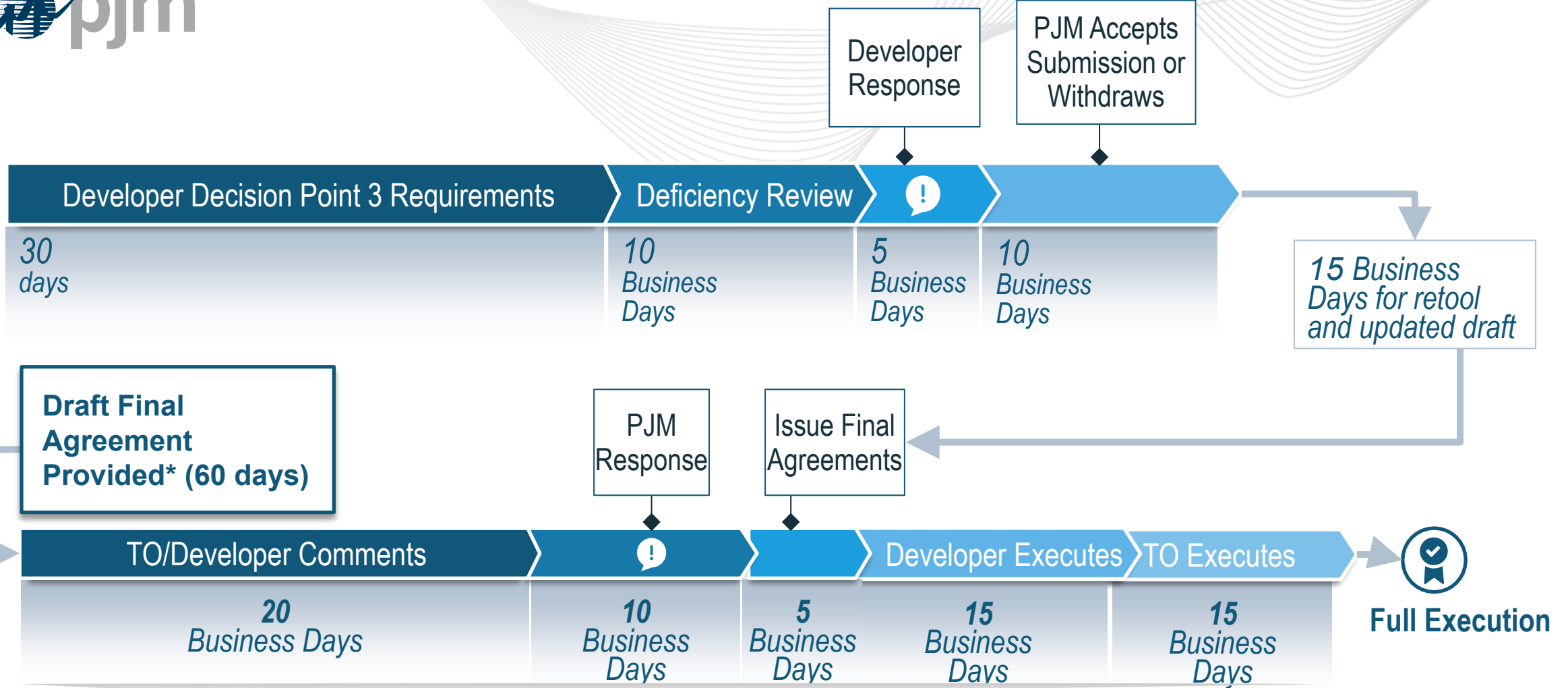
Final Agreement Negotiation Phase and Decision Point III Requirements

IPS June 2025
Interconnection Projects



- During Phase III, and at least 30 days prior to initiating Decision Point III of the Cycle, PJM will notify ProjectDeveloper of an estimated start date for Decision Point III
- Decision Point III starts right after the conclusion of Phase III, and runs concurrently with the FinalAgreement Negotiation Phase.
 - Prior to the Final Agreement Negotiation Phase, PJM will provide a draft interconnection related agreement(s) (GIA/WMPA/NUCRA/CSA) and post the Phase 3 Study Reports on the website
- Before the close of Decision Point III, Project Developer can choose to stay in the cycle by providing and meeting DP#3 requirements. Those that do not meet the requirements will be withdrawn.
- At Decision Point III, New Service Requests may not be changed or modified for any reason, except for Site Control modifications. Refer to [FERC DOCKET NO. EL25-22-000](#) for more information on Site Control modifications at DP3.

Decision Point 3 and Final Agreement Timeline



SUBMITTAL REQUIRED

- **DP3 Queue Point submission**
- **Security:** Calculated based upon Network Upgrade costs allocated pursuant to Phase III SIS results
- **Site Control** evidence is required for one additional year from the last day of Phase III, covering 100% of the generating facility (including the "HS of the MPT"), interconnection facilities (linear distance to point of interconnection), and any interconnection switchyard acreage.
- **Note:** If a Project Developer cannot fully demonstrate Site Control as required, they must provide acceptable evidence of ongoing negotiations to obtain it. If approved by PJM, a final interconnection agreement will include a non-extendable condition requiring full Site Control proof within 180 days. Failure to meet this condition results in automatic termination and withdrawal of the project from the process.
- **State Level (non-FERC jurisdictional):**
 - Fully executed IA agreement with the applicable entity

- **Agreement and Permits**

Project Developer must provide evidence of:

- Fuel and water agreement (if necessary) and control ROW for the interconnections
- Local, county and state permits
- Signed MOU major electrical equipment

Note:

- If agreements, permits and MOU requirements are not met, developer must provide evidence that the requirements have not met due to delays outside of the developer's control. If PJM accepts the evidence, then these can be addressed through milestones in the applicable interconnection service-related agreement.

- **Transmission Interconnection Requests**

- Valid corresponding interconnection request with the adjacent control areas
- Maintain such interconnection request with adjacent control area throughout the PJM interconnection process

**Begins after all elements have
been submitted for all TC1 Projects**

DEFICIENCY REVIEW PHASE

- PJM will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within **10 Business Days** after the close of Decision Point III.
- Project Developer or Eligible Customer then has **five Business Days** to respond to PJM's deficiency determination.
- PJM then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within **10 Business Days**, and then will either terminate and withdraw the New Service Request, or proceed to the Final Agreement Negotiation Phase.
- PJM's review of the above-required elements will run co-extensively with the Final Agreement Negotiation Phase.

REFUNDS

- Projects that elect to withdraw or do not satisfy the DP3 requirements will be removed from the Cycle.
 - PJM initiates the refund process as follows:
 - Study Deposit: Refund up to 90 percent of the Study Deposit submitted during the Application Phase, less any actual costs.
 - Readiness Deposits: Refunds of Readiness Deposit Nos. will be initiated when all Cycle New Service Requests have either: 1) entered into final agreements and met the Decision Point III Site Control requirements or 2) withdrawn.
 - Treatment of Readiness Deposits due to Adverse Study Results: refund cumulative Readiness Deposit amounts, if Network Upgrade costs from Phase II to Phase III:
 - i. increases overall by 35 percent or more; and
 - ii. increased by more than \$25,000 per MW.
- Network Upgrade costs shall include costs identified in Affected System studies in their respective phases.
- Breakdown of Network Upgrade cost: Physical interconnection (excluding TOIF), reliability driven Network Upgrade, Affected system cost
- Note: This is the last time PJM would be doing adverse study for TC1. PJM will not be doing adverse study after DP3.**
- Refer to PJM Manual 14H section 6.2.3 For Forfeited Readiness Deposit

PJM is drafting final agreements now in preparation to issue all draft agreements at the end of Phase 3.

Developer input forms are not being sent out and PJM will use the following assumptions when drafting agreements (all of the below may be changed during negotiation phase; any change to milestone dates must have supporting documentation explaining why tendered milestones cannot be met):

- DocuTrack, DocuSign and agreement notices section will use current project main contact
 - Notify PJM PM of any changes.
- Milestones will be set per the [May 2025 IPS TC1 Milestone Presentation](#)
- Quarterly cost reconciliation set to “No”
- Generating Facility name will be unique name selected by PJM PM based on location and PD project name

- Schedule G Non-Taxable status provisions will be included
- Construction Option = Standard
- Option to Build will match PD election made at DP2(This cannot be changed or negotiated)
- Latest site plan from DP1 or DP2 will be used. DP3 changes can be addressed during Final Agreement Negotiation.
- Any project Developer name changes or assignments of a New Service Request must be completed by the end of Phase III.
- For uprate projects, the Project Developer name must match the Project Developer name on the currently effective ISA/GIA.

Tariff References:

- **Tariff, Part VII, Subpart D, section 313 Decision point III**
- **Tariff, Part VII, Subpart A, section 302 Site Control**
- **Tariff, Part VII, Subpart E, section 311 Milestones**
- **Tariff, Part VII, Subpart D, section 314 Final Agreement Negotiation Phase**

Manual 14H References:

- **Section 4: Phases and Decision Point**
- **Section 5: Final Agreement Negotiation Phase**
- **Section 6: Study and Readiness Deposit**
- **Section 7: Site Control**

IPS Presentation:

- **May 2025 – TC1 Milestone Changes**

FERC Filing

- **Docket EL25-22-000**

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