

Definitions A - B

10-minute Ramp and Uncertainty Reserve Down:

“10-minute Ramp and Uncertainty Reserve Down” shall mean the reserve capability of generation resources corresponding to the energy that can be decreased or Economic Load Response Participant resources whose demand can be increased within 10 minutes and is provided by equipment that is electrically synchronized to the Transmission System and dispatchable by the Office of the Interconnection through economic dispatch.

10-minute Ramp and Uncertainty Reserve Down Locational Clearing Price:

“10-minute Ramp and Uncertainty Reserve Down Locational Clearing Price” shall mean the locational clearing price for 10-minute Ramp and Uncertainty Reserve Down at the location the 10-minute Ramp and Uncertainty Reserve Down is delivered, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

10-minute Ramp and Uncertainty Reserve Down Requirement:

“10-minute Ramp and Uncertainty Reserve Down Requirement” shall mean the megawatts required to be maintained in the Reserve Zone, as 10-minute Ramp and Uncertainty Reserve Down. The 10-minute Ramp and Uncertainty Reserve Down Requirement is calculated in accordance with Operating Agreement, Schedule 1, section 1 and the PJM Manuals.

10-minute Ramp and Uncertainty Reserve Up:

“10-minute Ramp and Uncertainty Reserve Up” shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within 10 minutes and is provided by equipment that is electrically synchronized to the Transmission System and dispatchable by the Office of the Interconnection through economic dispatch.

10-minute Ramp and Uncertainty Reserve Up Locational Clearing Price:

“10-minute Ramp and Uncertainty Reserve Up Locational Clearing Price” shall mean the locational clearing price for 10-minute Ramp and Uncertainty Reserve Up at the location the 10-minute Ramp and Uncertainty Reserve Up is delivered, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

10-minute Ramp and Uncertainty Reserve Up Requirement:

“10-minute Ramp and Uncertainty Reserve Up Requirement” shall mean the megawatts required to be maintained in the Reserve Zone, as 10-minute Ramp and Uncertainty Reserve Up. The 10-

minute Ramp and Uncertainty Reserve Up Requirement is calculated in accordance with Operating Agreement, Schedule 1, section 1 and the PJM Manuals.

30-minute Ramp and Uncertainty Reserve:

“30-minute Ramp and Uncertainty Reserve” shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within 30 minutes and is provided by equipment that is electrically synchronized to the Transmission System and dispatchable by the Office of the Interconnection through economic dispatch.

30-minute Ramp and Uncertainty Reserve Locational Clearing Price:

“30-minute Ramp and Uncertainty Reserve Locational Clearing Price” shall mean the locational clearing price for 30-minute Ramp and Uncertainty Reserve at the location the 30-minute Ramp and Uncertainty Reserve is delivered, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

30-minute Ramp and Uncertainty Reserve Requirement:

“30-minute Ramp and Uncertainty Reserve Requirement” shall mean the megawatts required to be maintained in the Reserve Zone, as 30-minute Ramp and Uncertainty Reserve. The 30-minute Ramp and Uncertainty Reserve Requirement is calculated in accordance with Operating Agreement, Schedule 1, section 1 and the PJM Manuals.

30-minute Reserve:

“30-minute Reserve” shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within 30 minutes of a request from the Office of the Interconnection dispatcher, and is comprised of 30-minute Ramp and Uncertainty Reserve ~~Synchronized Reserve, Non-Synchronized Reserve~~ and Secondary Reserve.

30-minute Reserve Requirement:

“30-minute Reserve Requirement” shall mean the megawatts required to be maintained in ~~thea~~ Reserve Zone ~~or Reserve Sub-zone~~, as ~~Secondary 30-minute Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty.~~ The 30-minute Reserve Requirement is calculated in accordance with Operating Agreement, Schedule 1, section 1 and the PJM Manuals. The requirement can be satisfied by any combination of 30-minute Ramp and Uncertainty ~~Synchronized Reserve, Non-Synchronized Reserve~~ or Secondary Reserve resources.

60-minute Reserve:

“60-minute Reserve” shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within 60 minutes of a request from the Office of the Interconnection dispatcher.

60-minute Reserve Market Clearing Price:

“60-minute Reserve Market Clearing Price” shall mean the market clearing marginal price for 60-minute Reserve, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

Acceleration Request:

“Acceleration Request” shall mean a request pursuant to Operating Agreement, Schedule 1, section 1.9.4A and the parallel provisions of Tariff, Attachment K-Appendix, to accelerate or reschedule a transmission outage scheduled pursuant to Operating Agreement, Schedule 1, section 1.9.2 or Operating Agreement, Schedule 1, section 1.9.4 and the parallel provisions of Tariff, Attachment K-Appendix, section 1.9.2 and Tariff, Attachment K-Appendix, section 1.9.4.

Act:

“Act” shall mean the Delaware Limited Liability Company Act, Title 6, §§ 18-101 to 18-1109 of the Delaware Code.

Active and Significant Business Interest:

“Active and Significant Business Interest” is a term that shall be used to assess the scope of a Member’s PJM membership and shall be based on a Member’s activity in the PJM RTO and/or Interchange Energy Markets. A Member’s Active and Significant Business Interest shall: 1) be determined relative to the scope of the Member’s PJM membership and activity in the PJM RTO and/or Interchange Energy Markets considering, among other things, the Member’s public statements and/or regulatory filings regarding its PJM activities; and 2) reflect a substantial contributor to the Member’s recent market activity, revenues, costs, investment, and/or earnings when considering the Member and its corporate affiliates’ interests within the PJM footprint.

Affected Member:

“Affected Member” shall mean a Member of PJM which as a result of its participation in PJM’s markets or its membership in PJM provided confidential information to PJM, which confidential information is requested by, or is disclosed to an Authorized Person under a Non-Disclosure Agreement.

Affiliate:

“Affiliate” shall mean any two or more entities, one of which Controls the other or that are under common Control. “Control,” as that term is used in this definition, shall mean the possession, directly or indirectly, of the power to direct the management or policies of an entity. Ownership

of publicly-traded equity securities of another entity shall not result in Control or affiliation for purposes of the Tariff or Operating Agreement if the securities are held as an investment, the holder owns (in its name or via intermediaries) less than 10 percent (10%) of the outstanding securities of the entity, the holder does not have representation on the entity's board of directors (or equivalent managing entity) or vice versa, and the holder does not in fact exercise influence over day-to-day management decisions. Unless the contrary is demonstrated to the satisfaction of the Members Committee, Control shall be presumed to arise from the ownership of or the power to vote, directly or indirectly, ten percent or more of the voting securities of such entity.

Agreement, Operating Agreement of the PJM Interconnection, L.L.C., Operating Agreement or PJM Operating Agreement:

“Agreement,” “Operating Agreement of the PJM Interconnection, L.L.C.,” “Operating Agreement” or “PJM Operating Agreement” shall mean this Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. dated as of April 1, 1997 and as amended and restated as of June 2, 1997, including all Schedules, Exhibits, Appendices, addenda or supplements thereto, as amended from time to time thereafter, among the Members of PJM Interconnection L.L.C., on file with the Commission.

Annual Meeting of the Members:

“Annual Meeting of the Members” shall mean the meeting specified in Operating Agreement, section 8.3.1.

Applicable Regional Entity:

“Applicable Regional Entity” shall mean the Regional Entity for the region in which a Network Customer, Transmission Customer, New Service Customer, or Transmission Owner operates.

Applicable Standards:

“Applicable Standards” shall mean the requirements and guidelines of NERC, the Applicable Regional Entity, and the Control Area in which the Customer Facility is electrically located; the PJM Manuals; and Applicable Technical Requirements and Standards.

Associate Member:

“Associate Member” shall mean an entity that satisfies the requirements of Operating Agreement, section 11.7.

Auction Revenue Rights:

“Auction Revenue Rights” or “ARRs” shall mean the right to receive the revenue from the Financial Transmission Right auction, as further described in Operating Agreement, Schedule 1, section 7.4 and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.

Auction Revenue Rights Credits:

“Auction Revenue Rights Credits” shall mean the allocated share of total FTR auction revenues or costs credited to each holder of Auction Revenue Rights, calculated and allocated as specified in Operating Agreement, Schedule 1, section 7.4.3, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.3.

Authorized Commission:

“Authorized Commission” shall mean (i) a State public utility commission that regulates the distribution or supply of electricity to retail customers and is legally charged with monitoring the operation of wholesale or retail markets serving retail suppliers or customers within its State or (ii) an association or organization comprised exclusively of State public utility commissions described in the immediately preceding clause (i).

Authorized Person:

“Authorized Person” shall have the meaning set forth in Operating Agreement, section 18.17.4.

Balancing Congestion Charges:

“Balancing Congestion Charges” shall be equal to the sum of congestion charges collected from Market Participants that are purchasing energy in the Real-time Energy Market minus [the sum of congestion charges paid to Market Participants that are selling energy in the Real-time Energy Market plus any congestion charges calculated pursuant to the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C. (PJM Rate Schedule FERC No. 38), plus any congestion charges calculated pursuant to the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C. (PJM Rate Schedule FERC No. 45), plus any congestion charges calculated pursuant to agreements between the Office of the Interconnection and other entities, plus any charges or credits calculated pursuant to Operating Agreement, Schedule 1, section 3.8, and the parallel provisions of Tariff, Attachment K-Appendix, section 3.8, as applicable)].

Batch Load Economic Load Response Participant Resource:

“Batch Load Economic Load Response Participant Resource” shall mean an Economic Load Response Participant Resource that has a cyclical production process such that at most times during the process it is consuming energy, but at consistent regular intervals, ordinarily for periods of less than ten minutes, it reduces its consumption of energy for its production processes to minimal or zero megawatts.

Behind The Meter Generation:

“Behind The Meter Generation” shall refer to a generating unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns

or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit's capacity that is designated as a Generation Capacity Resource, or (ii) in any hour, any portion of the output of such generating unit that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

Board Member:

“Board Member” shall mean a member of the PJM Board.