

**January 20, 2026 Compliance Filing Revisions to address New Generating Facilities  
Serving Co-Located Load (Order Paragraphs 231-236)**

**Tariff, Part VIII  
NEW RULES  
GENERATION INTERCONNECTION PROCEDURE**



## **Tariff, Part VII, Subpart A INTRODUCTION**

### **Tariff, Part VII, Subpart A, section 300 Definitions**

For purposes of these Generation Interconnection Procedures and any agreement set forth in Tariff, Part IX, in the event of a conflict between the definitions set forth herein and the definitions set forth in Tariff, Part I, the definitions set forth in these Generation Interconnection Procedures shall control.

### **Tariff, Part VII, Subpart A, section 300 Definitions C**

#### **Co-Located Load:**

“Co-Located Load” shall mean a configuration that refers to end-use customer load that is physically connected to the facilities of an existing or planned Generating Facility on the Project Developer’s side of the Point of Change in Ownership to the Transmission Provider’s Transmission System.

### **Tariff, Part VII, Subpart A, section 300 Definitions P**

#### **Provisional Interconnection Service:**

“Provisional Interconnection Service” shall mean interconnection service provided by Transmission Provider associated with interconnecting the Project Developer’s Generating Facility, including a Generating Facility to be used to serve Co-Located Load, to Transmission Provider’s Transmission System and enabling ~~that the~~ Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant to the terms of the Interconnection Service Agreement or Generation Interconnection Agreement and, ~~if applicable, the~~ Tariff, Part VIII, Subpart J, section 440.

## **Tariff, Part VIII, Subpart A**

### **INTRODUCTION**

**Tariff, Part VIII, Subpart A, section 400**  
**Definitions**

For purposes of these Generation Interconnection Procedures and any agreement set forth in Tariff, Part IX, in the event of a conflict between the definitions set forth herein and the definitions set forth in Tariff, Part I, the definitions set forth in these Generation Interconnection Procedures shall control.

**Tariff, Part VIII, Subpart A, section 400**  
**Definitions C**

**Co-Located Load:**

“Co-Located Load” shall mean a configuration that refers to end-use customer load that is physically connected to the facilities of an existing or planned Generating Facility on the Project Developer’s side of the Point of Change in Ownership to the Transmission Provider’s Transmission System.

**Tariff, Part VIII, Subpart A, section 400**  
**Definitions P**

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“Provisional Interconnection Service” shall mean interconnection service provided by Transmission Provider associated with interconnecting the Project Developer’s Generating Facility, including a Generating Facility to be used to serve Co-Located Load, to Transmission Provider’s Transmission System and enabling ~~that the~~ Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant to the terms of the Interconnection Service Agreement or Generation Interconnection Agreement and, ~~if applicable, the~~ Tariff, Part VIII, Subpart J, section 440.

**Tariff, Part VIII, Subpart A, section 401**  
**Applications for Cycle Process**  
**Introduction**

A. New Cycle Process

Part VIII of the Tariff applies to valid New Service Requests submitted on or after October 1, 2021, and sets forth the procedures and other terms governing the Transmission Provider's administration of the Cycle process; procedures and other terms regarding studies and other processing of New Service Requests; the nature and timing of the agreements required in connection with the studies and construction of required facilities; and terms and conditions relating to the rights available to Project Developers and Eligible Customers. To initiate a New Services Request, Eligible Customers must first submit a Completed Application following the procedures outlined in Tariff, Parts II and III as applicable. For projects submitted by Eligible Customers, the project's priority is defined by the Cycle in which an Eligible Customer submits a Completed Application. For projects submitted by Project Developers, the project's priority is defined by the Cycle in which a Project Developer submits a completed New Service Request. A Cycle's priority is established by the Application deadline. A given Cycle has priority over Cycles that commence at a later date.

B. Part VIII of the Tariff applies to (a) Generation Interconnection Requests; (b) Transmission Interconnection Requests; and (c) Completed Applications.

C. A Project Developer that proposes to (i) interconnect a Generating Facility to the Transmission System in the PJM Region, including to serve Co-Located Load, (ii) increase the capability of a Generating Facility in the PJM Region, including to serve Co-Located Load, (iii) interconnect Merchant Transmission Facilities with the Transmission System; (iv) increase the capability of existing Merchant Transmission Facilities interconnected to the Transmission System, or (v) interconnect a Generating Facility to distribution facilities located in the PJM Region that are used for transmission of power in interstate commerce, and to make wholesale sales using the output of the Generating Facility, shall request interconnection with the Transmission System pursuant to, and shall comply with, the terms, conditions, and procedures set forth in Tariff, Part VIII and related portions of the PJM Manuals. Notwithstanding the above, the process under Tariff, Part VIII, Subpart E, section 414 is available for Surplus Interconnection Requests from resources seeking to receive electric energy from the grid and store it for later injection to the grid and for Surplus Interconnection Requests from Surplus Project Developers seeking to use their Generating Facilities to serve Co-Located Load.

D. Required Study Deposits and Readiness Deposits.

1. Study Deposits. Pursuant to Tariff, Part VIII, Subpart B, section 403, each New Service Request must submit with its Application a Study Deposit, the amount of which will be determined based upon the MWs requested in such Application. Ten percent of the Study Deposit is non-refundable. Project Developer and



Eligible Customers are responsible for actual study costs, which may exceed the Study Deposit amount.

- a. If any Study Deposit monies remain after all System Impact Studies are completed and any outstanding monies owed by Project Developer or Eligible Customer in connection with outstanding invoices related to the present or prior New Service Requests have been paid, such remaining deposit monies shall be returned to the Project Developer or Eligible Customer at the conclusion of the required studies for the New Service Request.
2. Readiness Deposits. Readiness Deposits are funds committed by the Project Developer or Eligible Customer based upon the MW size of the project and, where applicable, the study results.
  - a. Readiness Deposits are due at the following Phases of a Cycle:
    - i. Readiness Deposit No. 1: Application Submission
    - ii. Readiness Deposit No. 2: Decision Point I; and
    - iii. Readiness Deposit No. 3: Decision Point II
  - b. Readiness Deposits No. 2 and/or No. 3 may equal an amount equal to or greater than zero, but may never be a negative dollar amount.
  - c. Readiness Deposit refunds will be handled as follows:
    - i. If the project is withdrawn or terminated, the Readiness Deposit refunds for the project will be determined by the study phase at which the project was withdrawn or terminated, and adverse study results tests, as set forth below in Tariff, Part VIII, Subpart C, section 408(B)(3)(c).
    - ii. When all Cycle New Service Requests have either entered into final agreements and met the Decision Point III Site Control requirements, or have withdrawn, remaining Readiness Deposit funds will be dispositioned as follows:
      - (a) Transmission Provider will incorporate all project withdraws and retool analysis results to provide a final determination on the Network Upgrades that are required for the Cycle.
      - (b) Underfunded Network Upgrades will be identified as those where one or more withdrawn New Service Requests that were identified as having a cost allocation in the Phase III analysis results. In the event that there are no underfunded Network Upgrades, all Readiness Deposits will be refunded.

- (c) Readiness Deposits will be applied to underfunded Network Upgrades on a pro-rata share of funds missing from the Phase III cost allocation. In the event that all underfunded Network Upgrades are made whole relative to the withdrawn New Service Requests, remaining Readiness Deposits will be refunded on a pro-rata share.
- 3. Study Deposits and Readiness Deposits are separate financial obligation, and non-transferrable and cannot be commingled. Under no circumstances may refundable or non-refundable Study Deposit or Readiness Deposit monies for a specific New Service Request be applied in whole or in part to a different New Service Request.
- E. If Project Developer is proposing a Generating Facility that will physically connect to non-jurisdictional distribution or sub-transmission facilities for the purpose of engaging in wholesale sales in the PJM markets, such Project Developer must provide additional required information and documentation associated with the non-jurisdictional arrangements, as set forth in Tariff, Part VIII, Subpart C, sections 406 and 410 and Tariff, Part IX, Subpart F.
- F. A Project Developer or Eligible Customer cannot combine, swap or exchange all or part of a New Service Request with any other New Service Request within the same or a different Cycle.
- G. Prior to entering into a final agreement from Tariff, Part IX, a Project Developer or Eligible Customer may assign its New Service Request to another entity only if the acquiring entity:
  - 1. as applicable, accepts and acquires the rights to the same Point of Interconnection and Point of Change of Ownership as identified in the New Service Request for such project; and/or
  - 2. as applicable, accepts, the same receipt and delivery points or the same source and sink points as stated in the New Service Request for such project.
  - 3. Additional Interconnection-Related Agreements. In connection with interconnection with the Transmission System pursuant to Tariff, Part VIII, Project Developer may be required, or may elect, to enter into one or more of the following interconnection-related agreements:
    - a. Cost Responsibility Agreement. A Project Developer with an existing generating facility that is not a party to an interconnection agreement with Transmission Provider and the relevant Transmission Owner, that desires to enter into a GIA with Transmission Provider and Transmission Owner, shall be required to enter into a Cost Responsibility Agreement in the form set forth in Tariff, Part IX, Subpart F. The Cost Responsibility Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform certain modeling, studies or analysis to determine whether the Project

Developer may enter into a GIA with Transmission Provider and Transmission Owner.

- b. Engineering and Procurement Agreement. A Project Developer that wishes to advance the implementation of its Interconnection Request during Phase III of a Cycle may enter into an Engineering and Procurement Agreement with Transmission Provider and Transmission Owner, in the form set forth in Tariff, Part IX, Subpart D, to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. An Engineering and Procurement Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades. An Engineering and Procurement Agreement can only be requested by a Project Developer, and can only be requested in Phase III.
- c. Necessary Study Agreement. A Project Developer that has entered into a GIA that plans to undertake modifications pursuant to that GIA to its Generating Facility or Merchant Transmission Facility shall be required to enter into a Necessary Study Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. The Necessary Study Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform the Necessary Study(ies) to determine: (a) the type and scope of the permanent material impact, if any, the change will have on the Transmission System; (b) the additions, modifications, or replacements to the Transmission System required to accommodate the change; and (c) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the change.

**Tariff, Part VIII, Subpart B**  
**APPLICATION RULES**

## **Tariff, Part VIII, Subpart B, section 403**

### **Application Rules**

#### **A. Application Submission**

A Project Developer or Eligible Customer (collectively, “Applicant”) that seeks to initiate a New Service Request must submit the following information to the Transmission Provider: (i) a Project Developer Applicant electronically submits through the PJM web site, an Application and Studies Agreement (“Application”), a form of which is provided in Tariff, Part IX, Subpart A, (ii) an Eligible Customer Applicant electronically submits a Completed Application and subsequently executes an Application, a form of which is provided in Tariff, Part IX, Subpart A following the procedures outlined in Tariff, Parts II and III as applicable.

To be considered in a Cycle, a Project Developer must submit a completed and signed Application, including the required Study Deposit and Readiness Deposit, to Transmission Provider prior to the Cycle’s Application Deadline. To be considered in a Cycle, an Eligible Customer must submit a Completed Application, to Transmission Provider prior to the Cycle’s Application Deadline. Transmission Provider will post a firm Application Deadline for a Cycle at the beginning of Phase II of the immediately prior Cycle, no less than 180 days in advance of the Application Deadline. Only Completed New Service Requests received from Project Developers by the Application Deadline will be considered for the corresponding Cycle. Only Completed Applications received from Eligible Customers by the Application Deadline will be considered for the corresponding Cycle. Completed New Service Requests and Completed Applications shall be assigned a tentative Project Identifier. Transmission Provider will review and validate New Service Requests and the Project Identifier during the Application Phase, prior to Phase I of the corresponding Cycle. Only valid New Service Requests will proceed past the Application Phase.

##### **1. Generation Interconnection Request Requirements**

For Transmission Provider to consider an Application for a Generation Interconnection Request complete, Applicant must include at a minimum each of the following, as further described in the Application and PJM Manuals:

- a. Provide all Applicant information required in the Application, including parent company information and banking and wire transfer information.
- b. Specify the location of the proposed Point of Interconnection to the Transmission System, including the substation name or the name of the line to be tapped (including the voltage), the estimated distance from the substation endpoints of a line tap, address, and GPS coordinates.
- c. Provide information about the Generating Facility project, including whether it is (1) a proposed new Generating Facility, (2) an increase in

capability of an existing Generating Facility, or (3) the replacement of an existing Generating Facility.

- d. Indicate the type of Interconnection Service requested, whether (1) Energy Resource only or (2) Capacity Resource (includes Energy Resource) with Capacity Interconnection Rights.
- e. Specify the project location and provide a detailed site plan.
- f. Submit required evidence of Generating Facility Site Control (including the location of the main step-up transformer), including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.
- g. Provide information about Qualifying Facility status under the Public Utility Regulatory Policies Act, as applicable.
- h. Submit required information and documentation if the Generating Facility will share Applicant's Interconnection Facilities with another Generating Facility.
- i. For a new Generating Facility, specify requested Maximum Facility Output and Capacity Interconnection Rights.
- j. For a requested increase in generation capability of an existing Generating Facility, specify the existing Maximum Facility Output and Capacity Interconnection Rights, and requested increases.
- k. Provide a detailed description of the equipment configuration and electrical design specifications for the Generating Facility.
- l. Specify the fuel type for the Generating Facility; or, in the case of a multi-fuel Generating Facility, the fuel types.
- m. For a multi-fuel Generating Facility, provide a detailed description of the physical and electrical configuration.
- n. If the Generating Facility will include a storage component, provide detailed information about (1) whether and how the storage device(s) will charge using energy from the Transmission System, (2) the primary frequency response operating range for the storage device(s), (3) the MWh stockpile, and (4) the hour class, as applicable.
- o. Specify the proposed date that the project or uprate associated with the Application will be in service.

- p. Provide other relevant information, including whether Applicant or an affiliate has submitted a previous Application for the Generating Facility; and, if an increase in generation capability, information about existing PJM Service Agreements and associated Queue Position Nos. or Project Identifier Nos.

q. Indicate the level of Interconnection Service requested, including whether Project Developer requests Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve Co-Located Load.

## 2. Behind the Meter Generator Application Requirements

In addition to the above requirements for a Generating Facility, in order for Transmission Provider to consider an Application for behind-the-meter generation Interconnection Service to serve Co-Located Load complete, Applicant must include at a minimum each of the following, as further described in the Application and PJM Manuals:

- a. Specify gross output, ~~behind-the-meter-load~~Co-Located Load, requested Maximum Facility Output, and requested Capacity Interconnection Rights.
- b. For a requested increase in generation capability of an existing Behind the Meter Generating Facility, specify existing and requested increase in gross output, ~~behind-the-meter~~Co-Located Load, Maximum Facility Output, and Capacity Interconnection Rights.

## 3. Long Term Firm Transmission Service Application Requirements

For Transmission Provider to consider an Application for Long Term Firm Transmission Service complete, Applicant must include at a minimum each of the following, as further described in the Application and PJM Manuals:

- a. Provide all Applicant information required in the Application, including parent company information and banking and wire transfer information.
- b. Specify the locations of the Point(s) of Receipt and Point(s) of Delivery.
- c. Specify the requested Service Commencement Date and term of service.
- d. Specify the transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission System.

## 4. Merchant Transmission Application Requirements

For Transmission Provider to consider an Application for a Transmission Interconnection Request complete, Applicant must include at a minimum each of the following, as further described in the Application and PJM Manuals:

- a. Provide all Applicant information required in the Application, including parent company information and banking and wire transfer information.
- b. Specify the location of the proposed facilities, and the name and description of the substation where Applicant proposes to interconnect or add its facilities.
- c. Specify the proposed voltage and nominal capability of new facilities or increase in capability of existing facilities.
- d. Provide a detailed description of the equipment configuration and electrical design specifications for the project.
- e. Specify the proposed date that the project or increase in capability will be in service.
- f. Specify whether the proposed facilities will be either (1) merchant A.C., (2) Merchant D.C. Transmission Facilities, or (3) Controllable A.C. Merchant Transmission Facilities.
- g. If Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities, specify whether Applicant elects to receive (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR) or (2) Incremental Delivery Rights, Incremental Auction Revenue Rights, and/or Incremental Capacity Transfer Rights.
  - i. If Applicant elects to receive TIRs or TWRs, specify (1) total project MWs to be evaluated as Firm (capacity) injection for TIR; (2) total project MWs to be evaluated as Non-firm (energy) injection for TIR; (3) total project MWs to be evaluated as Firm (capacity) withdrawal for TWR; and (4) total project MWs to be evaluated as Non-firm (energy) withdrawal for TWR.
  - ii. If Applicant elects to receive Incremental Delivery Rights, specify the location on the Transmission System where it proposes to receive Incremental Delivery Rights associated with its proposed facilities.
- h. If the proposed facilities will be Controllable A.C. Merchant Transmission Facilities, and provided that Applicant contractually binds itself in its interconnection-related service agreement always to operate its



Controllable A.C. Merchant Transmission Facilities in a manner effectively the same as operation of D.C. transmission facilities, the interconnection-related service agreement will provide Applicant with the same types of transmission rights that are available under the Tariff for Merchant D.C. Transmission Facilities. In the Application, Applicant shall represent that, should it execute an interconnection-related service agreement for its project described in the Application, it will agree in the interconnection-related service agreement to operate its facilities continuously in a controllable mode.

- i. Specify the site where Applicant intends to install its major equipment, and provide a detailed site plan.
- j. Submit required evidence of Site Control for the major equipment, including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.
- k. Provide evidence acceptable to Transmission Provider that Applicant has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting, as applicable. Applicant shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Applicant fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

5. Additional Requirements Applicable to All Applications

- a. Study Deposit: For Transmission Provider to consider an Application complete, Transmission Provider must receive from the Applicant the required Study Deposit by wire transfer, the amount of which is based on the size of the project as described below. Applicant's wire transfer must specify the Application reference number to which the Study Deposit corresponds, or Transmission Provider will not review or process the Application.
  - i. Ten percent of the Study Deposit is non-refundable. If Applicant withdraws its New Service Request, or the New Service Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

- (a) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request;
  - (b) Any restudies required as a result of the rejection, termination, and/or withdrawal of such New Service Request; and/or
  - (c) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.
- ii. Ninety percent of the Study Deposit is refundable, and Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:
  - (a) The cost of the Application review;
  - (b) The dollar amount of Applicant's cost responsibility for the System Impact Study; and
  - (c) If the New Service Request is modified, rejected, terminated, and/or withdrawn, refundable deposit money shall be applied to cover all of the costs incurred by Transmission Provider up to the point of the New Service Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:
    - (i) The costs of any restudies required as a result of the modification, rejection, termination, and/or withdrawal of the New Service Request;
    - (ii) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request; and/or
    - (iii) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

- (d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to Applicant in accordance with the PJM Manuals.
  - iii. The Study Deposit is non-binding, and actual study costs may exceed the Study Deposit.
    - (a) Applicant is responsible for, and must pay, all actual study costs.
    - (b) If Transmission Provider sends Applicant notification of additional study costs, then Applicant must either: (i) pay all additional study costs within 20 Business Days of Transmission Provider sending the notification of such additional study costs or (ii) withdraw its New Service Request. If Applicant fails to complete either (i) or (ii), then Transmission Provider shall deem the New Service Request to be terminated and withdrawn.
  - iv. The Study Deposit shall be calculated as follows, based on the number of MW energy (e.g., Maximum Facility Output) or MW capacity (e.g., Capacity Interconnection Rights), whichever is greater:
    - (a) Up to 20 MW: \$75,000;
    - (b) Over 20 MW up to 50 MW: \$200,000;
    - (c) Over 50 MW up to 100 MW: \$250,000;
    - (d) Over 100 MW up to 250 MW: \$300,000;
    - (e) Over 250 MW up to 750 MW: \$350,000; and
    - (f) Over 750 MW: \$400,000.
- b. Readiness Deposit: For Transmission Provider to consider an Application complete, Applicant must submit to Transmission Provider the required Readiness Deposit by wire transfer or letter of credit. Applicant's wire transfer or letter of credit must specify the Application reference number to which the Readiness Deposit corresponds, or Transmission Provider will not review or process the Application. Readiness Deposit No. 1 shall be an amount equal to \$4,000 per MW energy (e.g., Maximum Facility

Output) or per MW capacity (e.g., Capacity Interconnection Rights), whichever is greater, as specified in the Application.

B. Application Review Phase

1. After the close of the Application Deadline, Transmission Provider will begin the Application Review Phase, wherein Transmission Provider reviews Applications received from Project Developers for completeness and then establishes the validity of such submitted Applications, beginning with a deficiency review, as follows:
  - a. Transmission Provider will exercise Reasonable Efforts to inform Applicant of Application deficiencies within 15 Business Days after the Application Deadline.
  - b. Applicant then has 10 Business Days to respond to Transmission Provider's deficiency determination.
  - c. Transmission Provider then will exercise Reasonable Efforts to review Applicant's response within 15 Business Days, and then will either validate or reject the Application.
2. After the close of the Application Deadline, Transmission Provider will begin the Application Review Phase, wherein Transmission Provider reviews Applications received from Eligible Customers for completeness and then establishes the validity of such submitted Applications.
3. Transmission Provider will only review an Application during the Application Review Phase following the Application Deadline for which the Application was submitted and deemed complete, which will extend for 90 days or the amount of time it takes to complete all Application review activities for the relevant Cycle, whichever is greater.
4. During the Application Review Phase, and at least 30 days prior to initiating Phase I of the Cycle, Transmission Provider will post the Phase I Base Case data for review, subject to CEII protocols.
5. In the case of an Application for a Generating Facility, the Application Review Phase will include a Site Control review for the Generating Facility. Specifically, Applicant shall provide Site Control evidence, as set forth in Tariff, Part VIII, Subpart A, section 402, for at least a one-year term beginning from the Application Deadline, for 100 percent of the Generating Facility Site including the location of the high-voltage side of the Generating Facility's main power transformer(s). In addition, Applicant shall provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further, at Transmission Provider's request, Applicant shall

provide copies of landowner attestations or county recordings. The Site Control requirement in the Application includes an acreage requirement for the Generating Facility, as set forth in the PJM Manuals.

6. In the case of an Application for Merchant Transmission, the Application Review Phase will include a Site Control review for the Site of the HVDC converter station(s), phase angle regulator (PAR), and/or variable frequency transformer, as applicable. Specifically, Applicant shall provide Site Control evidence, as set forth in Tariff, Part VIII, Subpart A, section 402 for at least a one-year term beginning from the Application Deadline, for 100 percent of the Site. In addition, Applicant shall provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further, at Transmission Provider's request, Applicant shall provide copies of landowner attestations or county recordings.

C. Scoping Meetings

1. During the Application Review Phase, Transmission Provider may hold a single, or several, scoping meetings for projects in each Transmission Owner zone, which are optional and may be waived by Applicants or Transmission Owner.
2. Scoping meetings may include discussion of potential Affected System needs, whereby Transmission Provider may coordinate with Affected System Operators the conduct of required studies.

D. Other Requirements

1. Applicant must submit any claim for Capacity Interconnection Rights from deactivating generation units with the Application, and it must be received by Transmission Provider prior to the Application Deadline.
2. When an Application results in a valid New Service Request, Transmission Provider shall confirm the assigned Project Identifier to the New Service Request, in accordance with Tariff, Part VIII, Subpart E, section 412. Applicant and Transmission Provider shall reference the Project Identifier in all correspondence, submissions, wire transfers, documents, and other materials relating to the New Service Request.

**Tariff, Part VIII, Subpart C**  
**PHASES AND DECISION POINTS**

## **Tariff, Part VIII, Subpart C, section 404**

### **Introduction**

#### **A. Phase I, Phase II and Phase III System Impact Studies**

##### **1. Introduction**

Tariff, Part VIII, Subpart C sets forth the procedures and other terms governing the Transmission Provider's administration of the studies and procedures required under the Cycle process, and the nature and timing of such studies. The Cycle process set forth in Tariff, Part VIII includes three study Phases and the three Decision Points:

- a. Phase I System Impact Study
- b. Decision Point I
- c. Phase II System Impact Study
- d. Decision Point II
- e. Phase III System Impact Study
- f. Decision Point III.

Procedures and other terms relative to the three study Phases are set forth separately below in Tariff, Part VIII, Subpart C, sections 405, 407, and 409.

##### **2. Overview of System Impact Studies**

- a. The Phase I, Phase II and Phase III System Impact Studies are a regional analysis of the effect of adding to the Transmission System the new facilities and services proposed by valid New Service Requests and an evaluation of their impact on deliverability to the aggregate of PJM Network Load.
  - i. These studies identify the system constraints, identified with specificity by transmission element or flowgate, relating to the New Service Requests included therein and any resulting Interconnection Facilities, Network Upgrades, and/or Contingent Facilities required to accommodate such New Service Requests.
  - ii. These studies provide estimates of cost responsibility and construction lead times for new facilities required to interconnect the project and system upgrades.

- iii. Transmission Provider, in its sole discretion, can aggregate multiple New Service Requests at the same Point of Interconnection for purposes of Phase I, Phase II and Phase III System Impact Studies.
- iv. The scope of the studies may include (a) an assessment of sub-area import deliverability, (b) an assessment of sub-area export deliverability, (c) an assessment of project related system stability issues (only occurs in Phase II and Phase III); (d) an assessment of project-related short circuit duty issues (only occurs in Phase II and Phase III), (e) a contingency analysis consistent with NERC's and each Applicable Regional Entity's reliability criteria and the transmission planning criteria, methods and procedures described in the "FERC Form No. 715 - Annual Transmission Planning and Evaluation Report" for each Applicable Regional Entity, (f) an assessment of regional transmission upgrades that most effectively meet identified needs, and (g) an analysis to determine cost allocation responsibility for required facilities and upgrades.
- v. For purposes of determining necessary Interconnection Facilities and Network Upgrades, these studies shall consider the level of service requested in the New Service Request, including Project Developer requests for Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve Co-Located Load, unless otherwise required to study the full electrical capability of the New Service Request due to safety or reliability concerns.
- vi. The studies' results shall include the list and facility loading of all reliability criteria violations specific to the New Service Requests.
- vii. If applicable, the studies for a Transmission Project Developer New Service Request shall also include a preliminary estimate of the Incremental Deliverability Rights associated with the Transmission Project Developer's proposed Merchant Transmission Facilities.

### 3. Contingent Facilities

Transmission Provider shall identify the Contingent Facilities in the System Impact Studies by reviewing unbuilt Interconnection Facilities and/or Network Upgrades, upon which the New Service Request's cost, timing and study findings are dependent and, if delayed or not built, could cause a need for interconnection restudies of the New Service Request or reassessment of the Network Upgrades. The method for identifying Contingent Facilities shall be sufficiently transparent



to determine why a specific Contingent Facility was identified and how it relates to the New Service Request. Transmission Provider shall include the list of the Contingent Facilities in the System Impact Study(ies) and Generator Interconnection Agreement, including why a specific Contingent Facility was identified and how it relates to the New Service Request. Transmission Provider shall also provide, upon request of the Project Developer or Eligible Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and non-commercially sensitive.

a. Minimum Thresholds to Identify Contingent Facilities

i. Load Flow Violations

Load flow violations will be identified based on an impact on an overload of at least five percent distribution factor (DFAX) or contributing at least five percent of the facility rating in the applicable model.

ii. Short Circuit Violations

Short circuit violations will be identified based on the following criteria: any contribution to an overloaded facility where the New Service Request increases the fault current impact by at least one percent or greater of the rating in the applicable model.

iii. Stability and Dynamic Criteria Violations

Stability and dynamic criteria violations will be identified based on any contribution to a stability violation.

4. Additional System Impact Study Procedures for Eligible Customers

The following provisions apply to System Impact Studies conducted for Eligible Customers:

a. The Transmission Provider will notify Eligible Customers of the need to conduct a System Impact Study whenever the Transmission Provider determines that available transmission capability may not be sufficient to provide the requested firm service(s). The purpose of the System Impact Study will be to determine the effect the requested service(s) will have on system operations, identify any system constraints, redispatch options and whether system expansion will be required to provide the requested service(s).

b. The Commission's comparability standard will be applied in evaluating the impact of all requests. Specifically, the Transmission Provider will

use the same due diligence in completing System Impact Studies for Eligible Customers that it uses when completing studies for any Transmission Owner that requests service from the Transmission Provider.

- c. Requests for long-term firm transmission service will be evaluated, to the extent possible, as a part of the on-going planning process for Bulk Transmission Supply in the PJM Region. Appropriate planning studies will be conducted annually to assess the capability of the PJM Region Transmission System to deliver the planned Network Resources to the Forecasted Network Loads of the existing load serving entities and any prior committed Firm Point-to-Point Service transmission customers. The loads and resources of Eligible Customers requesting new or additional service during the normal planning cycle will be incorporated into this aggregate planning process along with the loads and resources of all other Firm Point-to-Point and load serving entities for which prior commitments to provide service have been made. Requests for long-term firm service made at times that will not permit the evaluation of impacts as part of the normal planning process, and requests for short-term firm service, will require that special impact studies be completed.
- d. The Transmission Provider plans and evaluates the PJM Region Transmission System in strict compliance with the following:
  - i. North American Electric Reliability Council ("NERC") Reliability Principles and Guides
  - ii. Applicable Standards
  - iii. Transmission planning criteria, methods and procedures described in the "FERC Form No. 715 - Annual Transmission Planning and Evaluation Report" for each Applicable Regional Entity.
- e. In evaluating the impact of any request for new or additional service(s), the Transmission Provider will first determine the capability of the system to reliably provide prior committed Network and Point-to-Point service for the term of the requested new or additional service(s), or the normal planning horizon (generally 10 years), whichever is shorter. Requests for new or additional service(s) will then be incorporated into the system representation data and the appropriate system analyses will be completed to evaluate the impacts of the requested services.

## 5. Cost Allocation for Network Upgrades

- a. General: Each Project Developer and Eligible Customer shall be obligated to pay for 100 percent of the costs of the minimum amount of Network Upgrades necessary to accommodate its New Service Request and that

would not have been incurred under the Regional Transmission Expansion Plan but for such New Service Request, net of benefits resulting from the construction of the upgrades, such costs not to be less than zero. Such costs and benefits shall include costs and benefits such as those associated with accelerating, deferring, or eliminating the construction of Network Upgrades included in the Regional Transmission Expansion Plan either for reliability, or to relieve one or more transmission constraints and which, in the judgment of the Transmission Provider, are economically justified; the construction of Network Upgrades resulting from modifications to the Regional Transmission Expansion Plan to accommodate the New Service Request; or the construction of Supplemental Projects.

- b. Cost Responsibility for Accelerating Network Upgrades included in the Regional Transmission Expansion Plan: Where the New Service Request calls for accelerating the construction of Network Upgrades that is included in the Regional Transmission Expansion Plan and provided that the party(ies) with responsibility for such construction can accomplish such an acceleration, the Project Developer or Eligible Customer shall pay all costs that would not have been incurred under the Regional Transmission Expansion Plan but for the acceleration of the construction of the upgrade. The Responsible Customer(s) designated pursuant to Schedule 12 of the Tariff as having cost responsibility for such Network Upgrade shall be responsible for payment of only those costs that the Responsible Customer(s) would have incurred under the Regional Transmission Expansion Plan in the absence of the New Service Request to accelerate the construction of the Network Upgrade.
- c. The Transmission Provider shall determine the minimum amount of Network Upgrades required to resolve each reliability criteria violation in each Cycle, by studying the impact of the projects the Cycle in their entirety, and not incrementally. Interconnection Facilities and Network Upgrades shall be studied in their entirety and according to the following process:

The Transmission Provider shall identify the New Service Requests in the Cycle contributing to the need for the required Network Upgrades within the Cycle. All New Service Requests that contribute to the need for a Network Upgrade will receive cost allocation for that upgrade pursuant to each New Service Request's contribution to the reliability violation identified on the transmission system in accordance with PJM Manuals.

There will be no inter-Cycle cost allocation for Interconnection Facilities or Network Upgrades identified in the System Impact Study; all such costs shall be allocated to New Service Requests in that Cycle.

## 6. Interconnection Facilities

A Project Developer shall be obligated to pay 100 percent of the costs of the Interconnection Facilities necessary to accommodate its Interconnection Request.

## 7. Facilities Study Procedures

The Facilities Studies will include good faith estimates of the cost, determined in accordance with Tariff, Part VIII, Subpart C, section 404(A)(5), (a) to be charged to each affected New Service Customer for the Interconnection Facilities and Network Upgrades that are necessary to accommodate each New Service Request evaluated in the study; (b) the time required to complete detailed design and construction of the facilities and upgrades; (c) a description of any site-specific environmental issues or requirements that could reasonably be anticipated to affect the cost or time required to complete construction of such facilities and upgrades.

The Facilities Study will document the engineering design work necessary to begin construction of any required transmission facilities, including estimating the costs of the equipment, engineering, procurement and construction work needed to implement the conclusions of the System Impact Study in accordance with Good Utility Practice and, when applicable, identifying the electrical switching configuration of the connection equipment, including without limitation: the transformer, switchgear, meters, and other station equipment; and the nature and estimated costs of Interconnection Facilities and Network Upgrades necessary to accommodate the New Service Request.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Facilities Study shall consider the level of Interconnection Service requested by the Project Developer, including Project Developer requests for Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve Co-Located Load, unless otherwise required to study the full electrical capability of the Generating Facility or Merchant Transmission Facility due to safety or reliability concerns. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the full electrical capability of the Generating Facility or Merchant Transmission Facility.

**Tariff, Part VIII, Subpart C, section 406**  
**Decision Point I**

**A. Requirements**

The Decision Point I shall commence on the first Business Day immediately following the end of Phase I. New Service Requests that are studied in Phase I will enter Decision Point I. Before the close of the Decision Point I, Project Developer or Eligible Customer shall choose either to remain in the Cycle subject to the terms set forth below, or to withdraw its New Service Request.

1. For a New Service Request to remain in the Cycle, it must either proceed as set forth immediately below, or, if Transmission Provider determines a New Service Request qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX), such New Service Request must meet the requirements set forth below in Tariff, Part VIII, Subpart C, section 406(A)(2).
  - a. For a New Service Request that is not otherwise eligible to accelerate to a final interconnection related agreement (from Tariff, Part IX) to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point I:
    - i. The applicable Readiness Deposit No. 2
      - (a) The Decision Point I Readiness Deposit No. 2 is to be paid cumulatively, i.e., in addition to the Readiness Deposit No. 1 that was submitted with the New Service Request at the Application Phase. The Decision Point I Readiness Deposit No. 2 will be calculated by the Transmission Provider during Phase I, and shall not be reduced or refunded based upon subsequent New Service Request modifications or cost allocation changes.
      - (b) At Decision Point I, the Readiness Deposit No. 2 required shall be an amount equal to:
        - (i) the greater of (i) 10 percent of the cost allocation for the Network Upgrades as calculated in Phase I or (ii) the Readiness Deposit No. 1 paid by the Project Developer with its New Service Request during the Application Phase; minus
        - (ii) the Readiness Deposit No. 1 amount paid by the Project Developer with its New Service Request during the Application Phase

- (c) The Readiness Deposit No. 2 amount due can be zero, but cannot be a negative number (i.e., there will not be any refunded amounts associated with Readiness Deposit No. 2).
- b. Project Developers must provide evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:
  - i. Generating Facility or Merchant Transmission Facility Site Control evidence for an additional one-year term beginning from last day of the relevant Cycle, Phase I.
    - (a) Such Site Control evidence shall continue to cover 100 percent of the Generating Facility or Merchant Transmission Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s). Any modifications to Site Control must adhere to Tariff, Part VIII, Subpart C, section 406(B)(5) (Generating Facility or Merchant Transmission Facility Site Changes).
    - (b) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a one-year term beginning from the last day of the relevant Cycle, Phase I.
      - (i) Such Site Control evidence shall cover 50 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.
    - (c) If applicable, Interconnection Switchyard Site Control evidence for a one-year term beginning from the last day of the relevant Cycle, Phase I.
      - (i) Such Site Control evidence shall cover 50 percent of the acreage required for the identified required Interconnection Switchyard facilities associated with a New Service Request.
- c. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is

required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle.

- d. Evidence of air and water permits (if applicable)
- e. For state-level, non-jurisdictional interconnection projects, evidence of participation in the state-level interconnection process with the applicable entity.
- f. Submission of New Service Request data for Phase II System Impact Study.
- g. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 406(A)(1)(a) through (f) above, before the close of the Decision Point I Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.
- h. If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 406(A)(1)(a) through (f) above, then, at the close of the Decision Point I, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 406(A)(1)(b) through (e) above, as follows:
  - i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.
  - ii. Project Developer or Eligible Customer then has five Business Days to respond to Transmission Provider's deficiency determination.
  - iii. Transmission Provider 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 include the New Service Request in Phase II.

- iv. Transmission Provider's review of the above required elements may run co-extensively with Phase II.
2. Acceleration at Decision Point I. Only New Service Requests that have no cost allocation for Network Upgrades and do not require further studies are eligible for acceleration. New Service Requests eligible for acceleration include a request from a Project Developer seeking to build a new Generating Facility or to increase the generation capability of an existing Generating Facility to serve Co-Located Load. Upon completion of the Phase I System Impact Study, Transmission Provider may accelerate treatment of such New Service Request.
- a. For (i) a jurisdictional project that qualifies to accelerate, or (ii) a non-jurisdictional project that qualifies to accelerate and which retains a fully executed state level interconnection agreement with the applicable entity, to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements before the close of Decision Point I:
    - i. Security
      - (a) Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase I System Impact Study Results.
    - ii. Notification in writing that Project Developer or Eligible Customer elects to proceed to a final agreement with respect to its New Service Request
    - iii. Project Developer must provide evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:
      - (a) Generating Facility or Merchant Transmission Facility Site Control evidence for an additional three-year term beginning from last day of the relevant Cycle, Phase I.
        - (i) Such Site Control evidence shall be identical to the Generating Facility or Merchant Transmission Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).



- (b) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase I.
    - (i) Such Site Control evidence shall cover 100 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.
  - (c) If applicable, Interconnection Switchyard Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase I.
    - (i) Such Site Control evidence shall cover 100 percent of the acreage required identified required Interconnection Switchyard associated with a New Service Request.
- iv. If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above, then Project Developer must provide evidence acceptable to Transmission Provider demonstrating that Project Developer is in negotiations with appropriate entities to meet the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above.
  - (a) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.
    - (1) Such condition precedent shall not be extended under any circumstances for any reason.

- b. Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.
- c. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle.
- d. For a non-jurisdictional project, evidence of a fully executed state level interconnection agreement with the applicable entity.
- e. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above (noting the exception provided for Site Control), before the close of the Decision Point I Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.
- f. If Project Developer or Eligible Customer subject to Acceleration at Decision Point I submits all elements in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above, then, at the close of the Decision Point I, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above, as follows:
  - i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

- ii. Project Developer or Eligible Customer then has five Business Days to respond to Transmission Provider's deficiency determination.
  - iii. Transmission Provider 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 a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.
- 3. For a New Service Request for a non-jurisdictional project that qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX) but which has not yet secured a fully executed state level interconnection agreement with the applicable entity before the close of Decision Point I to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements, before the close of Decision Point III:
  - a. Security. Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase I System Impact Study Results.
  - b. Notification in writing that Project Developer elects to proceed to a final agreement with respect to its New Service Request
  - c. Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402 and is also in accordance with the following additional specifications:
    - i. Generating Facility Site Control evidence is required to be maintained for an additional term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.
      - (a) Such Site Control evidence shall be identical to the Generating Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

- ii. Interconnection Facilities (to the Point of Interconnection) Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.
  - (a) Such Site Control evidence shall cover 100 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.
- iii. If applicable, Interconnection Switchyard Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.
  - (a) Such Site Control evidence shall cover 100 percent of the acreage required for the identified required Interconnection Switchyard associated with a New Service Request.
- iv. PJM may request evidence of the required Site Control at any point beginning from last day of the relevant Cycle, Phase I through a date that extends three years beyond the full execution date of the relevant state level interconnection agreement with the applicable entity
- v. If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, section 406(A)(3)(c)(i), (ii) and (iii) above, then Project Developer must provide evidence acceptable to Transmission Provider demonstrating that Project Developer is in negotiations with appropriate entities to meet the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, section 406(A)(3)(c)(i), (ii) and (iii) above.
  - (a) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date

of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, section 406(A)(3)(c)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.

- (i) Such condition precedent shall not be extended under any circumstances for any reason.
- d. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle
- e. Evidence of a fully executed state level Interconnection Agreement with the applicable entity
- f. Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.
- g. If Project Developer fails to submit all of the criteria in Tariff, Part VIII, section 406(A)(3)(a) through (f) above (noting the exception provided for Site Control), before the close of the Decision Point III Phase, Project Developer's New Service Request shall be deemed terminated and withdrawn.

- h. When Project Developer meets all of the requirements above, then, at the point at which the last required piece of evidence as set forth in Tariff, Part VIII, section 406(A)(3)(a) through (f) above was submitted, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, section 406(A)(3)(a) through (f) above, as follows:
    - i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer of deficiencies within 10 Business Days after the close of Decision Point I.
    - ii. Project Developer then has five Business Days to respond to Transmission Provider's deficiency determination.
    - iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or proceed to a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.
- 4. New Service Request Withdraw or Termination at Decision Point I
  - a. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point I. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point I, the Transmission Provider must receive before the close of the Decision Point I Phase written notification from the Project Developer or Eligible Customer of Project Developer's or Eligible Customer's decision to withdraw its New Service Request.
  - b. Transmission Provider may deem a New Service Request terminated and withdrawn for failing to meet any of the Decision Point I requirements, as set forth in this Tariff, Part VIII, Subpart C, section 406.
  - c. If a New Service Request is either withdrawn or deemed terminated and withdrawn, it will be removed from the relevant Cycle, and Readiness Deposits and Study Deposits will be disbursed as follows:
    - i. For Readiness Deposits:
      - (a) At the conclusion of Transmission Provider's deficiency review for Decision Point I or upon voluntary withdrawal of a New Service Request, refund to the Project Developer

or Eligible Customer 50 percent of Readiness Deposit No. 1 paid by the Project Developer or Eligible Customer with its New Service Request during the Application Phase, and 100 percent of Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer during this Decision Point I; and

(b) At the conclusion of the Cycle, refund to Project Developer or Eligible Customer up to 50 percent of Readiness Deposit No. 1 pursuant to Tariff, Part VIII, Subpart A, section 401(D)(2)(c).

ii. At the conclusion of Transmission Provider's deficiency review for Decision Point I, refund to the Project Developer or Eligible Customer up to 90 percent of its Study Deposit submitted with its New Service Request during the Application Phase, less any actual costs.

B. New Service Request Modification Requests at Decision Point I

1. Project Developer or Eligible Customer may not request a modification that is not expressly allowed. To the extent Project Developer or Eligible Customer desires a modification that is not expressly allowed, Project Developer or Eligible Customer must withdraw its New Service Request and resubmit the New Service Request with the proposed modification in a subsequent Cycle.
2. Reductions in Maximum Facility Output and/or Capacity Interconnection Rights. Project Developer may reduce the previously requested New Service Request Maximum Facility Output and/or Capacity Interconnection Rights values, up to 100 percent of the requested amount
3. Fuel Changes. The fuel type specified in the New Service Request may not be changed or modified in any way for any reason, except that for New Service Requests that involve multiple fuel types, removal of a fuel type through these reduction rules will not constitute a fuel type change.
4. Point of Interconnection.
  - a. The Point of Interconnection must be finalized before the close of the Decision Point I Phase.
    - i. Project Developer may only move the location of the Point of Interconnection 1) along the same segment of transmission line, as defined by the two electrical nodes located on the transmission line as modeled in the Phase I Base Case Data, or 2) move the location of the Point of Interconnection to a different breaker position

within the same substation, subject to Transmission Owner review and approval. Project Developer may not modify its Point of Interconnection to/from a transmission line from/to a direct connection into a substation.

- (a) Project Developer must notify Transmission Provider in writing of any changes to its Point of Interconnection prior to the close of Decision Point I. No modifications to the Point of Interconnection will be accepted for any reason after the close of Decision Point I.

5. Generating Facility or Merchant Transmission Facility Site Changes

Project Developer may specify a change to the project Site that was previously submitted in the Application Phase only if:

- a. The initial Site and the proposed Site are adjacent parcels or evidence of easements between locations is provided; and
- b. Such Site Control is subject to the verification procedures set forth in Tariff, Subpart C, sections 406(A)(1) and 406(A)(3).

Demonstration of Site Control as to parcels submitted in the Application Phase that are no longer utilized in the Site is not required.

6. Equipment Changes

- a. During Decision Point I, Project Developer may modify its Interconnection Request for updated equipment data. Project Developer shall submit machine modeling data as specified in the PJM Manuals before the close of Decision Point I.



**Tariff, Part VIII, Subpart C, section 408**  
**Decision Point II**

A. Requirements

Decision Point II shall commence on the first Business Day immediately following the end of Phase II. New Service Requests that are studied in Phase II will enter Decision Point II. Before the close of Decision Point II, Project Developer or Eligible Customer shall choose either to remain in the Cycle subject to the terms set forth below, or to withdraw its New Service Request.

1. For a New Service Request to remain in the Cycle, it must either proceed as set forth immediately below, or, if Transmission Provider determines a New Service Request qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX), such new Service Request must meet the requirements set forth below in Tariff, Part VIII, Subpart C, section 408(A)(2)(d).
  - a. For a New Service Request that is not otherwise eligible to accelerate to a final interconnection related agreement (from Tariff, Part IX) to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point II:
    - b. The applicable Readiness Deposit No. 3
      - i. The Decision Point II Readiness Deposit No. 3 to be paid cumulatively, i.e., in addition to the Readiness Deposit No. 1 that was submitted with the New Service Request at the Application Phase, and the Readiness Deposit No. 2 that was submitted at Decision Point I. The Decision Point II Readiness Deposit No. 3 will be calculated by the Transmission Provider during Phase II, and shall not be reduced or refunded based upon subsequent New Service Request modifications or cost allocation changes.
      - ii. The Decision Point II Readiness Deposit No. 3 required amount shall be an amount equal to the greater of:
        - (a) (i) 20 percent of the cost allocation for the Network Upgrades as calculated in Phase II or (ii) the Readiness Deposit No. 1 paid by the Project Developer or Eligible Customer with its New Service Request during the Application Phase plus the Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer with its New Service Request during Decision Point I; minus

- (b) the Readiness Deposit No. 1 amount paid by the Project Developer with its New Service Request during the Application Phase, plus the Readiness Deposit No. 2 amount paid by the Project Developer or Eligible Customer with its New Service Request during Decision Point I.
- iii. The Readiness Deposit No. 3 amount due can be zero, but cannot be a negative number (i.e., there will not be any refunded amounts associated with Readiness Deposit No. 3).
- c. Notification in writing that Project Developer or Eligible Customer elects to exercise the Option to Build for Stand Alone Network Upgrades identified with respect to its New Service Request.
- d. Evidence of Site Control. There are no Site Control evidentiary requirements at Decision Point II.
- e. Evidence of air and water permits (if applicable).
- f. For state-level, non-jurisdictional interconnection projects, evidence of participation in the state-level interconnection process with the applicable entity.
- g. Submission of New Service Request Data for Phase III System Impact Study data.
- h. Evidence that Project Developer or Eligible Customer entered into a fully executed Affected System Study Agreement, if applicable to its New Service Request by the later of Decision Point II or 60 days after notification from Transmission Provider that an Affected System Study Agreement is required.
- i. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting. Project Developer shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

- j. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 408(A)(1)(a) through (i) above, before the close of Decision Point II, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.
2. If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 408(A)(1)(a) through (i) above, then, at the close of the Decision Point II, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 408(A)(1)(a) through (i) above, as follows:
- a. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point II.
  - b. Project Developer or Eligible Customer then has five Business Days to respond to Transmission Provider's deficiency determination.
  - c. Transmission Provider 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 include the New Service Request in Phase III.
    - i. Transmission Provider's review of the above required elements may run co-extensively with Phase III.
  - d. Acceleration at Decision Point II. Only New Service Requests that have no cost allocation for Network Upgrades and do not require further studies are eligible for acceleration. New Service Requests eligible for acceleration include a request from a Project Developer seeking to build a new Generating Facility or to increase the generation capability of an existing Generating Facility to serve Co-Located Load. Upon completion of the Phase II System Impact Study, Transmission Provider may accelerate treatment of such New Service Request.
    - i. For (i) a jurisdictional project that qualifies to accelerate, or (ii) a non-jurisdictional project that qualifies to accelerate and which retains a fully executed state level interconnection agreement with the applicable entity, to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point II:
      - (a) Security

- (i) Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase II System Impact Study Results.
- (b) Notification in writing that Project Developer or Eligible Customer elects to proceed to a final agreement with respect to its New Service Request
- (c) Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:
  - (i) Generating Facility or Merchant Transmission Facility Site Control evidence for an additional three-year term beginning from last day of the relevant Cycle, Phase II.
    - (1) Such Site Control evidence shall be identical to the Generating Facility or Merchant Transmission Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).
  - (ii) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase II.
    - (1) Such Site Control evidence shall cover 100 percent of the linear distance for identified required Interconnection Facilities associated with a New Service Request.
  - (iii) If applicable, Interconnection Switchyard Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase II.
    - (1) Such Site Control evidence shall cover 100 percent of the acreage required for the identified required Interconnection

Switchyard associated with a New Service Request.

- e. If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(c)(i), (ii) and (iii) above, then Project Developer must provide evidence acceptable to Transmission Provider demonstrating that Project Developer is in negotiations with appropriate entities to meet the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(c)(i), (ii) and (iii) above.
  - i. If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(c)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.
    - (a) Such condition precedent shall not be extended under any circumstances for any reason.
    - (b) Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.
    - (c) For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain

its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle.

- (d) For a non-jurisdictional project, evidence of a fully executed state level interconnection agreement with the applicable entity.
- (e) If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above (noting the exception provided for Site Control), before the close of Decision Point II, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.
- (f) If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above, then, at the close of the Decision Point II, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above, as follows:
  - (i) Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.
  - (ii) Project Developer or Eligible Customer then has five Business Days to respond to Transmission Provider's deficiency determination.
  - (iii) Transmission Provider 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 a final

interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.

- (g) For a New Service Request for a non-jurisdictional project that qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX) but which has not yet secured a fully executed state level interconnection agreement with the applicable entity before the close of Decision Point II to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements, before the close of Decision Point III:
  - (h) Security. Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase II System Impact Study Results.
  - (i) Notification in writing that Project Developer elects to proceed to a final agreement with respect to its New Service Request
  - (j) Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:
    - (i) Generating Facility Site Control evidence is required to be maintained for an additional term beginning from last day of the relevant Cycle, Phase II that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.
    - (1) Such Site Control evidence shall be identical to the Generating Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the

location of the high-voltage side of the Generating Facility's main power transformer(s).

- (ii) Interconnection Facilities (to the Point of Interconnection) Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase II that extends through the full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.
  - (1) Such Site Control evidence shall cover 100% percent of linear distance for the identified required Interconnection Facilities associated with a New Service Request.
- (iii) If applicable, Interconnection Switchyard Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase II that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.
  - (1) Such Site Control evidence shall cover 100 percent of acreage required for the identified required Interconnection Switchyard associated with a New Service Request.
- (iv) PJM may request evidence of the required Site Control at any point beginning from last day of the relevant Cycle, Phase II through a date that extends three years beyond the full execution date of the relevant state level interconnection agreement with the applicable entity
- (v) If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(j)(i), (ii) and (iii)



above, then Project Developer must provide evidence acceptable to Transmission Provider demonstrating that Project Developer is in negotiations with appropriate entities to meet the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(j)(i), (ii) and (iii) above.

- (1) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(j)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.
  - (1.a) Such condition precedent shall not be extended under any circumstances for any reason.
- (k) For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the

entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle

- (l) Evidence of a fully executed state level Interconnection Agreement with the applicable entity
- (m) Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.
- (n) If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 408(A)(2)(a) through (m) above (noting the exception provided for Site Control), before the close of the Decision Point III Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.
- (o) When Project Developer or Eligible Customer meets all of the requirements above, then, at the point at which the last required piece of evidence as set forth in Tariff, Part VIII, Subpart C, section 408(A)(2)(a) through (m) above was submitted, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 408(A)(2)(a) through (m) above, as follows:
  - (i) Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.
  - (ii) Project Developer or Eligible Customer then has five Business Days to respond to Transmission Provider's deficiency determination.
  - (iii) Transmission Provider 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 a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.

B. New Service Request Withdraw or Termination at Decision Point II

1. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point II. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point II, the Transmission Provider must receive before the close of the Decision Point II Phase written notification from the Project Developer or Eligible Customer of Project Developer's or Eligible Customer's decision to withdraw its New Service Request.
2. Transmission Provider may deem a New Service Request terminated and withdrawn for failing to meet any of the Decision Point II requirements, as set forth in this Tariff, Part VIII, Subpart C, section 408.
3. If a New Service Request is either withdrawn or deemed terminated and withdrawn, it will be removed from the relevant Cycle, and Readiness Deposits and Study Deposits will be disbursed as follows:
  - a. For Readiness Deposits:
    - i. At the conclusion of Transmission Provider's deficiency review for Decision Point II, refund to Project Developer or Eligible Customer 100 percent of Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer during Decision Point I;
    - ii. At the conclusion of the Cycle, refund to Project Developer or Eligible Customer up to 100 percent of Readiness Deposit No. 1 pursuant to Tariff, Part VIII, Subpart A, section 401(D)(2)(c).
  - b. For Study Deposits:
    - i. At the conclusion of Transmission Provider's deficiency review for Decision Point II, refund to the Project Developer or Eligible Customer up to 90 percent of its Study Deposit submitted with its New Service Request during the Application Phase, less any actual costs.
  - c. Adverse Study Impact Calculation. Notwithstanding the refund provisions in Tariff, Part VIII, Subpart C, section 408(B)(3)(a) and (b)(i),

Transmission Provider shall refund to Project Developer or Eligible Customer the cumulative Readiness Deposit amounts paid by Project Developer or Eligible Customer at the Application Phase and at the Decision Point I Phase if the Project Developer's Network Upgrade cost from Phase I to Phase II:

- i. increases overall by 25 percent or more; and
- ii. increases by more than \$10,000 per MW.

Network Upgrade costs shall include costs identified in Affected System studies in their respective phases.

4. New Service Request Modification Requests at Decision Point II

- a. Project Developer or Eligible Customer may not request a modification that is not expressly allowed. To the extent Project Developer or Eligible Customer desires a modification that is not expressly allowed, Project Developer or Eligible Customer must withdraw its New Service Request and resubmit the New Service Request with the proposed modification in a subsequent Cycle.
- b. Reductions in Maximum Facility Output and/or Capacity Interconnection Rights. Project Developer may reduce the previously requested New Service Request Maximum Facility Output and/or Capacity Interconnection Rights values, up to 10 percent of the values studied in Phase II.
- c. Fuel Changes. The fuel type specified in the New Service Request may not be changed or modified in any way for any reason, except that for New Service Requests that involve multiple fuel types, removal of a fuel type through these reduction rules will not constitute a fuel type change.
- d. Point of Interconnection. The Point of Interconnection may not be changed or modified in any way for any reason at this point in the Cycle process.
- e. Generating Facility or Merchant Transmission Facility Site Changes. Project Developer may pursue changes during this time, however, demonstration of Site Control is not required during Decision Point II. Any changes made to Site Control during Decision Point II will be subject to and evaluated consistent with the modification requirements at Decision Point III.
- f. Equipment Changes

During Decision Point II, Project Developer is limited to modifying its New Service Request to Permissible Technological Advancement changes

only. Project Developer shall submit machine modeling data as specified in the PJM Manuals associated with the Permissible Technological Advancement before the close of Decision Point II.

**Tariff, Part VIII, Subpart E**  
**MISCELLANEOUS**

**Tariff, Part VIII, Subpart E, section 413**  
**Service Below Generating Capability**

The Transmission Provider shall consider requests for Interconnection Service below the full electrical generating capability of the Generating Facility, including Project Developer requests for Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve Co-Located Load. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of determining Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full electrical generating capability of the Generating Facility to ensure the safety and reliability of the system, with the study costs borne by the Project Developer. If after additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (i) specify which additional Network Upgrade costs are based on which studies; and (ii) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrades costs required for safety and reliability also will be borne by the Project Developer. Project Developers may be subject to additional control technologies as well as testing and validation of these technologies as set forth in the GIA. The necessary control technologies and protection systems shall be established in Tariff, Part IX, Subpart B, Schedule K (Requirements for Interconnection Service Below Full Electrical Generating Capability) of the executed, or requested to be filed unexecuted, GIA.

## **Tariff, Part VIII, Subpart E, section 414**

### **Surplus Interconnection Service**

#### **A Surplus Interconnection Service Request**

Requests for Surplus Interconnection Service may be made by the existing Project Developer whose Generating Facility is already interconnected or has executed (or requested to file unexecuted) an Interconnection Service Agreement or Generation Interconnection Agreement, or one of its affiliates, or by an unaffiliated Project Developer, including a Surplus Project Developer seeking Surplus Interconnection Service to serve Co-Located Load. The existing Project Developer or one of its affiliates has priority to use this service; however, if they do not exercise this priority, an unaffiliated Surplus Project Developer also may request Surplus Interconnection Service. Surplus Interconnection Service is limited to utilizing or transferring an existing or planned Generating Facility's Surplus Interconnection Service at the pre-existing Point of Interconnection of the existing Generating Facility and cannot exceed the existing or planned Generating Facility's total amount of Interconnection Service, i.e., the total amount of Interconnection Service used by the Generating Facility requesting Surplus Interconnection Service and the existing or planned Generating Facility shall not exceed the lesser of the Maximum Facility Output stated in the existing or planned Generating Facility's Interconnection Service Agreement or Generator Interconnection Agreement, or the total "as-built capability" of the existing or planned Generating Facility. If the Generating Facility requests Surplus Interconnection Service associated with an existing or planned Generating Facility that is an Energy Resource, the Generating Facility requesting the Surplus Interconnection Service shall be an Energy Resource; and if the existing or planned Generating Facility is a Capacity Resource, the Generating Facility requesting Surplus Interconnection Service associated with the Generating Facility may be an Energy Resource or a Capacity Resource (but only up to the amount of Capacity Interconnection Rights granted to the existing Generating Facility). Surplus Interconnection Service cannot be granted if doing so would require new Network Upgrades not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service.

1. Surplus Interconnection Request Requirements. A Surplus Project Developer seeking Surplus Interconnection Service must submit a complete and fully executed Surplus Interconnection Study Agreement, which form is located at Tariff, Part IX. To be considered complete at the time of submission, the Surplus Project Developer's Surplus Interconnection Study Agreement must include, at a minimum, each of the following:
  - a. Specification of the location of the proposed surplus generating unit Site or existing or planned surplus generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit Site); and
  - b. Evidence of an ownership interest in, or right to acquire or control the surplus generating unit Site for a minimum of three years, such as a deed,



option agreement, lease or other similar document acceptable to the Transmission Provider; and

- c. The MW size of the proposed surplus generating unit or the amount of increase in MW capability of an existing or planned surplus generating unit; and
- d. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and
- e. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and
- f. A description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the surplus generating unit is wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and
- g. The planned date the proposed surplus generating unit or increase in MW capability of an existing or planned surplus generating unit will be in service; and
- h. Any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and
- i. A description of the circumstances under which Surplus Interconnection Service will be available at the existing or planned Generating Facility's Point of Interconnection; and
- j. A deposit in the amount of \$10,000 plus \$100 for each MW requested provided that the maximum total deposit amount for a Surplus Interconnection Request shall not exceed \$110,000. If any deposit monies remain after the Surplus Interconnection Study is complete and any outstanding monies owed by the Surplus Project Developer in connection with outstanding invoices related to prior New Service Requests and/or Surplus Interconnection Requests by the Surplus Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Surplus Project Developer; and
- k. Identification of the specific, existing Generating Facility already interconnected to the PJM Transmission System or planned Generating Facility that has executed (or requested to file unexecuted) an Interconnection Service Agreement or Generation Interconnection Agreement providing Surplus Interconnection Service, including whether

the Surplus Project Developer requesting Surplus Interconnection Service is the owner or affiliate of the existing or planned Generating Facility; and

1. If the Surplus Project Developer is an unaffiliated third party, the Surplus Project Developer must submit with its Surplus Interconnection Study Agreement the following information and documentation acceptable to the Transmission Provider:
  - i. Written evidence from the owner of the existing or planned Generating Facility granting Surplus Project Developer permission to utilize the existing or planned Generating Facility's unused portion of Interconnection Service established in the existing or planned Generating Facility's Interconnection Service Agreement or Generation Interconnection Agreement; and
  - ii. Written documentation stating that the owner of the surplus generating unit and the owner of the existing or planned Generating Facility will have entered into, prior to the owner of the existing or planned Generating Facility executing a revised Interconnection Service Agreement or Generation Interconnection Agreement, a shared facilities agreement between the owner of the existing or planned Generating Facility and the owner of the surplus generating unit detailing their respective roles and responsibilities relative to the Surplus Interconnection Service.
- m. If an Energy Storage Resource, Surplus Project Developer must submit primary frequency response operating range for the surplus generating unit.
2. Deficiency Review. Following the receipt of the Surplus Interconnection Study Agreement and requisite information and/or monies listed above, Transmission Provider shall determine whether the listed requirements were submitted as valid or deficient. If deemed deficient by Transmission Provider, Surplus Project Developer must submit the requisite information and/or monies acceptable to the Transmission Provider within 10 Business Days of receipt of the Transmission Provider's notice of deficiency. Failure of the Surplus Project Developer to timely provide information and/or monies identified in the deficiency notice shall result in the Surplus Interconnection Request being terminated and withdrawn. The Surplus Interconnection Service Request shall be considered valid as of the date and time the Transmission Provider receives from the Surplus Project Developer the last piece of required information and/or monies deemed acceptable by the Transmission Provider to clear such deficiency notice.

## B Surplus Interconnection Study

After receiving a valid Surplus Interconnection Study Agreement seeking Surplus Interconnection Service and the requisite deposit set forth in Tariff, Part VIII, Subpart E, section 414(A)(1)(j) from the Surplus Project Developer, the Transmission Provider shall conduct a Surplus Interconnection Study.

1. Scope of Surplus Interconnection Study. A Surplus Interconnection Study shall consist of reactive power, short circuit/fault duty, stability analysis and any other appropriate analyses. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied under off-peak conditions. Off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. The Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Study within one hundred eighty (180) days of determination of a valid Surplus Interconnection Service Request. If the Transmission Provider is unable to complete the Surplus Interconnection Study within such time period, Transmission Provider shall notify the Surplus Project Developer and provide an estimated completion date and an explanation of the reasons why the additional time is required.
2. Once the Surplus Interconnection Study is completed and Transmission Provider confirms that no new Network Upgrades are required, the Transmission Provider shall issue the Surplus Interconnection Study to the Surplus Project Developer. If the Surplus Project Developer is an unaffiliated third party, PJM shall issue a Surplus Interconnection Study to the owner of the existing or planned Generating Facility. A revised Interconnection Service Agreement or Generation Interconnection Agreement will be prepared and issued to the owner of the existing or planned Generating Facility within sixty days of issuance of the Surplus Interconnection Study including the terms and conditions for Surplus Interconnection Service. Within sixty days of receipt by the owner of the existing or planned Generating Facility of the revised Interconnection Service Agreement or Generation Interconnection Agreement, the owner of the existing or planned Generating Facility will execute the revised Interconnection Service Agreement or Generation Interconnection Agreement, request dispute resolution or request that the Interconnection Service Agreement or Generator Interconnection Agreement be filed unexecuted in accordance.
3. If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study.
4. Deactivation of Existing Generating Facility
  - a. Surplus Interconnection Service cannot be offered if the existing Generating Facility from which Surplus Interconnection is provided is

deactivated or has submitted a Notice to Deactivate to Transmission Provider consistent with Tariff, Part V, before the surplus generating unit has commenced commercial operation.

- b. **Limited Operation.** A Generating Facility receiving Surplus Interconnection Service may continue to receive Surplus Interconnection Service for a period not to exceed one year after the existing Generating Facility's Deactivation Date under the following conditions:
  - i. The surplus generating unit must have been studied by the Transmission Provider for the sole operation at the Point of Interconnection; and
  - ii. The owner of the existing Generating Facility must agree in writing that the Surplus Project Developer may continue to operate at either its limited share of the existing Generating Facility's capability under its Interconnection Service Agreement or Generator Interconnection Agreement, or any level below such capability upon the deactivation of the existing Generating Facility.
- c. If the Surplus Project Developer cannot satisfy the conditions of this Tariff, Part VIII, Subpart E, section 414(B)(4)(b) above, the revised Interconnection Service Agreement or Generator Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or Generator Interconnection Agreement terms of termination for a deactivated Generating Facility.

**Tariff, Part VIII, Subpart J, section 440**  
**Provisional Interconnection Service**

- A. A Project Developer with a three-party interconnection agreement, including a Project Developer seeking to serve Co-Located Load, may request, prior to completion of requisite Interconnection Facilities, Distribution Upgrades, Network Upgrades, Stand Alone Network Upgrades, or System Protection Facilities, Provisional Interconnection Service and Transmission Provider may grant such service at its discretion based upon an evaluation that will consider the results of available studies, with the terms for such service memorialized in the Generation Interconnection Agreement or Interconnection Service Agreement.
1. While maintaining the safety and reliability of the Transmission System and in accordance with Good Utility Practice, Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Project Developer's Generating Facility injects into, or withdraws from, the Transmission System and what limitations on injections and/or withdrawals may be necessary. Transmission Provider shall determine whether any Interconnection Facilities, Distribution Upgrades, Network Upgrades, Stand Alone Network Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service. Where available studies indicate that such Interconnection Facilities, Distribution Upgrades, Network Upgrades, Stand Alone Network Upgrades, or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Project Developer's expense, to identify the facilities that are required for Provisional Interconnection Service.
  2. Transmission Provider shall, at Project Developer's request and expense, study and update the maximum permissible output of the Generating Facility annually. The results will be communicated to the Project Developer in writing upon completion of the studies. Project Developer assumes all risks and liabilities with respect to the Provisional Interconnection Service, including changes in output limits and Interconnection Facilities, Distribution Upgrades, Network Upgrades, Stand Alone Network Upgrades, or System Protection Facilities cost responsibilities.
  3. A Project Developer seeking to serve Co-Located Load may request Provisional Interconnection Service in combination with a request for Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility.

*Tariff, Part VIII, sections ~~437-441~~ – 499*  
*[Reserved]*