Tariff, Part VIII
~~NEW RULES~~
GENERATION AND MERCHANT TRANSMISSION INTERCONNECTION AND LARGE LOAD AND LONG TERM FIRM TRANSMISSION SERVICE PROCEDURES

Tariff, Part VIII, Subpart A
INTRODUCTION

Tariff, Part VIII, Subpart A, section 400
Definitions

For purposes of these Generation and Merchant Transmission Interconnection and Large Load and Long Term Firm Transmission Service 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 and Merchant Transmission Interconnection and Large Load and Long Term Firm Transmission Service Procedures shall control.

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

Abnormal Condition:

"Abnormal Condition" shall mean any condition on the Interconnection Facilities which, determined in accordance with Good Utility Practice, is: (i) outside normal operating parameters such that facilities are operating outside their normal ratings or that reasonable operating limits have been exceeded; and (ii) could reasonably be expected to materially and adversely affect the safe and reliable operation of the Interconnection Facilities; but which, in any case, could reasonably be expected to result in an Emergency Condition. Any condition or situation that results from lack of sufficient generating capacity to meet load requirements or that results solely from economic conditions shall not, standing alone, constitute an Abnormal Condition.

Affected System:

"Affected System" shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by a proposed interconnection or on which a proposed interconnection or addition of facilities or upgrades may require modifications or upgrades to the Transmission System.

Affected System Customer

"Affected System Customer" shall mean the developer responsible for an Affected System Facility that requires Network Upgrades to Transmission Provider's Transmission System.

Affected System Facility

"Affected System Facility" shall mean a new, expanded or upgraded generation or transmission facility outside of Transmission Provider's Transmission System, the effect of which requires Network Upgrades to Transmission Provider's Transmission System.

Affected System Operator

"Affected System Operator" shall mean an entity that operates an Affected System or, if the Affected System is under the operational control of an independent system operator or a regional transmission organization, such independent entity.

Affected System Customer Facilities Study Application and Agreement

"Affected System Customer Facilities Study Application and Agreement" shall mean the agreement set forth in Tariff, Part IX, Subpart L, Affected System Customer Facilities Study Application and Agreement.

Affiliate:

"Affiliate" shall mean any two or more entities, one of which Controls the other or that are under common Control. "Control," as that term is used in this definition, shall mean the possession, directly or indirectly, of the power to direct the management or policies of an entity. Ownership of publicly-traded equity securities of another entity shall not result in Control or affiliation for purposes of the Tariff or Operating Agreement if the securities are held as an investment, the holder owns (in its name or via intermediaries) less than 10 percent of the outstanding securities of the entity, the holder does not have representation on the entity's board of directors (or equivalent managing entity) or vice versa, and the holder does not in fact exercise influence over day-to-day management decisions. Unless the contrary is demonstrated to the satisfaction of the Members Committee, Control shall be presumed to arise from the ownership of or the power to vote, directly or indirectly, 10 percent or more of the voting securities of such entity.

Ancillary Services:

"Ancillary Services" shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations:

"Applicable Laws and Regulations" shall mean all duly promulgated applicable federal, State and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the relevant parties, their respective facilities, and/or the respective services they provide.

Applicable Regional Entity:

"Applicable Regional Entity" shall mean the Regional Entity for the region in which a Network Customer, Transmission Customer, Project Developer, Eligible Customer, or Transmission Owner operates.

Applicable Standards:

"Applicable Standards" shall mean the requirements and guidelines of NERC, the Applicable Regional Entity, the Control Area in which the Generating Facility or Merchant Transmission Facility is electrically located and the Transmission Owner FERC Form No. 715 – Annual Transmission Planning and Evaluation Report for each Applicable Regional Entity; the PJM Manuals; and Applicable Technical Requirements and Standards.

Applicable Technical Requirements and Standards:

"Applicable Technical Requirements and Standards" shall mean those certain technical requirements and standards applicable to interconnections of generation and/or transmission facilities with the facilities of a Transmission Owner or, as the case may be and to the extent applicable, of an Electric Distributor, as published by Transmission Provider in a PJM Manual.

All Applicable Technical Requirements and Standards shall be publicly available through postings on Transmission Provider's internet website.

Application and Studies Agreement:

"Application and Studies Agreement" shall mean the application that must be submitted by a Project Developer or Eligible Customer that seeks to initiate a New Service Request or an Eligible Customer for Load Request pursuant to Tariff, Part VIII, a form of which is set forth in Tariff, Part IX, Subpart A. An Application and Studies Agreement must be submitted electronically through PJM's website in accordance with PJM's Manuals.

Application Deadline:

"Application Deadline" shall mean the Cycle deadline for submitting a Completed New Service Request or Completed Eligible Customer for Load Request, as set forth in Tariff, Part VIII, Subpart B, section 403(A). If Project Developer's or Eligible Customer's Completed New Service Request or Completed Eligible Customer for Load Request is received by Transmission Provider after a particular Cycle deadline, such Completed New Service Request or Completed Eligible Customer for Load Request shall automatically be considered as part of the immediate subsequent Cycle. For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, the Application Deadline shall be 100 calendar days after the Soft Close Date or the first Business Day thereafter if the 100th day is not a Business Day.

Application Phase:

For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Application Phase" shall mean the Cycle period encompassing both the submission and review of New Service Requests as set forth in Tariff, Part VIII, Subpart B, subsections 403(A) and (B).

Augmentation:

"Augmentation" shall mean physical changes to an existing Generating Facility that increase the Maximum Facility Output and/or Capacity Interconnection Rights but reuse much of the same equipment that is already part of the facility. Examples would include replacing turbines or improving the control system, i.e., like for like replacement of equipment that does not substantively alter the Generating Facility's power train.

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

Behind The Meter Generation:

"Behind The Meter Generation" shall *mean either Retail Behind the Meter Generation or Non-Retail Behind The Meter Generation and* refer*s* to a generation unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit's capacity that is designated as a Generation Capacity Resource *or DER Capacity Aggregation Resource*; or (ii) in an hour, any portion of the output of such generating unit that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

Breach:

"Breach" shall mean the failure of a party to perform or observe any material term or condition of the Tariff, Part VIII, or any agreement entered into thereunder as described in the relevant provisions of such agreement.

Breaching Party:

"Breaching Party" shall mean a party that is in Breach of the Tariff, Part VIII and/or an agreement entered into thereunder.

Business Day:

"Business Day" shall mean a day ending at 5 p.m. Eastern Prevailing Time in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

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

Cancellation Costs:

"Cancellation Costs" shall mean costs and liabilities incurred in connection with: (a) cancellation of supplier and contractor written orders and agreements entered into to design, construct and install Transmission Owner Interconnection Facilities, and/or Customer-Funded Upgrades, and/or (b) completion of some or all of the required Transmission Owner Interconnection Facilities, and/or Customer-Funded Upgrades, or specific unfinished portions and/or removal of any or all of such facilities which have been installed, to the extent required for the Transmission Provider and/or Transmission Owner(s) to perform their respective obligations under the Tariff, Part VIII. Cancellation costs may include costs for Customer-Funded Upgrades assigned to Project Developer or Eligible Customer, in accordance with the Tariff and as set forth in GIA, Appendix 2, section 16.1.4, that remain the responsibility of Project Developer or Eligible Customer under the Tariff, even if such New Service Request is terminated or withdrawn.

Capacity:

"Capacity" shall mean the installed capacity requirement of the Reliability Assurance Agreement or similar such requirements as may be established.

Capacity Interconnection Rights:

"Capacity Interconnection Rights" shall mean the rights to input generation as a Generation Capacity Resource into the Transmission System at the Point of Interconnection.

Capacity Resource:

"Capacity Resource" shall have the meaning provided in the Reliability Assurance Agreement.

CIR-Only Uprate:

"CIR-Only Uprate" shall mean a change in an existing Generating Facility's Capacity Interconnection Rights specified in its service agreement with no physical change to the facility.

Co-Located Generating Facility:

"Co-Located Generating Facility" shall mean an existing or planned Generating Facility that is physically connected to a Co-Located Load. Any Generation Project Developer with an effective applicable ~~Generation Interconnection Service Agreement~~service agreement that plans to use a Generating Facility to serve Co-Located Load must provide Transmission Provider and Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b).

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 Interconnection to the Transmission Provider's Transmission System.

Commencement Date:

"Commencement Date" shall mean the date on which Interconnection Service commences in accordance with a Generation Interconnection Agreement.

Common Use Upgrade:

"Common Use Upgrade" or "CUU" shall mean a Network Upgrade that is needed for the interconnection of Generating Facilities or Merchant Transmission Facilities of more than one Project Developer or Eligible Customer and which is the shared responsibility of each Project Developer or Eligible Customer.

Completed Application:

"Completed Application" shall mean an application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

Completed Eligible Customer for Load Request:

"Completed Eligible Customer for Load Request" shall mean an application under this Tariff, Part VIII that satisfies all of the information and other requirements of the Tariff, including any required deposit(s). A Completed Eligible Customer for Load Request, if accepted upon review, shall become a valid Eligible Customer for Load Request.

Completed New Service Request:

"Completed New Service Request" shall mean an application that satisfies all of the information and other requirements of the Tariff, including any required deposit(s). A Completed New Service Request, if accepted upon review, shall become a valid New Service Request.

Confidential Information:

"Confidential Information" shall mean any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy, or compilation relating to the present or planned business of a Project Developer, Eligible Customer (or the Eligible Customer's Eligible Load or Large Load), Transmission Owner, or other Interconnection Party or Construction Party, which is designated as confidential by the party supplying the information, whether conveyed verbally, electronically, in writing, through inspection, or otherwise, and shall include, without limitation, all information relating to the producing party's technology, research and development, business affairs and pricing, and any information supplied

by any Project Developer, Eligible Customer (or the Eligible Customer's Eligible Load or Large Load), Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of, or a request for Transmission Provider to file unexecuted, an Generation Interconnection Agreement, ~~or~~ a Construction Service Agreement, or a Transmission Service Agreement.

Consolidated Transmission Owners Agreement, PJM Transmission Owners Agreement or Transmission Owners Agreement:

"Consolidated Transmission Owners Agreement," "PJM Transmission Owners Agreement" or "Transmission Owners Agreement" shall mean the certain Consolidated Transmission Owners Agreement dated as of December 15, 2005, by and among the Transmission Owners and by and between the Transmission Owners and PJM Interconnection, L.L.C. on file with the Commission, as amended from time to time.

Constructing Entity:

"Constructing Entity" shall mean either the Transmission Owner, Project Developer, Eligible Customer, or Affected System Customer, depending on which entity has the construction responsibility pursuant to the Tariff, Part VIII and the applicable GIA or Construction Service Agreement; this term shall also be used to refer to a Project Developer or Eligible Customer with respect to the construction of the Interconnection Facilities.

Construction Party:

"Construction Party" shall mean a party to a Construction Service Agreement, Network Upgrade Cost Responsibility Agreement or a party to a GIA that requires activities pursuant to a GIA.

Construction Service Agreement:

"Construction Service Agreement" shall mean the agreement entered into by a Developer Party, Transmission Owner and the Transmission Provider pursuant to Tariff, Part VII or Tariff, Part VIII in the form set forth in Tariff, Part IX, Subpart J.

Contingent Facilities:

"Contingent Facilities" shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent and, if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Control Area:

"Control Area" shall mean an electric power system or combination of electric power systems bounded by interconnection metering and telemetry to which a common automatic generation control scheme is applied in order to:

(1) match the power output of the generators within the electric power system(s) and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Controllable A.C. Merchant Transmission Facilities:

"Controllable A.C. Merchant Transmission Facilities" shall mean transmission facilities that (1) employ technology which Transmission Provider reviews and verifies will permit control of the amount and/or direction of power flow on such facilities to such extent as to effectively enable the controllable facilities to be operated as if they were direct current transmission facilities, and (2) that are interconnected with the Transmission System pursuant to the Tariff, Part VIII.

Cost Responsibility Agreement:

"Cost Responsibility Agreement" shall mean a form of agreement between Transmission Provider and a Project Developer with an existing generating facility, intended to provide the terms and conditions for the Transmission Provider to perform certain modeling, studies or analysis to determine whether the Project Developer may enter into a GIA with PJM and the Transmission Owner. A form of the Cost Responsibility Agreement is set forth in Tariff, Part IX, Subpart F.

Costs:

As used in the Tariff, Part VIII and related agreements and attachments, "Costs" shall mean costs and expenses, as estimated or calculated, as applicable, including, but not limited to, capital expenditures, if applicable, and overhead, return, and the costs of financing and taxes and any Incidental Expenses.

Customer-Funded Upgrade:

"Customer-Funded Upgrade" shall mean any Network Upgrade, Distribution Upgrade, or Merchant Network Upgrade for which cost responsibility (i) is imposed on a Project Developer or Eligible Customer pursuant to Tariff, Part VIII, Subpart C, section 404(A)(5), or (ii) is voluntarily undertaken by an Upgrade Customer in fulfillment of an Upgrade Request. No Network Upgrade, Distribution Upgrade or Merchant Network Upgrade or other transmission expansion or enhancement shall be a Customer-Funded Upgrade if and to the extent that the costs thereof are included in the rate base of a public utility on which a regulated return is earned.

Cycle:

For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Cycle" shall mean that period of time between the start of an Application Phase and conclusion of the corresponding Final Agreement Negotiation Phase. The Cycle consists of the Application Phase, Phase I, Decision Point I, Phase II, Decision Point II, Phase III, Decision Point III, and the Final Agreement Negotiation Phase.

For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, "Cycle" shall mean that period of time between the start of the Submission Window and the conclusion of the corresponding Final Agreement Negotiation Phase. The Cycle consists of the Submission Window, Soft Close Date, Early Application Engagement, Application Deadline, Screening Phase with Decision Point I and Decision Point II, the System Impact Study Phase, and the Final Agreement Negotiation Phase.

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

Decision Point I:

For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Decision Point I" shall mean the time period that commences on the first Business Day immediately following Phase I of a Cycle, and shall end within 30 calendar days; however, if the 30th does not fall on a Business Day, this time period shall conclude on the next Business Day.

For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, "Decision Point I" shall mean the time period that commences on the first Business Day immediately following the first turn of the Screening Phase of a Cycle, and shall end within 10 Business Days.

Decision Point II:

For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Decision Point II" shall mean the time period that commences on the first Business Day immediately following Phase II of a Cycle, and shall end within 30 calendar days; however, if the 30th does not fall on a Business Day, this time period shall conclude on the next Business Day.

For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, "Decision Point II" shall mean the time period that commences on the first Business Day immediately following the second turn of the Screening Phase of a Cycle, and shall end within 20 Business Days.

Decision Point III:

For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Decision Point III" shall mean the time period that commences on the first Business Day immediately following Phase III of a Cycle, and shall end within 30 calendar days; however, if the 30th does not fall on a Business Day, this time period shall conclude on the next Business Day.

Delivery Point:

"Delivery Point" shall mean the point on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to a Load Facility under Tariff, Part III or Tariff, Part XI. The Delivery Point shall be specified in the applicable Transmission Service Agreement.

Default:

As used in the Generation Interconnection Agreement, Construction Service Agreement, ~~and~~ Network Upgrade Cost Responsibility Agreement, or Transmission Service Agreement, "Default"

shall mean the failure of a Breaching Party to cure its Breach in accordance with the applicable provisions of a Generation Interconnection Agreement, Construction Service Agreement, or Network Upgrade Cost Responsibility Agreement.

Distribution System:

"Distribution System" shall mean the Transmission Owner's or Electric Distributor's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades:

"Distribution Upgrades" shall mean the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the delivery service necessary to affect Project Developer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

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

Early Application Engagement:

"Early Application Engagement" shall mean the Transmission Provider's review of initial submissions by Project Developers and Eligible Customers and engagement with Project Developers and Eligible Customers to address and work to resolve any issues or deficiencies in submitted New Service Requests and Eligible Customer for Load Requests during the Cycle period starting with the Soft Close Date and extending through to 10 Business Days before the Application Deadline.

Electric Distributor:

"Electric Distributor" shall mean a Member that: 1) owns or leases with rights equivalent to ownership electric distribution facilities that are used to provide electric distribution service to electric load within the PJM Region; or 2) is a generation and transmission cooperative or a joint municipal agency that has a member that owns electric distribution facilities used to provide electric distribution service to electric load within the PJM Region.

Eligible Customer:

"Eligible Customer" shall mean:

(i) Any electric utility (including any Transmission Owner and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by the Federal Power Act, section 212(h), such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider or Transmission Owner offer the unbundled transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner.

(ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider or a Transmission Owner offer the transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner, is an Eligible Customer under the Tariff. As used in Tariff, Part VIII, Eligible Customer shall mean only those Eligible Customers that have submitted an Application and Study Agreement.

Eligible Customer for Load Request

"Eligible Customer for Load Request" shall mean a request ~~for interconnection~~ by an Eligible Customer seeking Network Integration Transmission Service or Transmission Service on behalf of an Eligible Load or Large Load.

Eligible Generating Facility:

"Eligible Generating Facility" shall mean a Co-Located Generating Facility or ~~Retail~~ Behind the Meter Generation.

Eligible Load:

"Eligible Load" shall mean Co-Located Load or load with Behind the Meter Generation.

Emergency Condition:

"Emergency Condition" shall mean a condition or situation (i) that in the judgment of any Interconnection Party is imminently likely to endanger life or property; or (ii) that in the judgment of the Transmission Owner or Transmission Provider is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Transmission System, the Interconnection Facilities, or the transmission systems or distribution systems to which the Transmission System is directly or indirectly connected; or (iii) that in the judgment of Project Developer is imminently likely (as determined in a non-discriminatory manner) to cause damage to the Generating Facility or to the Project Developer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions, provided that a Generation Project Developer is not obligated by a Generation Interconnection Agreement to possess black start capability. Any condition or situation that results from lack of sufficient generating capacity to meet load requirements or that results solely from economic conditions shall not constitute an Emergency Condition, unless one or more of the enumerated conditions or situations identified in this definition also exists.

Energy-Only Uprate:

"Energy-Only Uprate" shall mean a change in an existing Generating Facility's Maximum Facility Output specified in its service agreement with no physical change to the facility.

Energy Resource:

"Energy Resource" shall mean a Generating Facility that is not a Capacity Resource.

Energy Storage Resource:

"Energy Storage Resource" shall mean a resource capable of receiving electric energy from the grid and storing it for later injection to the grid that participates in the PJM Energy, Capacity and/or Ancillary Services markets as a Market Participant. Open-Loop Hybrid Resources are not Energy Storage Resources.

Engineering and Procurement Agreement:

"Engineering and Procurement Agreement" shall mean an agreement that authorizes Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection

Request. An Engineering and Procurement Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades. A form of the Engineering and Procurement Agreement is set forth in Tariff, Part IX, Subpart D. An Engineering and Procurement Agreement can only be requested by a Project Developer, and can only be requested in Phase III.

Expansion:

"Expansion" shall mean adding equipment to an existing Generating Facility to increase the Maximum Facility Output and/or Capacity Interconnection Rights of the existing Generating Facility. Examples include simultaneously upgrading existing parts of a Generating Facility and adding new equipment to the facility or converting a single-technology Generating Facility to a mixed-technology Generating Facility where the new technology needs some portion of the existing Generating Facility to function.

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

Facilities Study:

"Facilities Study" shall be an engineering study conducted by the Transmission Provider (in coordination with the affected Transmission Owner(s)) to: (1) determine the required modifications to the Transmission Provider's Transmission System necessary to implement the conclusions of the System Impact Studies; and (2) complete any additional studies or analyses documented in the System Impact Studies or required by PJM Manuals, and determine the required modifications to the Transmission Provider's Transmission System based on the conclusions of such additional studies.

Federal Power Act:

"Federal Power Act" shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a, et seq.

FERC or Commission:

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor federal agency, commission or department exercising jurisdiction over the Tariff, Operating Agreement and Reliability Assurance Agreement.

Final Agreement Negotiation Phase:

"Final Agreement Negotiation Phase" shall mean the phase set forth in Tariff, Part VIII, Subpart D, section 411 to tender, negotiate, and execute any service agreement in Tariff, Parts IX or XI.

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

Generating Facility:

"Generating Facility" shall mean Project Developer's device for the production and/or storage for later injection of electricity identified in the New Service Request, but shall not include the Project Developer's Interconnection Facilities. A Generating Facility consists of one or more generating unit(s) and/or storage device(s) which usually can operate independently and be brought online or taken offline individually.

Generation Interconnection Agreement ("GIA"):

"Generation Interconnection Agreement" ("GIA") shall mean the form of interconnection agreement applicable to a Generation Interconnection Request or Transmission Interconnection Request. A form of the GIA is set forth in Tariff, Part IX, Subpart B.

Generation Interconnection Procedures ("GIP"):

"Generation Interconnection Procedures" ("GIP") shall mean the interconnection procedures for Project Developers set forth in Tariff, Part VIII.

Generation Interconnection Request:

"Generation Interconnection Request" shall mean a request by a Generation Project Developer pursuant to Tariff, Part VIII, Subpart B, section 403(A)(1), to interconnect a generating unit with the Transmission System or to increase the capacity of a generating unit interconnected with the Transmission System in the PJM Region.

Generation Project Developer:

"Generation Project Developer" shall mean an entity that submits a Generation Interconnection Request to interconnect a new generation facility or to increase the capacity of an existing generation facility interconnected with the Transmission System in the PJM Region.

Good Utility Practice:

"Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to include acceptable practices, methods, or acts generally accepted in the region; including those practices required by Federal Power Act, section 215(a)(4).

Governmental Authority:

"Governmental Authority" shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority having jurisdiction over any Interconnection Party or Construction Party or regarding any matter relating to a Generation Interconnection Agreement or Construction Service Agreement, as applicable. For purposes of Tariff, Part VIII, Subpart A, section 402, Site Control, the term "Governmental Authority" may include a tribal body or authority with siting authority.

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

Hazardous Substances:

"Hazardous Substance" shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

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

Incidental Expenses:

"Incidental Expenses" shall mean those expenses incidental to the performance of construction pursuant to a Construction Service Agreement, including, but not limited to, the expense of temporary construction power, telecommunications charges, Transmission Owner expenses associated with, but not limited to, document preparation, design review, installation, monitoring, and construction-related operations and maintenance for the Generating Facility and for the Interconnection Facilities.

Incremental Auction Revenue Rights:

"Incremental Auction Revenue Rights" shall mean the additional Auction Revenue Rights, not previously feasible, created by the addition of Incremental Rights-Eligible Required Transmission Enhancements, Merchant Transmission Facilities, or of one or more Customer-Funded Upgrades.

Incremental Capacity Transfer Rights:

"Incremental Capacity Transfer Right" shall mean a Capacity Transfer Right allocated to a Generation Project Developer or Transmission Project Developer obligated to fund a transmission facility or upgrade, to the extent such upgrade or facility increases the transmission import capability into a Locational Deliverability Area, or a Capacity Transfer Right allocated to a Responsible Customer in accordance with Tariff, Schedule 12A.

Incremental Deliverability Rights (IDRs):

"Incremental Deliverability Rights" ("IDR") shall mean the rights to the incremental ability, resulting from the addition of Merchant Transmission Facilities, to inject energy and capacity at a point on the Transmission System, such that the injection satisfies the deliverability requirements of a Capacity Resource. Incremental Deliverability Rights may be obtained by a generator or a Generation Project Developer, pursuant to an IDR Transfer Agreement, to satisfy, in part, the deliverability requirements necessary to obtain Capacity Interconnection Rights.

Initial Operation:

"Initial Operation" shall mean the commencement of operation of the Generating Facility and Project Developer Interconnection Facilities after satisfaction of the conditions of Tariff, Part IX, Subpart B, Appendix 2, section 1.4.

Interconnected Entity:

"Interconnected Entity" shall mean either the Project Developer or the Transmission Owner; Interconnected Entities shall mean both of them.

Interconnection Construction Service Agreement:

"Interconnection Construction Service Agreement" shall mean the agreement entered into by an Project Developer, Transmission Owner and the Transmission Provider pursuant to this Tariff, Part VIII in the form set forth in Tariff, Part IX, Subpart J or Tariff, Part IX, Subpart H, relating to construction of Common Use Upgrades, Distribution Upgrades, Network Upgrades, Stand Alone Network Upgrades and/or Transmission Owner Interconnection Facilities and coordination of the construction and interconnection of an associated Generating Facility.

Interconnection Facilities:

"Interconnection Facilities" shall mean the Transmission Owner's Interconnection Facilities and the Project Developer's Interconnection Facilities. Collectively Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modifications, additions, or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades, or Network Upgrades.

Interconnection Party:

"Interconnection Party" shall mean a Transmission Provider, Project Developer, or the Transmission Owner. Interconnection Parties shall mean all of them.

Interconnection Reliability Reinforcements:

"Interconnection Reliability Reinforcements" shall mean the facilities, including network upgrades that are required beyond the substation located at the Point of Interconnection or Delivery Point, that modify or are additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

Interconnection Request:

"Interconnection Request" shall mean a Generation Interconnection Request, a Transmission Interconnection Request and/or an IDR Transfer Agreement.

Interconnection Service:

"Interconnection Service" shall mean the physical and electrical interconnection of the Generating Facility with the Transmission System pursuant to the terms of this Tariff, Part VIII and the Generation Interconnection Agreement entered into pursuant thereto by Project Developer, the Transmission Owner and Transmission Provider.

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

List of Approved Contractors:

"List of Approved Contractors" shall mean a list developed by each Transmission Owner and published in a PJM Manual of (a) contractors that the Transmission Owner considers to be qualified to install or construct new facilities and/or upgrades or modifications to existing facilities on the Transmission Owner's system, provided that such contractors may include, but need not be limited to, contractors that, in addition to providing construction services, also provide design and/or other construction-related services, and (b) manufacturers or vendors of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) whose products the Transmission Owner considers acceptable for installation and use on its system.

Load Facility:

"Load Facility" shall mean the facilities, equipment, and structures comprising the Eligible Load or Large Load that is the subject of the Eligible Customer for Load Request.

Load Serving Entity (LSE):

"Load Serving Entity" or "LSE" shall have the meaning specified in the Reliability Assurance Agreement.

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

NERC:

"NERC" shall mean the North American Electric Reliability Corporation or any successor thereto.

Necessary Studies Agreement:

"Necessary Studies Agreement" shall mean the form of agreement for preparation of one or more Necessary Studies, as set forth in Tariff, Part IX, Subpart G.

Necessary Study:

"Necessary Study(ies)" shall mean the assessment(s) undertaken by the Transmission Provider to determine whether a planned modification under GIA, Appendix 2, section 3.1*, and Tariff, Part VIII, Subpart A, section 401(H)(3)* will have a permanent material impact on the Transmission System and to identify the additions, modifications, or replacements to the Transmission System, if any, that are necessary, in accordance with Good Utility Practice, and/or to maintain compliance with Applicable Laws and Regulations or Applicable Standards, to accommodate the planned modifications. A form of the Necessary Studies Agreement is set forth in Tariff, Part IX, Subpart G.

Network Integration Transmission Service:

"Network Integration Transmission Service" shall mean the transmission service provided under Tariff, Part III. There are two types of firm Network Integration Transmission Service: Regional Network Integration Transmission Service and firm Cross-Border Network Integration Transmission Service. Non-firm Network Integration Transmission Service includes Secondary Service and Interim Network Integration Transmission Service ~~under~~as further discussed under Tariff, Parts III and XI.

Network Upgrade Cost Responsibility Agreement:

"Network Upgrade Cost Responsibility Agreement" shall mean the agreement entered into by the Project Developer and the Transmission Provider pursuant to this GIP, and in the form set forth in Tariff, Part IX, Subpart H, relating to construction of Common Use Upgrades and coordination of the construction and interconnection of associated Generating Facilities. In regard to Common Use Upgrades, a separate Network Upgrade Cost Responsibility Agreement will be executed for each set of Common Use Upgrades on the system of a specific Transmission Owner that is associated with the interconnection of a Generating Facility.

Network Upgrades:

"Network Upgrades" shall mean modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the

general benefit of all users of such Transmission System. Network Upgrades shall include Stand Alone Network Upgrades which are Network Upgrades that are not part of an Affected System; only serve the Generating Facility or Merchant Transmission Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Project Developer must agree as to what constitutes Stand Alone Network Upgrades and identify them in the GIA, Specifications, section 3.0 or in the Construction Service Agreement, Schedule C. If the Transmission Provider and Project Developer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Project Developer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

New Plant:

"New Plant" shall mean new equipment that cannot be associated with an existing or planned Generating Facility. New Plant may share a Point of Interconnection and Interconnection Facilities with an existing Generating Facility but is capable of operating independently of the existing Generating Facility at the same Point of Interconnection, i.e., it does not share generating equipment or equipment for the final transformation to the Point of Interconnection voltage with an existing Generating Facility.

New Service Request:

"New Service Request" shall mean a~~n~~ Generation Interconnection Request, a Transmission Interconnection Request, ~~Interconnection Request~~ or a Completed Application for Long Term Firm -Transmission Service.

Nominal Rated Capability:

"Nominal Rated Capability" shall mean the nominal maximum rated capability in megawatts of a Transmission Project Developer's Generating Facility or the nominal increase in transmission capability in megawatts of the Transmission System resulting from the interconnection or addition of a Transmission Project Developer's Generating Facility, as determined in accordance with pertinent Applicable Standards and specified in the Generation Interconnection Agreement.

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

Part I:

"Part I" shall mean the Tariff Definitions and Common Service Provisions contained in Tariff, Part I, sections 1 through 12A.

Part II:

"Part II" shall mean Tariff, Part II, sections 13 through 27A pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part III:

"Part III" shall mean Tariff, Part III, sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part IV:

"Part IV" shall mean Tariff, Part IV, sections 36 through 112C pertaining to generation or merchant transmission interconnection to the Transmission System in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part VI:

"Part VI" shall mean Tariff, Part VI, sections 200 through 237 pertaining to the queuing, study, and agreements relating to New Service Requests, and the rights associated with Customer-Funded Upgrades in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part VII:

"Part VII" shall mean Tariff, Part VII, sections 300 through 337 pertaining to generation or merchant transmission interconnection to the Transmission System in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part VIII:

"Part VIII" shall mean Tariff, Part VIII, sections 400 through ~~435~~ 440 pertaining to generation or merchant transmission interconnection to the Transmission System and Large Load and Long

Term Firm -Transmission Service provision in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part IX:

"Part IX" shall mean Tariff, Part IX, section 500 and Subparts A through L pertaining to generation or merchant transmission interconnection to the Transmission System in conjunction with the applicable Common Service Provisions of Tariff, Part I and appropriate Schedules and Attachments.

Part X:

"Part X" shall mean Tariff, Part X, Subparts A through C pertaining to the procedures and other terms governing the Transmission Provider's administration of the Expedited Interconnection Track process for interconnecting Generating Facilities to the Transmission System outside of Transmission Provider's Cycle process under Tariff, Part VII and Tariff, Part VIII.

Part XI:

"Part XI" shall mean Tariff, Part XI, Subparts A through [X] pertaining to the procedures and other terms governing the Transmission Provider's provision of Interim Network Integration Transmission Service, Firm Contract Demand Transmission Service, and Non-Firm Contract Demand Transmission Service.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and, as applicable, the Transmission Owner, the Transmission Customer, Project Developer, Eligible Customer, Developer Party, Upgrade Customer, or Replacement Project Developer receiving service under the Tariff. PJMSettlement shall be the Counterparty to Transmission Customers.

Permissible Technological Advancement:

"Permissible Technological Advancement" shall mean a proposed technological change such as an advancement to turbines, inverters, plant supervisory controls or other similar advancements to the technology proposed in the Interconnection Request that is submitted to the Transmission Provider no later than the end of Decision Point II. Provided such change may not: (i) increase the capability of the Generating Facility or Merchant Transmission Facility as specified in the original Interconnection Request; (ii) represent a different fuel type from the original Interconnection Request; or (iii) cause any material adverse impact(s) on the Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response. If the proposed technological advancement is a Permissible Technological Advancement, no additional study will be necessary and the proposed technological advancement will not be considered a Material Modification.

Phase I

"Phase I" shall start on the first Business Day immediately after the close of the Application Phase of a Cycle, but no earlier than 30 calendar days following the distribution of the Phase I System Impact Study Base Case Data. During Phase I, Transmission Provider shall conduct the Phase I System Impact Study.

Phase I System Impact Study:

"Phase I System Impact Study" shall mean System Impact Study conducted during the Phase I System Impact Study Phase.

Phase II

"Phase II" shall start on the first Business Day immediately after the close of Decision Point I Phase unless the Decision Point III of the immediately preceding Cycle is still open. In no event, shall Phase II of a Cycle commence before the conclusion of Decision Point III of the immediately preceding Cycle. During Phase II, Transmission Provider shall conduct the Phase II System Impact Study.

Phase II System Impact Study:

"Phase II System Impact Study" shall mean the System Impact Study conducted during the Phase II System Impact Study Phase.

Phase III

"Phase III" shall start on the first Business Day immediately after the close of Decision Point II, unless the Final Agreement Negotiation Phase of the immediately preceding Cycle is still open. In no event shall Phase III of a Cycle commence before the conclusion of the Final Agreement Negotiation Phase of the immediately preceding Cycle. During Phase III, Transmission Provider shall conduct the Phase III System Impact Study.

Phase III System Impact Study:

"Phase III System Impact Study" shall mean System Impact Study conducted during Phase III.

PJM:

"PJM" shall mean PJM Interconnection, L.L.C., including the Office of the Interconnection as referenced in the PJM Operating Agreement. When such term is being used in the RAA it shall also include the PJM Board.

PJM Manuals:

"PJM Manuals" shall mean the instructions, rules, procedures and guidelines established by the Office of the Interconnection for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

PJM Region:

"PJM Region" shall have the meaning specified in the Operating Agreement.

PJM Tariff, Tariff, O.A.T.T., OATT or PJM Open Access Transmission Tariff:

"PJM Tariff," "Tariff," "O.A.T.T.," "OATT," or "PJM Open Access Transmission Tariff" shall mean that certain PJM Open Access Transmission Tariff, including any schedules, appendices or exhibits attached thereto, on file with FERC and as amended from time to time thereafter.

Point of Change in Ownership:

"Point of Change in Ownership" shall mean the point, as set forth Schedule B of the Generation Interconnection Agreement, where the Project Developer's Interconnection Facilities connect to the Transmission Owner's Interconnection Facilities.

Point of Interconnection:

"Point of Interconnection" shall mean the point or points where the Interconnection Facilities connect with the Transmission System.

Project Developer:

"Project Developer" shall mean a Generation Project Developer and/or a Transmission Project Developer.

Project Developer Interconnection Facilities:

"Project Developer Interconnection Facilities" shall mean all facilities and equipment owned and/or controlled, operated and maintained by Project Developer on Project Developer's side of the Point of Change in Ownership to the main power transformer or generation step up transformer, identified in the GIA~~, Schedule B,~~ including any modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Generating Facility with the Transmission System.

Project Finance Entity:

"Project Finance Entity" shall mean: (a) a holder, trustee or agent for holders, of any component of Project Financing; or (b) any purchaser of capacity and/or energy produced by the Generating Facility to which Project Developer has granted a mortgage or other lien as security for some or all of Project Developer's obligations under the corresponding power purchase agreement.

Project Identifier:

"Project Identifier" shall mean, when an Application from a Project Developer or an Eligible Customer results in a valid New Service- Request or valid Eligible Customer for Load Request, in accordance with Tariff, ~~Part VII, Subpart C, section 306 [or~~ Part VIII, Subpart B, section 403~~]~~, the assigned Project Identifier to such request as confirmed by Transmission Provider. For Project Developers and Eligible Customers, the Project Identifier will indicate the applicable Cycle, and will denote a number that represents the project within the Cycle. The Project Identifier is strictly for identification purposes, and does not indicate priority within a Cycle.

Provisional Interconnection Service:

For Generation Interconnection Requests ~~New Service Requests~~ submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting the *Generation* Project Developer's Generating Facility*, including a Generating Facility to be used to serve Eligible 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*~~*Generation Interconnection Agreement* and~~*, if applicable, the*~~ Tariff*, Part VIII, Subpart L, section 439*.

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

Readiness Deposit:

"Readiness Deposit" shall mean the deposit or deposits required by Tariff, Part VIII, Subpart A, section 401(D).

Reasonable Efforts:

"Reasonable Efforts" shall mean, with respect to any action required to be made, attempted, or taken by an Interconnection Party under the Tariff, Part VIII, a Generation Interconnection Agreement, or a Construction Service Agreement, such efforts as are timely and consistent with Good Utility Practice and with efforts that such party would undertake for the protection of its own interests.

Regional Entity:

"Regional Entity" shall have the same meaning specified in the Operating Agreement.

Regional Transmission Expansion Plan:

"Regional Transmission Expansion Plan" shall mean the plan prepared by the Office of the Interconnection pursuant to Operating Agreement, Schedule 6 for the enhancement and expansion of the Transmission System in order to meet the demands for firm transmission service in the PJM Region.

Reliability Assurance Agreement or PJM Reliability Assurance Agreement:

"Reliability Assurance Agreement" or "PJM Reliability Assurance Agreement" shall mean that certain Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, on file with FERC as PJM Interconnection L.L.C. Rate Schedule FERC No. 44, and as amended from time to time thereafter.

Replacement Generation Project Developer:

"Replacement Generation Project Developer" shall mean either a Project Developer whose Generating Facility is already interconnected to the PJM Transmission System and is being deactivated or one of its affiliates, or an unaffiliated entity that submits a Replacement Generation Interconnection Service Request to replace a deactivating Generating Facility interconnected with the Transmission System in the PJM Region.

Replacement Generation Interconnection Service Request:

"Replacement Generation Interconnection Service Request" shall mean a request submitted by a Replacement Generation Project Developer, pursuant to Tariff, Part VIII, Subpart J, section 437,

prior to the next Business Day after the close of Decision Point II of Cycle 01 to replace a deactivating Generating Facility interconnected with the Transmission System in the PJM Region and claim its Capacity Interconnection Rights. A Replacement Generation Interconnection Service Request is not a New Service Request.

Replacement Generation Interconnection Service:

"Replacement Generation Interconnection Service" shall mean the claiming by a Replacement Generation Project Developer of the Capacity Interconnection Rights of a deactivating Generation Capacity Resource for a new Generating Facility.

Replacement Generation Interconnection Study Agreement:

"Replacement Generation Interconnection Study Agreement" shall mean the form of the Replacement Generation Interconnection Study Agreement set forth in Tariff, Part IX, Subpart N.

Replacement Generation Request Number:

"Replacement Generation Request Number" shall mean, when an Application from a Replacement Generation Project Developer results in a valid Replacement Generation Interconnection Service Request, in accordance with Tariff, Part VIII, Subpart J, section 437, the number assigned to such request as confirmed by Transmission Provider, indicating the serial position and priority of the Replacement Generation Interconnection Service Request with respect to other Replacement Generation Interconnection Service Requests.

Replacement Generation Resource:

"Replacement Generation Resource" shall mean the new Generating Facility that takes Replacement Generation Interconnection Service.

Request Number:

"Request Number" shall mean, when an Application from an Upgrade Customer results in a valid Upgrade Request, in accordance with Tariff, ~~Part VII, section 337 [or~~ Part VIII, Subpart H, section 435~~]~~, the assigned Request Number to such request as confirmed by Transmission Owner. The Request Number will indicate the serial position and priority.

Retail Behind The Meter Generation:

"Retail Behind The Meter Generation" shall refer to Behind The Meter Generation that is used to serve a retail load served by a Network Customer located at the same electrical location ~~(not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system).~~

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

Schedule of Work:

"Schedule of Work" shall mean that Schedule of Work set forth in GIA, Schedule L, section 8.0, or CSA, Appendix I, as applicable, setting forth the timing of work to be performed by the Constructing Entity(ies), based upon the System Impact Study(ies) and subject to modification, as required, in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

Scope of Work:

"Scope of Work" shall mean that scope of the work set forth in GIA, Specifications, section 3.0 to be performed by the Constructing Entity(ies) or scope of work set forth in CSA, Schedule C, provided that such Scope of Work may be modified, as required, in accordance with Transmission Provider's scope change process for interconnection projects set forth in the PJM Manuals.

Screening Phase:

"Screening Phase" shall mean the Cycle period between the Application Deadline and the conclusion of Decision Point II, a period of approximately 110 days, during which Transmission Provider shall conduct two turns of screening analyses, with a Decision Point after each turn, and shall develop, with Transmission Owners, the Interconnection Facilities and Interconnection Reliability Reinforcements needed.

Secondary Systems:

"Secondary Systems" shall mean control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers.

Security:

"Security" shall mean the financial guaranty provided by the Project Developer, Eligible Customer or Upgrade Customer pursuant to Tariff, Part VIII, Subpart C, sections 406(A)(2) and (3), and Tariff, Part VIII, Subpart C 408(A)(2)(d), and Tariff, Part VIII, Subpart C, section 410(A)(1) to secure the Project Developer's, Eligible Customer's or Upgrade Customer responsibility for Costs under an interconnection-related agreement set forth in Tariff, Part IX or a Transmission Service Agreement ~~under~~issued pursuant to Tariff, Part III or Tariff, Part XI.

Service Agreement:

For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, "Service Agreement" shall mean the initial agreement and any amendments

or supplements thereto entered into by the Transmission Customer and the Transmission Provider for Long-Term Firm -Transmission Service ~~service~~ under the Tariff.

Site:

"Site" shall mean all of the real property including, but not limited to, any owned or leased real property, bodies of water and/or submerged land, and easements, or other forms of property rights acceptable to PJM, on which the Generating Facility or Merchant Transmission Facility is situated and/or on which the Project Developer Interconnection Facilities are to be located.

Site Control:

"Site Control" shall mean the evidentiary documentation provided by Project Developer or Surplus Project Developer in relation to a New Service Request or Surplus Interconnection Request demonstrating the requirements as set forth in the following Tariff, Part VIII, Subpart A, section 402, and Tariff, Part VIII, Subpart B, section 403, and Tariff, Part VIII, Subpart C, section 406 and Tariff, Part VIII, Subpart C, section 410.

Soft Close Date:

"Soft Close Date" shall mean the date by which all submissions of New Service Requests and Eligible Customer for Load Requests must be made, with the information specified in Tariff, Part VIII, Subpart B, section 403(E)(1)(b), so that Transmission Provider may conduct Early Application Engagement with regard to those submissions. Transmission Provider will provide notice of the Soft Close Date no less than 90 days prior to its occurrence.

Stand Alone Network Upgrades:

"Stand Alone Network Upgrades" shall mean Network Upgrades, which are not part of an Affected System, which a Project Developer may construct without affecting day-to-day operations of the Transmission System during their construction. Transmission Provider, Transmission Owner and Project Developer must agree as to what constitutes Stand Alone Network Upgrades and identify them in GIA, Specifications, section 3.0. If the Transmission Provider or Transmission Owner and Project Developer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider or Transmission Owner that disagrees with the Project Developer must provide the Project Developer a written technical explanation outlining why the Transmission Provider or Transmission Owner does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

State:

"State" shall mean the District of Columbia and any State or Commonwealth of the United States.

State of Charge:

"State of Charge" shall mean the quantity of physical energy stored in an Energy Storage Resource Model Participant or in a storage component of a Hybrid Resource in proportion to its maximum State of Charge capability. State of Charge is quantified as defined in the PJM Manuals.

Station Power:

"Station Power" shall mean energy used for operating the electric equipment on the site of a generation facility located in the PJM Region or for the heating, lighting, air-conditioning and office equipment needs of buildings on the site of such a generation facility that are used in the operation, maintenance, or repair of the facility. Station Power does not include any energy (i) used to power synchronous condensers; (ii) used for pumping at a pumped storage facility; (iii) used in association with restoration or black start service; or (iv) that is Direct Charging Energy.

Study Deposit:

"Study Deposit" shall mean the payment in the form of cash required to initiate and fund any study provided for in Tariff, Part VIII~~, Subpart A, section 401~~.

Surplus Project Developer:

"Surplus Project Developer" shall mean either a Project Developer whose Generating Facility is already interconnected to or has executed (or requested to file unexecuted) an Interconnection Service Agreement or Generation Interconnection Agreement to interconnect to the PJM Transmission System or one of its affiliates, or an unaffiliated entity that submits a Surplus Interconnection Request to utilize Surplus Interconnection Service within the Transmission System in the PJM Region.

Surplus Service Request Number:

"Surplus Service Request Number" shall mean, when an Application from a Surplus Interconnection Service Customer results in a valid Surplus Interconnection Request, in accordance with Tariff, Part VIII, Subpart E, section 414, the assigned Surplus Service Request Number to such request as confirmed by Transmission Provider. The Request Number will indicate the serial position and priority.

Surplus Interconnection Request:

"Surplus Interconnection Request" shall mean a request submitted by a Surplus Project Developer, pursuant to Tariff, Part VIII, Subpart E, section 414, to utilize Surplus Interconnection Service within the Transmission System in the PJM Region. A Surplus Interconnection Request is not a New Service Request.

Surplus Interconnection Service:

"Surplus Interconnection Service" shall mean any unneeded portion of Interconnection Service established in an Interconnection Service Agreement or a Generation Interconnection Agreement,

such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Study Agreement:

"Surplus Interconnection Study Agreement" shall mean the form of the Surplus Interconnection Study Agreement set forth in Tariff, Part IX, Subpart I.

Switching and Tagging Rules:

"Switching and Tagging Rules" shall mean the switching and tagging procedures of Transmission Owners and Project Developer as they may be amended from time to time.

System Impact Study:

"System Impact Study" shall mean an assessment(s) by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a New Service Request or Eligible Customer for Load Request, (ii) whether any additional costs may be incurred in order to provide such transmission service or to accommodate a New Service Request or Eligible Customer for Load Request, and (iii) an estimated date that the New Service Requests or Eligible Customer for Load Requests can be interconnected with or served from the Transmission System and an estimate of the cost responsibility for ~~the interconnection of~~ the New Service Request or Eligible Customer for Load Request; and (iv) with respect to an Upgrade Request, the estimated cost of the requested system upgrades or expansion, or of the cost of the system upgrades or expansion, necessary to provide the requested incremental rights.

System Impact Study Phase:

For New Service Requests and Eligible Customer for Load Requests submitted on or after [Insert Date ____, "System Impact Study Phase" shall mean the Cycle period extending approximately 200 days from the conclusion of Decision Point II, during which the Transmission Provider will perform a System Impact Study of the Cycle's cohort of projects and determine the final design of the Interconnection Reliability Reinforcements required for the Cycle.

System Protection Facilities:

"System Protection Facilities" shall refer to the equipment required to protect (i) the Transmission System, other delivery systems and/or other generating systems connected to the Transmission System from faults or other electrical disturbance occurring at or on the Generating Facility or Load Facility, and (ii) the Generating Facility or Load Facility from faults or other electrical system disturbance occurring on the Transmission System or on other delivery systems and/or other generating systems to which the Transmission System is directly or indirectly connected. System Protection Facilities shall include such protective and regulating devices as are identified in the Applicable Technical Requirements and Standards or that are required by Applicable Laws and Regulations or other Applicable Standards, or as are otherwise necessary to protect personnel and

equipment and to minimize deleterious effects to the Transmission System arising from the Generating Facility or Load Facility.

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

Transmission Facilities:

"Transmission Facilities" shall have the meaning set forth in the Operating Agreement.

Transmission Injection Rights:

"Transmission Injection Rights" shall mean Capacity Transmission Injection Rights and Energy Transmission Injection Rights.

Transmission Interconnection Request:

"Transmission Interconnection Request" shall mean a request by a Transmission Interconnection Project Developer pursuant to Tariff, Part VIII, Subpart B, section 403(A)(4) to interconnect or add Merchant Transmission Facilities to the Transmission System or to increase the capacity of existing Merchant Transmission Facilities interconnected with the Transmission System in the PJM Region.

Transmission Owner:

"Transmission Owner" shall mean a Member that owns or leases with rights equivalent to ownership Transmission Facilities and is a signatory to the PJM Transmission Owners Agreement. Taking transmission service shall not be sufficient to qualify a Member as a Transmission Owner.

Transmission Owner Interconnection Facilities:

"Transmission Owner Interconnection Facilities" shall mean all Interconnection Facilities that are not Project Developer Interconnection Facilities and that, after the transfer under GIA, Appendix 2, section 23.3.5 to the Transmission Owner of title to any Transmission Owner Interconnection Facilities that the Project Developer constructed, are owned, controlled, operated and maintained by the Transmission Owner on the Transmission Owner's side of the Point of Change in Ownership identified in appendices to the Generation Interconnection Agreement and if applicable, the Construction Service Agreement, including any modifications, additions or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Generating Facility with the Transmission System or interconnected distribution facilities.

Transmission Owner Upgrades:

"Transmission Owner Upgrades" shall mean Distribution Upgrades, Merchant Transmission Upgrades, Network Upgrades and Stand-Alone Network Upgrades.

Transmission Project Developer:

"Transmission Project Developer" shall mean an entity that submits a request to interconnect or add Merchant Transmission Facilities to the Transmission System or to increase the capacity of Merchant Transmission Facilities interconnected with the Transmission System in the PJM Region.

Transmission Provider:

The "Transmission Provider" shall be the Office of the Interconnection for all purposes, provided that the Transmission Owners will have the responsibility for the following specified activities:

(a) The Office of the Interconnection shall direct the operation and coordinate the maintenance of the Transmission System, except that the Transmission Owners will continue to direct the operation and maintenance of those transmission facilities that are not listed in the PJM Designated Facilities List contained in the PJM Manual on Transmission Operations;

(b) Each Transmission Owner shall physically operate and maintain all of the facilities that it owns; and

(c) When studies conducted by the Office of the Interconnection indicate that enhancements or modifications to the Transmission System are necessary, the Transmission Owners shall have the responsibility, in accordance with the applicable terms of the Tariff, Operating Agreement and/or the Consolidated Transmission Owners Agreement to construct, own, and finance the needed facilities or enhancements or modifications to facilities.

Transmission Service:

"Transmission Service" shall mean Point-To-Point Transmission Service provided under Tariff, Part II on a firm and non-firm basis, Network Integration Transmission Service under Tariff, Part III, or Interim Network Integration Transmission Service, Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service provided under Tariff, Part XI.

Transmission Service Agreement:

"Transmission Service Agreement" shall mean the agreement between Transmission Provider and Eligible Customer for Network Integration Transmission Service, Interim Network Integration Transmission Service, Firm Point-to-Point Transmission Service, Firm Contract Demand Transmission Service or Non-Firm Contract Demand Service.

Transmission System:

"Transmission System" shall mean the facilities controlled or operated by the Transmission Provider within the PJM Region that are used to provide Ttransmission Sservice under Tariff, Part II, ~~and~~ Part III, and Part XI.

Transmission Withdrawal Rights:

“Transmission Withdrawal Rights” shall mean Firm Transmission Withdrawal Rights and Non-Firm Transmission Withdrawal Rights.

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 to valid Eligible Customer for Load Requests, submitted on or after the next Business Day after the close of Decision Point II of Cycle 01.

Part VIII 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 and Eligible Customer for Load 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 Service~~s~~ Request for Long Term Firm Transmission Service, Eligible Customers must first submit a Completed Application following the procedures outlined in Tariff, Parts II and III as applicable. To initiate an Eligible Customer for Load Request, an Eligible Customer must provide to Transmission Provider the relevant Transmission Owner or Electric Distributor authorization for the Eligible Customer for Load Request to be studied in the relevant Cycle~~[~~, as well as an executed Cost Recovery Agreement with the relevant Transmission Owner~~]~~. For projects submitted by Eligible Customers, the project's priority is defined by the Cycle in which an Eligible Customer submits a Completed Application and/or an Eligible Customer for Load Request. 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 for Long Term Firm Transmission Service; and (d) effective as of the next Business Day after the close of Decision Point II of Cycle 01, Eligible Customer for Load Requests.

C. A Project Developer that proposes to (i) interconnect a Generating Facility to the Transmission System in the PJM Region, *including an Eligible Generating Facility to serve an Eligible Load* or a Generating Facility to serve a Large Load; (ii) increase the capability of a Generating Facility in the PJM Region, *including to serve an Eligible Load* or Large 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, or an Eligible Customer seeking (vi) transmission service to serve an Eligible

Load or Large Load, or (vii) increase the amount of transmission service for an Eligible Load or Large Load shall request interconnection with, or Transmission Service on, 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 Surplus Interconnection Service to serve an Eligible Load*.

D. Required Study Deposits and Readiness Deposits.

1. Study Deposits. Pursuant to Tariff, Part VIII, Subpart B, section 403, each New Service Request or Eligible Customer for Load Request must submit with its Application a Study Deposit, the amount of which will be determined based upon the MWs requested in such Application. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, t~~T~~en percent of the Study Deposit is non-refundable. Effective as of the next Business Day after the close of Decision Point II of Cycle 01, the full Study Deposit amount is non-refundable. The costs of any study under this Tariff, Part VIII conducted on a clustered basis shall be allocated among the Project Developers and Eligible Customers within the cluster as follows: 50% of the study costs will be allocated on a per capita basis and 50% of the study costs will be allocated pro rata by MW of energy or capacity of each Project Developer's Generating Facility or of the Eligible Load or Large Load associated with each Eligible Customer for Load Request, whichever is greater. Transmission Provider may apply any unused Study Deposit amounts to cover unpaid invoices for study costs. Project Developer and Eligible Customers are responsible for actual study costs, which may exceed the Study Deposit amount.

   a. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, i~~I~~f 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.

   b. For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, the Study Deposit shall consist of:

      i. a non-refundable initial deposit amount of $20,000 for Early Application Engagement, due by the Soft Close Date; and

      ii. a second non-refundable deposit amount due by the Application Deadline that shall be determined by the requested energy, capacity,

or transmission service MW, whichever is greater, of the Generating Facility, Merchant Transmission Facility, Eligible Load or Large Load, as applicable, as follows:

(a) up to and including 20 MW, $75,000;

(b) greater than 20 MW but less than or equal to 50 MW, $200,000;

(c) greater than 50 MW but less than or equal to 100 MW, $250,000;

(d) greater than 100 MW but less than or equal 250 MW, $300,000;

(e) greater than 250 MW but less than or equal to 750 MW, $350,000; and

(f) greater than 750 MW, $400,000.

2. Readiness Deposits for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01. 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 interconnection related service 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.

2A. Readiness Deposits for New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01. Readiness Deposits are funds committed by the Project Developer based upon the MW size of the project.

a. The initial Readiness Deposit, which is due by the Application Deadline and shall be based on the requested injection or withdrawal MW energy (e.g., Maximum Facility Output) or per MW capacity (e.g., Capacity Interconnection Rights), whichever is greater, as specified in the Application, shall equal $10,000 per MW. To the extent the total Readiness Deposit commitment at Decision Point II requires additional Readiness Deposit funds to be posted, that additional posting is due at the close of Decision Point II.

b. At Decision Point I, Readiness Deposit funds at risk shall equal $1,500 per MW plus 35 percent of the Project Developer's share of costs of Interconnection Reliability Reinforcements, capped at the amount of the initial Readiness Deposit.

c. At Decision Point II, ~~an additional~~the greater of 100 percent of the initial Readiness Deposit of $10,000 per MW ~~a total commitment~~or ~~of~~ 100 percent of the Project Developer's share of the costs of Interconnection Reliability Reinforcements and the cost of Project Developer's Interconnection Facilities is required and will be at risk in the form of a Readiness Deposit.

3. Study Deposits and Readiness Deposits are separate financial obligations, ~~and~~ are 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 or Eligible Customer for Load Request be applied in whole or in part to a different New Service Request or Eligible Customer for Load Request. PJM shall provide Project Developers and Eligible Customers with written notice of any additional amounts for actual costs due at the appropriate times, and shall include in such written notice the Tariff provision(s) governing the additional amounts, the calculation of the additional amounts, the method(s) by which Project Developer or Eligible Customer are to remit the additional amounts,

the deadline for such remittance, and the consequences of failure to remit the additional amounts by the stated deadline.

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. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, ~~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 prior to entering into a final interconnection related service agreement from Tariff, Part IX, 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.

G.1 For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, at any time prior to the close of Decision Point II, a Project Developer or Eligible Customer may assign its New Service Request or Eligible Customer for Load Request to another entity only if the assignee:

1. as applicable, accepts and acquires the rights to the same Point of Interconnection and Point of Change in Ownership as identified in the New Service Request or the same Delivery Point as identified in the Eligible Customer for Load Request; 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.

H~~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~~*1*. 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~~2. Engineering and Procurement Agreement.

a. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, a~~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~~3. Necessary Study Agreement.

a. A Project Developer that has entered into a ~~GIA~~ Generator Interconnection Agreement that plans to undertake modifications pursuant to that ~~GIA~~ Generator Interconnection Agreement to its Generating Facility or Merchant Transmission Facility or Project Developer Interconnection Facilities, including but not limited to a Project Developer whose planned modifications include the addition of an Eligible Load configuration, 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. Project Developer shall not implement any planned modifications to its facilities until the Necessary Studies have been completed and the amended Generation Interconnection Agreement reflecting the results of such studies is fully executed and effective.

b. Project Developer shall provide Transmission Provider with all information needed to perform the Necessary Studies, as further detailed in the PJM Manuals, including but not limited to:

i. the proposed configuration for the Eligible Load and Eligible Generating Facility, including a single-line diagram, and an identification of the Interconnection Customer Interconnection Facilities or Project Developer Interconnection Facilities, as applicable, to which the Eligible Load will interconnect.

ii all Eligible Customer information required in the application, including the type of Transmission Service the Eligible Customer will take on behalf of the Eligible Load.

iii. the amount of reduction to Capacity Interconnection Rights, if any, to facilitate the Eligible Load configuration.

iv. To the extent available, details of any necessary control technologies and protection systems needed to prevent such Load from withdrawing energy from the Transmission System in excess of energy withdrawals permitted under the Eligible Customer's Service Agreement.

c. Necessary Studies to be performed by Transmission Provider include but are not limited to thermal, short circuit, and stability studies under various seasonal and load conditions, as specified in more detail in PJM Manual 14B and its attachments. Transmission Provider shall assess the impact of the reduction in Capacity Interconnection Rights, if any, associated with the planned Eligible Load and Eligible Generating Facility, any necessary control technologies and protection systems required as part of the Eligible Load configuration, any other changed conditions identified by Project Developer or Transmission Owner associated with the Eligible Load configuration, and any other factor, element, or condition, or item it determines, consistent with Good Utility Practice and Transmission Provider's engineering judgment, is necessary to ensure the safety and reliability of the Transmission Ssystem.

d. Project Developer shall be responsible for the costs of any modifications or Network Upgrades identified by Transmission Provider, as applicable, as a result of the change to the Interconnection Service Agreement or Generation Interconnection Agreement to serve Eligible Load, including to reflect any reduction in Capacity Interconnection Rights. A Project Developer must have a fully executed and effective Interconnection Service Agreement or Generation Interconnection Agreement governing the proposed Eligible Load configuration and the entire scope of work required under that Interconnection Service Agreement or Generation Interconnection Agreement must be complete before Project Developer may begin serving Eligible Load from its Generating Facility.

3. Necessary Study Agreement.

a. A Project Developer that has entered into a Generator Interconnection Agreement that plans to undertake modifications pursuant to that Generator Interconnection Agreement to its Generating Facility or Merchant Transmission Facility or Project Developer Interconnection Facilities shall be required to enter into a Necessary Study Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G; provided, however, that planned modifications that include the addition of an Eligible Load or Large Load configuration must be studied as part of the Fast Energization process set forth in this Tariff, Part VIII. 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. Project Developer shall not implement any planned modifications to its facilities until the Necessary Studies have been completed and the amended Generation Interconnection Agreement reflecting the results of such studies is fully executed and effective.

b. Project Developer shall provide Transmission Provider with all information needed to perform the Necessary Studies, as further detailed in the PJM Manuals.

c. Necessary Studies to be performed by Transmission Provider include but are not limited to thermal, short circuit, and stability studies under various seasonal and load conditions, as specified in more detail in PJM Manual 14B and its attachments. Transmission Provider shall assess any factor, element, or condition, or item it determines, consistent with Good Utility Practice and Transmission Provider's engineering judgment, is necessary to ensure the safety and reliability of the Transmission System.

d. Project Developer shall be responsible for the costs of any modifications or Network Upgrades identified by Transmission Provider, as applicable, as a result of the change to the Interconnection Service Agreement or Generation Interconnection Agreement.

I. Application of Part VIII Terms. Interconnection Customers with Interconnection Service Agreements under Tariff, Part VI may utilize relevant provisions of this Tariff, Part VIII and shall be referenced as Project Developers (or Generation Project Developers,

specifically) and their agreements as Generation Interconnection Agreements when doing so.

Tariff, Part VIII, Subpart A, section 402
Applications for Cycle Process
Site Control

A. Site Control Evidentiary Requirements

Site Control is evidence provided by the Project Developer to Transmission Provider in relation to Project Developer's New Service Request demonstrating Project Developer's interest in, control over, and right to utilize the Site for the purpose of constructing a Generating Facility, Merchant Transmission Facilities, Interconnection Facilities, and, if applicable, the Transmission Owner's Interconnection Facilities and/or Network Upgrades at the Point of Interconnection. Specific Site Control phase requirements for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01 are set forth in the ~~following~~ Tariff, Part VIII, Subpart B, section 403, and Subpart C, sections 406 and 410. Specific Site Control phase requirements for New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01 are set forth in Tariff, Part VIII, Subpart B, section 403, and Subpart C, section 405(C)(1)(c).

1. Site Control consistent with the requirements herein is required for a project to have a valid position within a Cycle.

2. Proof of Site Control can be in the form of one of the following: (1) deed; (2) lease; (3) option to lease or purchase; or (4) as deemed acceptable by the Transmission Provider, any other contractual or legal right to possess, occupy and control the Site.

   a. Memorandums are not acceptable.

   b. Documentation solely evidencing an intent to purchase or control the Site is not acceptable.

   c. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, each Site Control document that is not a deed in the name of the Project Developer must include an attestation in the form posted on Transmission Provider's website that is executed by the Project Developer certifying that the Site Control document meets the requirements for term, conveyance, and exclusivity specified in Tariff, Part VIII, Subpart A, section 402(A)(8).

   d. Transmission Provider shall be entitled to rely on the accuracy and continuing effect of submitted Site Control documents and evidence. To the extent Transmission Provider becomes aware that Site Control documents and evidence are no longer accurate, valid, or in full force and effect, Transmission Provider may deem the New Service Request withdrawn.

e. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, Site Control for the Transmission Owner's Interconnection Facilities and/or Stand-Alone Network Upgrades on land not already owned by the relevant Transmission Owner must be in the form of a deed or option to purchase.

f. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, projects with a Point of Interconnection at an existing Transmission Owner owned substation are required only to provide Site Control for Interconnection Facilities from the project Site to the Transmission Owner controlled land for the existing substation at which the Point of Interconnection is located.

g. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, Site Control requirements for Generation Interconnection Requests vary based on the type of Generation Interconnection Request as outlined below:

i. New Plant – evidence of Site Control required for Generating Facility;

iii. Expansion – evidence of Site Control required for the additional land required to accommodate the expansion of the Generating Facility associated with the Generation Interconnection Request;

iiiv. Augmentation – no evidence of Site Control required;

iv. Energy-Only Uprate – no evidence of Site Control required;

vi. CIR-Only Uprate – no evidence of Site Control required;

he. Rights of Way are only acceptable for Project Developer Interconnection Facilities up to the Point of Interconnection.

id. Notwithstanding the foregoing, for a New Service Request submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, all or a portion of which requires the use of Sites owned or physically controlled by a state and/or federal governmental entity, and authorization for such use is subject to environmental and other state and/or federal governmental permitting requirements, including 42 U.S.C.A. § 4331 et seq. and any succeeding statutes, acceptable evidence of Site Control can be in any form the governmental entity issues. For Decision Point I and Decision Point III, Project Developers shall provide evidence that the Project Developer is taking identifiable steps acceptable to the Transmission Provider in furtherance of the issuance of such authorization by the state and/or federal governmental entity, including documentation sufficiently describing and explaining the source of and effects of such

regulatory requirements, including a description of any conditions that must be met in order to satisfy the regulatory requirements and the anticipated time by which the Project Developer expects to satisfy the regulatory requirements. For Decision Point I and Decision Point III, Project Developers shall also identify any additional property rights for the portion of the Site that is not owned or physically controlled by a state and/or federal governmental entity but which cannot be secured until the regulatory requirements have been met and authorization has been provided by the requisite state and/or federal governmental entity.

j. Notwithstanding the foregoing, for a New Service Request submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, all or a portion of which requires the use of a Site or Sites owned or physically controlled by a state, local, and/or federal Governmental Authority, and authorization for such use is subject to environmental and other state, local, and/or federal governmental permitting requirements, including 42 U.S.C.A. § 4331 et seq. and any succeeding statutes, acceptable evidence of Site Control can be in any form the Governmental Authority issues. Project Developers shall identify any additional property rights for the portion of the Site that is not owned or physically controlled by a state and/or federal Governmental Authority but which cannot be secured until the regulatory requirements have been met and authorization has been provided by the requisite state, local and/or federal Governmental Authority. Project Developers shall demonstrate Site Control for each portion of the Site owned or physically controlled by a state, local, federal, or tribal Governmental Authority by satisfying the following requirements:

   i. Identification of Required Land Authorization. The Project Developer shall identify each governmental authorization required to construct, operate, maintain, access, or physically interconnect its project on the governmental property, including: (1) the name of the authorization; (2) the Governmental Authority responsible for issuing the authorization; (3) the statutory, regulatory, or other legal authority under which the authorization is required; and (4) the property rights that would be granted by the authorization, including the authorized use, geographic area, duration, exclusivity, assignability, renewal rights, and rights of access, construction, operation, and maintenance, as applicable.

   ii. Evidence of Application or Initiation. For each required governmental land authorization, the Project Developer shall submit written confirmation that an application or request for the required authorization has been received by the Governmental Authority.

iii. Authorization Status Schedule. The Project Developer shall submit to Transmission Provider with its Application a schedule that identifies, for each required governmental land authorization:

(a) the date the application or request was submitted;

(b) the date the Governmental Authority acknowledged receipt or accepted the application for processing;

(c) each remaining action required of the Project Developer;

(d) each remaining action identified by the Governmental Authority;

(e) the anticipated date of issuance; and

(f) the date by which the authorization must be obtained to support the proposed commercial operation date.

3. Demonstration of Site Control must include verification, to PJM's satisfaction, that the total feet or acreage ("acreage") of the Site is adequate for the resource-specific technology and MWs requested for a proposed Generating Facility or Merchant Transmission Facility, as set forth in the PJM Manuals.

a. The Project Developer must submit a Geographic Information System (GIS) Site Plan map and data files acceptable to PJM demonstrating the arrangement of the resource-specific proposed facilities for the amount of MW requested.

b. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, the Site Plan must identify the Point of Interconnection; each parcel of land included within the Site (identified by tax parcel number or other applicable parcel identifier); the location of the Generating Facility or Merchant Transmission Facilities, including any other projects sharing the land; the location of the main power transformer, Interconnection Facilities, and if applicable, the land that will be utilized for Transmission Owner's Interconnection Facilities and/or Stand-Alone Network Upgrades at the Point of Interconnection.

c. Any GIS Site Plan map and data files submitted in accordance with this section must be consistent with all other modeling data submitted in connection with Project Developer's New Service Request.

d~~c~~. In the event of a disagreement between the Transmission Provider and the Project Developer over whether the total acreage of the Site is fully sufficient for the resource-specific technology and MWs requested for a proposed Generating Facility or Merchant Transmission Facility, Transmission Provider will accept a Professional Engineer (PE) stamped

Site plan drawing (licensed in the state of the facility location) that depicts the proposed generation arrangement and specifies the Maximum Facility Output for that arrangement.

i. Failure to verify to Transmission Provider's satisfaction that the total acreage of the Site is adequate for the resource-specific technology and MWs requested for a proposed Generating Facility or Merchant Transmission Facility shall result in the New Service Request being deemed terminated and withdrawn.

4. (a) For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, Site Control must be in the name of the Project Developer identified on the corresponding New Service Request. Otherwise, the Project Developer must demonstrate to PJM's satisfaction the relationship between the entity owning or controlling the Site ("landowner" or "owner") with Site Control and the Project Developer identified on the New Service Request.

(b) For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, Site Control must be in the name of the Project Developer identified in the corresponding New Service Request or in the name of an entity having a documented legal or organizational relationship with the Project Developer. If Site Control is held by another entity, the Project Developer shall provide organizational documents, public filings, corporate records, or an executed agreement demonstrating common ownership, common control, an affiliate relationship, a parent-subsidiary relationship, or a contractual relationship authorizing the Project Developer to rely upon the Site Control for the proposed project, together with a sworn affidavit attesting to the accuracy and integrity of such documents.

5. Project Developers are prohibited from submitting evidence of Site Control that utilizes the same Site for multiple New Service Requests unless the total acreage amount of such Site is adequate to support all such New Service Requests.

a. To the extent that multiple New Service Requests are submitted by a Project Developer using the same Site Control evidence and the total acreage amount of such Site is not adequate to support all such New Service Requests, all such New Service Requests shall be deemed terminated and withdrawn.

b. To the extent that a Project Developer submits a New Service Request with Site Control evidence utilizing the Site that is also the subject of Site Control in New Service Requests submitted by other Project Developer's, such Project Developer shall include with its New Service Request evidence, to Transmission Provider's satisfaction, demonstrating that the project referenced in the Project Developer's New Service Request is concurrently

feasible with the development of any other projects that will share the Site identified in the Site Control. Such proof of concurrent feasibility shall include:

i. Identification of any other New Service Requests that will share all or a portion of the Site identified in the Site Control; and

ii. Identification of the proposed location and space utilization of all projects that will share the Site, including acreage and boundaries for all projects sharing the Site identified in the Site Control; and

iii. Any related technical information required by the Transmission Provider to enable the Transmission Provider to determine that development of the project referenced in the submitted New Service Request is not inconsistent with development of any of the other New Service Requests that will share all or a portion of the same Site.

6. Multiple projects may share Project Developer Interconnection Facilities. A shared facilities agreement is required if jointly owned common Interconnection Facilities are proposed.

7. Project Developers are prohibited from submitting evidence of Site Control for the Site which is also the subject of an interconnect request submitted in an adjacent Regional Transmission Organization, Independent System Operator, or other system. To the extent that Project Developers submit evidence of Site Control for the Site which is also the subject of an interconnection request submitted in an adjacent Regional Transmission Organization, Independent System Operator, or other system, the relevant New Service Request submitted to Transmission Provider shall be deemed terminated and withdrawn.

8. Site Control must demonstrate three key elements: conveyance, term, and exclusivity:

a. Term. Term is the minimum duration required to evidence Site Control.

i. The t~~T~~erm requirements for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01 vary, and are established in the following Tariff, Part VIII rules, at various points within a Cycle. The t~~T~~erm cannot be satisfied by an agreement with an initial term shorter than the requisite required term that has extensions, including unilateral extensions, unless those extensions have been exercised and any requisite conditions fulfilled, including any payment obligations, by the Project Developer at the time evidence of Site Control is provided to the Transmission Provider.

ii. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, Project Developer shall demonstrate continuous Site Control from submission of the New Service Request through the proposed commercial operation date. The term cannot be satisfied by an agreement with an initial term shorter than the requisite required term. Term shall be deemed satisfied where the submitted Site Control documents, individually or collectively, provide the exclusive unilateral right of the Project Developer to develop, construct, operate, maintain, and decommission its Generating Facility, and the Project Developer certifies the cumulative term of all Site Control documents if all options are exercised. Where the developer's rights are exclusive and not subject to termination by the landowner without default by developer, Transmission Provider shall not require Project Developer to exercise any option or advance into any contractual term earlier than required solely to demonstrate continued Site Control.. Site Control shall not depend upon future negotiation, consent, approval, or discretionary action by the landowner or any third party and shall not be subject to expiration, revocation, or termination before the proposed commercial operation date, except at the Project Developer's sole election.

b. Exclusivity

With the exception of Tariff, Part VIII, Subpart A, section 402(A)(5)(b), exclusivity is evidenced by written acknowledgement from the landowner provided to the Transmission Provider by the Project Developer as part of the Site Control that, for the tTerm, ~~that~~ the Project Developer has exclusive use of the Site for the purpose of constructing a Generating Facility, Merchant Transmission Facilities, Interconnection Facilities and, if applicable, the Transmission Owner's Interconnection Facilities ~~and/or Network Upgrades,~~ and the landowner cannot make the Site Control identified for the Site available for purchase or lease, to any person or entity other than the Project Developer for any purpose or use that will interfere with the rights granted to Project Developer; provided, however, that where the landowner is a Transmission Owner, exclusivity may be evidenced by an easement or other form of access right acceptable to the Transmission Provider.

c. Conveyance

(i) The Site Control evidence submitted by the Project Developer must demonstrate that the subject Site is or will be conveyed to the Project Developer, e.g., through a deed or an option to purchase or lease or other form of property rights acceptable to PJM, or that the Project Developer is guaranteed a right to future conveyance at Project Developer's sole discretion, e.g., through a deed or an option to purchase or lease or other

forms of property rights acceptable to ~~PJM~~Transmission Provider, consistent with the Site Control Evidentiary Requirements provisions in Tariff, Part VIII, Subpart A, section 402(A)(2), above.

(ii) For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, the Site Control evidence must expressly authorize the Project Developer to construct, operate, maintain, and physically interconnect the specific facility identified in the New Service Request on the Site and must be consistent with the facility type, property boundaries, and uses depicted in the GIS Site Plan.

9. At each point within a Cycle where a Project Developer is required to provide Site Control, the Project Developer shall also provide Site Control certification in a form set forth in PJM Manual 14H, executed by an officer or authorized representative of Project Developer, verifying that the Site Control requirements are met.

   a. At PJM's request, Project Developer shall provide copies of landowner attestations, county recordings, or other similar documentation acceptable to PJM to validate such Site Control certifications.

Tariff, Part VIII, Subpart B, section 403
Application Rules

A. Application Submission for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

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 Eligible Load.

r. Additional Requirements for an Application for a Generation Interconnection Request for an Eligible Generating Facility that will serve an Eligible Load:

For Transmission Provider to consider an Application for a Generation Interconnection Request for an Eligible Generating Facility that will serve an Eligible Load complete, Project Developer must include at a minimum each of the following, as further described in the Application and PJM Manuals:

i. All Eligible Customer information required in the Application including the type of Transmission Service the Eligible Customer will take on behalf of the Eligible Load.

ii. Detailed information concerning the Eligible Load configuration, including the Eligible Load and Eligible Generating Facility, in the required single-line diagram for the Application.

iii. Details of any necessary control technologies and protection systems needed to prevent such Eligible Load from withdrawing energy from the Transmission System in excess of energy withdrawals permitted under the Eligible Customer's Service Agreement.

iv. If a Project Developer seeks to use a Generating Facility to serve Eligible Load but does not identify an Eligible Customer, the Project Developer's Application will be deemed incomplete and automatically withdrawn. To the extent that a Project Developer seeks to serve Eligible Load using its generating facility but not identify an Eligible Customer, then the Project Developer must terminate its generating facility's interconnection to the

Transmission System and serve the Eligible Load fully islanded from the Transmission System.

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 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, 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 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) Mmerchant 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 for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

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 for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

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 for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

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.

E. Application Submission for New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01

A Project Developer or Eligible Customer (collectively, "Applicant") that seeks to initiate a New Service Request or Eligible Customer for Load Request (including, as required by Tariff, Part XI, Subpart __, section ____, an entity required to submit a zero MW request for Non-Firm Contract Demand Transmission Service) must submit the following 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 seeking Long Term Firm ~~Point-To-Point~~ Transmission Service (a) electronically submits a Completed Application for Transmission Service following the procedures outlined in Tariff, Parts II, III, and XI as applicable; and (b) electronically submits an Application, a form of which is provided in Tariff, Part IX, Subpart A; and (iii) an Eligible Customer Applicant submitting an Eligible Customer for Load request (a) demonstrates it has submitted a load

interconnection request to the relevant Transmission Owner; and (b) electronically submits an Application, a form of which is provided in Tariff, Part IX, Subpart A.

1. Submission Window and Soft Close Date.

a. Transmission Provider shall open by posting an announcement on its website a window for submission of New Service Requests and Eligible Customer for Load Requests each year (the "Submission Window"), which will close on the Soft Close Date. Project Developers and Eligible Customers must submit their New Service Requests and Eligible Customer for Load Requests to Transmission Provider by the Soft Close Date to be eligible to submit Applications by the Application Deadline for a Cycle.

b. Submissions prior to the Soft Close Date must include, at a minimum, each of the following, as further described in the PJM Manuals.

i. All information concerning the Project Developer or Eligible Customer, including parent company information and banking and wire transfer information, required by the Application;

ii. The location of the proposed Point of Interconnection to the Transmission System or the Delivery Point on the Transmission System, as applicable, 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.

iii. Information about the project to be studied, including whether it is (a) a proposed new Generating Facility, (b) an increase in capability of an existing Generating Facility, (c) the replacement of an existing Generating Facility, (d) an Eligible Load or Large Load, (e) an increase in withdrawals by an Eligible Load or Large Load, (f) Merchant A.C. Facilities, (g) Merchant D.C. Transmission Facilities, or (h) Controllable A.C. Merchant Transmission Facilities.

iv. The type of Interconnection Service requested, whether it is (a) Energy Resource only or (b) Capacity Resource (includes Energy Resource) with Capacity Interconnection Rights, (c) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR) or (d) Incremental Delivery Rights, Incremental Auction Revenue Rights, and/or Incremental Capacity Transfer Rights, or the type of transmission service requested in an Eligible Customer for Load Request, including Network Integration Transmission Service, Interim Network Integration Transmission Service, Firm Contract

Demand Transmission Service or Non-Firm Contract Demand Service.

v. The Generating Facility location and a detailed Site plan.

vi. Required information and documentation if the Generating Facility will share Interconnection Facilities with another Facility.

vii. For a new Generating Facility, the requested Maximum Facility Output and Capacity Interconnection Rights. For an Eligible Customer for Load Request, the requested withdrawal MW amount(s). For Transmission Facilities, if Applicant elects to receive TIRs or TWRs, (a) the total project MWs to be evaluated as Firm (capacity) injection for TIR; (b) total project MWs to be evaluated as Non-firm (energy) injection for TIR; (c) total project MWs to be evaluated as Firm (capacity) withdrawal for TWR; and (d) total project MWs to be evaluated as Non-firm (energy) withdrawal for TWR.

viii. For a requested increase in generation capability of an existing Generating Facility, the existing Maximum Facility Output and Capacity Interconnection Rights, and requested increases.

ix. The fuel type for the Generating Facility; or, in the case of a multi-fuel Generating Facility, the fuel types.

x. The proposed date that the project will be in service.

xi. A non-refundable Early Application Engagement Study Deposit in the amount of $20,000 in accordance with Tariff, Part VIII, Subpart A, section 401(D)(1)(b)(i).

2. Early Application Engagement, Kickoff Calls, and Scoping Meetings

a. Upon receipt of a New Service Request or Eligible Customer for Load Request during the Submission Window, Transmission Provider shall assign a project manager to such submission. The project manager shall use commercially reasonable efforts to respond to Project Developer or Eligible Customer questions concerning its submission during the Submission Window and the Early Application Engagement period, which will close 10 Business Days prior to the Application Deadline.

b. Transmission Provider and Transmission Owners shall conduct kickoff calls with Project Developers and Eligible Customers on a rolling basis as part of the Early Application Engagement. As part of each kickoff call, Transmission Provider and the relevant Transmission Owner(s) shall confirm: (i) the modeling location of the project; (ii) the type and voltage of the Point of Interconnection or Delivery Point; (iii) whether the project

constitutes a new project or an uprate; (iv) the identity of the applicable Transmission Owner; (v) any shared Project Developer Interconnection Facilities arrangement pursuant to Tariff, Part VIII, section 402(A)(6); (vi) the applicable jurisdictional treatment; and (vii) the information necessary to develop the study case. Transmission Provider may develop and revise study cases concurrently with the conduct of the kickoff calls.

c. Scoping Meetings

i. Transmission Provider will hold a single, or several, scoping meetings for projects in each Transmission Owner zone, unless Applicants, Transmission Owner, and Transmission Provider mutually agree that a scoping meeting is not necessary.

ii. Scoping meetings may include discussion of potential Affected System needs, whereby Transmission Provider may coordinate with Affected System Operators the conduct of required studies.

3. Application Submission

a. To be considered in a Cycle, a Project Developer or Eligible Customer seeking transmission service on behalf of an Eligible Load or Large Load must submit a completed and signed Application, including the required Study Deposit and Readiness Deposit, as applicable, to Transmission Provider prior to the Cycle's Application Deadline. To be considered in a Cycle, an Eligible Customer seeking Long Term Firm Transmission Service must submit a Completed Application for such service to Transmission Provider prior to the Cycle's Application Deadline.

b. An Applicant shall submit electronically through Transmission Provider's designated system a signed Application and Studies Agreement by the Application Deadline. Transmission Provider's receipt occurs when the submission is formally sent through that system. Unless expressly stated otherwise, a deadline is 11:59 p.m. Eastern Prevailing Time and is measured in calendar days. Applications are only eligible to be submitted if a corresponding submission was made on or before the Soft Close Date in accordance with Tariff, Part VIII, Subpart B, section 403(E)(1)(a).

c. Completed New Service Requests, Completed Eligible Customer for Load Requests, and Completed Applications shall be assigned a tentative Project Identifier. Transmission Provider will review and validate New Service Requests, Eligible Customer for Load Requests, and their Project Identifiers during the Application Phase, prior to the Screening Phase of the corresponding Cycle. Only valid New Service Requests will proceed past the Application Phase.

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

i. Requirements Applicable to All Applications

(a) Provide all Applicant information required in the Application, including parent company information and banking and wire transfer information. None of Applicant, its parent company, and any other entity affiliated with the Applicant's parent company may have any invoice due to Transmission Provider that remains unpaid after the applicable payment deadline in order to submit an Application.

(b) Specify the location of the proposed Point of Interconnection to the Transmission System or the Point of Delivery on 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) Specify the project location and provide a detailed Site plan.

(d) Provide a detailed description of the equipment configuration and electrical design specifications for the Generating Facility or Load Facility. The technical information must meet the requirements of the posted PJM Dynamic Modeling Guidelines and must be pre-approved through the designated Transmission Provider tool or service, as described in the Manuals.

(e) Specify the proposed date that the Generating Facility or Load Facility associated with the Application will be in service.

(f) Provide a permit matrix identifying all permits, licenses, approvals, authorizations, clearances, assessments, and other governmental or regulatory requirements applicable to the Project, including the current status and anticipated approval date for each item, sufficient to demonstrate that the Project can achieve its proposed commercial operation date.

(g) Provide other relevant information, including whether Applicant or an affiliate has submitted a previous Application for the Generating Facility or Load Facility

Facility; and, if an increase in Generating Facility capability, information about existing PJM Service Agreements and associated Queue Position Nos. or Project Identifier Nos.

(h) Provide a nonrefundable Study Deposit as follows:

Facility Size*	Study Deposit Amount
up to 20 MW	$75,000
> 20 MW <50 MW	$200,000
> 50 MW < 100 MW	$250,000
> 100 MW < 250 MW	$300,000
> 250 MW < 750 MW	$350,000
> 750 MW	$400,000

*Based on requested energy, capacity, injection, or withdrawal MW, whichever is greater.

1. The Study Deposit is non-binding, and actual study costs may exceed the Study Deposit. Applicant is responsible for, and must pay, all actual study costs.

2. If Transmission Provider sends Applicant notification of additional study costs, then Applicant must either: (a) pay all additional study costs within 20 Business Days of Transmission Provider sending the notification of such additional study costs or (b) withdraw its New Service Request or Eligible Customer for Load Request. If Applicant fails to complete either (a) or (b), then Transmission Provider shall deem the New Service Request or Eligible Customer for Load Request to be terminated and withdrawn.

ii. Additional Requirements Applicable Only to Generation Interconnection Requests

(a) Provide information about the Generating Facility, 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.

(b) Submit required evidence of Site Control as described in Tariff, Part VIII, Subpart A, section 402 for the Generating Facility (including the location of the main step-up transformer). As specified in Tariff, Part VIII, Subpart A, section 402(A)(2)(g), Site Control requirements for

Generation Interconnection Requests vary based on the type of Generation Interconnection Request and some types of Generation Interconnection Requests do not require Site Control evidence. The Site Control documentation submitted must be pre-approved through the designated Transmission Provider tool or service, as applicable.

(c) Provide information about Qualifying Facility status under the Public Utility Regulatory Policies Act, as applicable.

(d) For a new Generating Facility, specify the requested Maximum Facility Output and Capacity Interconnection Rights

(e) For a requested increase in generation capability of an existing Generating Facility, specify the existing Maximum Facility Output and Capacity Interconnection Rights, any requested increase in Maximum Facility Output or Capacity Interconnection Rights.

(f) Specify the fuel type for the Generating Facility or, in the case of a multi-fuel Generating Facility, the fuel types.

(g) For a multi-fuel Generating Facility, provide a detailed description of the physical and electrical configuration.

(h) If the Generating Facility will include a storage component, provide detailed information about whether and how the storage device(s) will charge using energy from the Transmission System, the primary frequency response operating range for the storage device(s), the MWh stockpile, and the hour class, as applicable.

(i) Submit required information and documentation if the Generating Facility will share Project Developer Interconnection Facilities with another Generating Facility.

(j) Demonstration that Project Developer has entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections for its Generating Facility. If Project Developer or Eligible Customer does not satisfy this requirements, these requirements can be addressed through a milestone in the applicable interconnection-related service agreement entered into pursuant to Tariff, Part IX.

(j) ~~For state-level, non-jurisdictional interconnection projects, Applicant must submit evidence of a fully executed interconnection agreement with the applicable entity~~[Reserved].

(k) 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 Eligible Load.

(*l*) Additional Requirements for an Application for a Generation Interconnection Request for an Eligible Generating Facility that will serve an Eligible Load. For Transmission Provider to consider an Application for a Generation Interconnection Request for an Eligible Generating Facility that will serve an Eligible Load complete, Project Developer must include at a minimum each of the following, as further described in the Application and PJM Manuals:

1. All Eligible Customer information required in the Application including the type of Transmission Service the Eligible Customer will take on behalf of the Eligible Load.

2. Detailed information concerning the Eligible Load configuration, including the Eligible Load and Eligible Generating Facility, in the required single-line diagram for the Application.

3. Detailed information concerning the Eligible Load configuration, including the Eligible Load and Eligible Generating Facility, in the required single-line diagram for the Application.

4. Details of any necessary control technologies and protection systems needed to prevent such Eligible Load from withdrawing energy from the Transmission System in excess of energy withdrawals permitted under the Eligible Customer's Service Agreement.

5. If a Project Developer seeks to use a Generating Facility to serve Eligible Load but does not identify

an Eligible Customer, the Project Developer's Application will be deemed incomplete and automatically withdrawn. To the extent that a Project Developer seeks to serve Eligible Load using its generating facility but not identify an Eligible Customer, then the Project Developer must terminate its generating facility's interconnection to the Transmission System and serve the Eligible Load fully islanded from the Transmission System.

iii. Additional Requirements Applicable Only to Long Term Firm Transmission Service Applications

(a) Specify the locations of the Point(s) of Receipt and Point(s) of Delivery for the service.

(b) Specify the requested Service Commencement Date and term of service.

(c) Specify the transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission System.

iv. Additional Requirements Applicable Only to Merchant Transmission Interconnection Applications

(a) Specify the proposed voltage and nominal capability of new facilities or increase in capability of existing facilities.

(b) Specify the Site of the proposed facilities, and the name and description of the substation where Applicant proposes to interconnect or add its facilities; provide all Site Control evidence required by Tariff, Subpart A, section 402.

(c) Specify whether the proposed facilities will be Merchant A.C. Transmission Facilities, Merchant D.C. Transmission Facilities, or Controllable A.C. Merchant Transmission Facilities.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

v. Additional Requirements Applicable Only to Eligible Customer for Load Request Applications

(a) Demonstrate that Applicant has initiated the relevant Transmission Owner's load interconnection process and that the relevant Transmission Owner assents to Applicant entering Transmission Provider's process.

(b) Confirm that the increment of Eligible Load or Large Load on behalf of which Eligible Customer is seeking Firm or Non-Firm Contract Demand Transmission Service has not previously applied for or taken Network Integration Service or Interim Network Integration Transmission Service.

(b) Specify the MW of transmission service, including zero MW if applicable, requested at the Delivery Point on the Transmission System.

(c) Specify the requested in-service date. If the Load Facility will be placed in service incrementally, provide the MW quantity of the Load Facility expected to be in service and the MW of transmission service requested at the Delivery Point each Delivery Year until the full Eligible Load or Large Load is operational.

4. Application Review

After the close of the Application Deadline, Transmission Provider will review Applications received from Applicants for completeness and establish the validity of such submitted Applications. Transmission Provider will determine validity of applications within one week of the Application Deadline. After all Applications have been reviewed, PJM will post a listing of both approved and withdrawn applications on the PJM website. :

F. Other Requirements for New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01

1. Applicant must submit any claim for Capacity Interconnection Rights from deactivating generating units with the Application, and such claim must be received by Transmission Provider prior to the Application Deadline.

2. When an Application results in a valid New Service Request or valid Eligible Customer for Load Request, Transmission Provider shall confirm the assigned Project Identifier to the New Service Request or Eligible Customer for Load 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 or Eligible Customer for Load Request.

Tariff, Part VIII, Subpart C, section 404
Introduction

A. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, the interconnection process shall include 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 Eligible 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~~ Generation 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 Eligible 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.

8. Close of Cycle 01, Termination of Existing Cycle 02, and Commencement of the Fast Energization Process.

Transmission Provider shall complete Cycle 01 under the provisions of Tariff, Part VIII, Subpart C, section 404(B) and all other Part VIII rules specified as applicable to New Service Requests prior to the next Business Day after the close of Decision Point II of Cycle 01. On the next Business Day after the close of Decision Point II of Cycle 01, New Service Requests submitted in Cycle 02 shall be terminated and

withdrawn, without prejudice to those New Service Requests being re-submitted in the new Cycle 02 that shall be opened in the new Fast Energization process under Tariff, Part VIII, Subpart C, section 404 (B), provided however that CIR transfer requests will be carried over; deposit amounts already provided by existing Cycle 02 projects may be rolled over into the new Fast Energization process.

B. For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, the Fast Energization interconnection process shall include the Screening Phase with Decision Point I and Decision Point II, System Impact Study Phase, and Final Agreement Negotiation Phase.

1. Introduction

Transmission Provider shall evaluate Generation Interconnection Requests, Transmission Interconnection Requests, Completed Applications for Long Term Firm Transmission Service, and, effective as of the next Business Day after the close of Decision Point II of Cycle 01, Eligible Customer for Load Requests through a coordinated annual cohort Cycle process.

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 Fast Energization process, and the nature and timing of such studies. The Fast Energization process set forth in this Tariff, Part VIII includes a Screening Phase with two analytical turns and two Decision Points, and a System Impact Study Phase:

a. Screening Phase Turn I

b. Decision Point I

c. Screening Phase Turn II

d. Decision Point II

e. System Impact Study Phase

2. Annual Schedule. Transmission Provider shall maintain a Submission Window prior to the Application Deadline, commencing once each calendar year. All New Service Requests and Eligible Customer for Load Requests must be submitted during the Submission Window, on or before the Soft Close Date each year. The Soft Close Date is a non-binding soft close to the Submission Window to permit time for Early Application Engagement; it is not the Application Deadline, but New Service Requests and Eligible Customer for Load Requests not submitted by the Soft Close Date may not be submitted to the Cycle. Transmission Provider and the relevant Transmission Owner(s) shall complete rolling kickoff calls during the Early Application Engagement period and shall confirm the modeling location,

Point of Interconnection type and voltage, new project or uprate status, relevant Transmission Owner(s), shared facility arrangements, jurisdictional treatment, and information required to form the study case for the Cycle. The Application Deadline for each Cycle shall be on the 100th day after the Soft Close Date or the first Business Day thereafter if the Soft Close Date is not a Business Day. Transmission Provider shall open the Submission Window and engage in Early Application Engagement for the next Cycle following the Application Deadline for the preceding Cycle.

3. Overview of studies. Through its Fast Energization process, Transmission Provider shall evaluate combined generation and load effects in common seasonal cases and shall plan Interconnection Reliability Reinforcements for the annual cohort using the study processes described in Tariff, Part VIII, Subpart C, sections 404(A)(2), (3), and (4). Transmission Provider shall determine both contractual deliverability rights and distinct operating measures required to maintain reliability while Interconnection Reliability Reinforcements are in development, design, and construction.

4. Cost Allocation.

No allocation to an Applicant under this Part VIII determines state rate class allocation, Transmission Owner rate base treatment, or regional cost allocation.

5. 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.

Tariff, Part VIII, Subpart C, section 405
Phase I or Screening Phase

A. Phase I Rules for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01.

1. This Tariff, Part VIII, Subpart C, section 405(A) sets forth the procedures and other terms governing the Transmission Provider's administration of Phase I of the Cycle process for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01. After the Application Phase of a Cycle is completed and a group of valid New Service Requests is established therein, Phase I of a Cycle will commence. During Phase I of a Cycle, the Transmission Provider shall conduct a Phase I System Impact Study.

a. The Phase I System Impact Study is conducted on an aggregate basis within a New Services Request's Cycle, and results are provided in a single Cycle format. The Phase I System Impact Study Results will be publicly available on Transmission Provider's website; Project Developers must obtain the results from the website.

b. Start and Duration of Phase I

i. Phase I shall start on the first Business Day immediately following the end of the Application Review phase, but no earlier than 30 days following the distribution of the Phase I Base Case Data. Transmission Provider shall use Reasonable Efforts to complete Phase I within 120 calendar days from the date such phase commenced. If the 120th day does not fall on a Business Day, Phase I shall be extended to the end of the next Business Day. If Transmission Provider is unable to complete Phase I within 120 calendar days, Transmission Provider shall notify all impacted Project Developers and Eligible Customers simultaneously by posting on Transmission Provider's website a revised estimated completion date along with an explanation of the reasons why additional time is required to complete Phase I.

ii. During Phase I, and at least 30 days prior to initiating Decision Point I of the Cycle, Transmission Provider will post an estimated start date for Decision Point I in order for Project developers and Eligible Customers to prepare to meet their Decision Point I requirements.

B. Screening Phase rules for New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01.

1. This Tariff, Part VIII, Subpart C, section 405(B) sets forth the procedures and other terms governing the Transmission Provider's administration of the Screening Phase of the Cycle process for New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01. After the Application Deadline and Application Review for a Cycle is completed and a group of valid New Service Requests and Eligible Customer for Load Requests is established therein, the Screening Phase of a Cycle will commence. During the Screening Phase of a Cycle, the Transmission Provider shall conduct two accelerated turns of a system impact analysis providing planning level estimates, each followed by a Decision Point.

2. During the first turn of the Screening Phase, which shall last 45 calendar days and include a one-week preparation period, Transmission Provider and Transmission Owners will provide preliminary, desk-side estimates of the Interconnection Reliability Reinforcements costs required by the New Service Requests and Eligible Customer for Load Requests in the Cycle and the time required to construct those upgrades. The Screening Phase first turn results will be publicly available on Transmission Provider's website.

3. During the second turn of the Screening Phase, which shall last 35 calendar days, Transmission Provider and Transmission Owners will provide preliminary, desk-side estimates of the Interconnection Reliability Reinforcements costs required by the New Service Requests and Eligible Customer for Load Requests remaining in the Cycle after Decision Point I and the time required to construct those upgrades. The Screening Phase second turn results will be publicly available on Transmission Provider's website.

4. During the second turn of the Screening Phase, Transmission Provider and Transmission Owners also will provide desk side estimates of the Interconnection Facilities required for New Service Requests in the Cycle.

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

A. Requirements for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01:

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 Eligible 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 interconnection related service 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 interconnection related service 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 interconnection related service 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*~~ *Transmission Provider* 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~~final interconnection related service 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 for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01:

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.

C. Requirements at Decision Point I for New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01.

Decision Point I shall commence on the first Business Day immediately following the end of the first turn of studies in the Screening Phase and shall extend for 10 Business Days. New Service Requests and Eligible Customer for Load Requests that are studied in the first turn of the Screening Phase will enter Decision Point I. Before the close of the Decision Point I, 10 Business Days after its start, 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 or Eligible Customer for Load Request.

1. For a New Service Request to remain in the Cycle, Transmission Provider must receive from the Project Developer a written acknowledgement that the portion of its Readiness Deposit submitted with the Application representing $1,500 per MW plus 35 percent of the costs of Interconnection Reliability Reinforcements is at risk

if the Project Developer proceeds with its New Service Request past Decision Point I. If Transmission Provider does not receive such written acknowledgement, Transmission Provider shall deem the New Service Request withdrawn. Upon withdrawal, Transmission Provider shall return to Project Developer any Readiness Deposit funds net of unpaid invoices remaining.

2. At Decision Point I, Project Developer or Eligible Customer may elect to reduce the MW amount of its New Service Request or Eligible Customer for Load Request as further discussed in the PJM Manuals. No other changes, modifications, or alterations to a New Service Request or Eligible Customer for Load Request may be made at Decision Point I.

Tariff, Part VIII, Subpart C, section 407
Phase II

(This Tariff, Part VIII, Subpart C, section 407 shall apply only to New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01)

A. Phase II Rules

1. This Tariff, Part VIII, Subpart C, section 407 sets forth the procedures and other terms governing the Transmission Provider's administration of Phase II of the Cycle process. After the Decision Point I phase of a Cycle is completed and a group of valid New Service Requests is established therein, Phase II of a Cycle will commence. During Phase II of a Cycle, the Transmission Provider shall conduct the Phase II System Impact Study. Only New Service Requests meeting the requirements of Tariff, Part VIII, Subpart C, section 406, Decision Point I phase, will be included in the Phase II System Impact Study.

   a. The Phase II System Impact Study analysis will retool load flow results based on decisions made during Decision Point I, and perform short circuit and stability analyses as required.

   b. The Phase II System Impact Study will identify Affected Systems, if applicable.

      i. If an Affected System Study Agreement is required, the Transmission Provider shall notify the Project Developer or Eligible Customer prior to the end of Phase II by posting on the Transmission Provider's website of the need for Project Developer or Eligible Customer to enter into an Affected System Study Agreement.

   c. The Phase II System Impact Study Results will be publicly available on Transmission Provider's website; Project Developers and Eligible Customers must obtain the results from the website.

   d. Facilities Study. During the Phase II System Impact Study, a Facilities Study shall also be conducted pursuant to Tariff, Part VIII, Subpart C, section 404(A)(7).

   e. Start and Duration of Phase II

      i. Phase II shall start on the first Business Day immediately following the end of the Decision Point I unless the Decision Point III of the immediately preceding Cycle is still open. In no event shall Phase II of a Cycle commence before the conclusion of the Decision Point III Phase of the immediately preceding Cycle.

ii. The Transmission Provider shall use Reasonable Efforts to complete Phase II within 180 days from the date such Phase II commenced. If the 180th day does not fall on a Business Day, Phase II shall be extended to end on the next Business Day. If the Transmission Provider is unable to complete Phase II within 180 days, the Transmission Provider shall notify all impacted Project Developers simultaneously by posting on Transmission Provider's website a revised estimated completion date along with an explanation of the reasons why additional time is required to complete Phase II.

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

A. Requirements for New Service Requests Submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

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 Eligible 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~~final interconnection related service 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~~final interconnection related service 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~~final interconnection related service 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) *Transmission Provider* ~~*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~~final interconnection related service agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402and 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 for New Service Requests Submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

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.

C. Requirements at Decision Point II for New Service Requests or Eligible Customer for Load Requests Submitted on or after the next Business Day after the close of Decision Point II of Cycle 01

Decision Point II shall commence on the first Business Day immediately following the end of the second turn of studies in the Screening Phase and shall extend 20 Business Days after its start. New Service Requests and Eligible Customer for Load Requests that are studied in the second turn of the Screening Phase will enter Decision Point II. Before the close of the Decision Point II, 20 Business Days after its start, 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 or Eligible Customer for Load Request.

1. For a New Service Request or Eligible Customer for Load Request to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer each of the following, as applicable:

a. A written acknowledgement that the amounts of Readiness Deposit funds specified in Tariff, Part VIII, Subpart A, section 401(D)(2A)(c) are at risk if the Project Developer proceeds with its New Service Request past Decision Point II. If Transmission Provider does not receive such written acknowledgement, Transmission Provider shall deem the New Service Request withdrawn.

b. An additional commitment of Readiness Deposit funds equal to the positive difference between the amount of Readiness Deposit funds posted with the Application and $3,000 per MW plus 100 percent of the Project Developer's share of the costs of Interconnection Reliability Reinforcements and Project Developer's Interconnection Facilities. If Transmission Provider does not receive the required additional Readiness Deposit funds by the end of Decision ~~Period~~Point II, Transmission Provider shall deem the New Service Request withdrawn.

c. Required evidence of Site Control as described in Tariff, Part VIII, Subpart A, section 402 for the Generating Facility's Interconnection Facilities and Interconnection Switchyard, as applicable. As specified in Tariff, Part VIII, Subpart A, section 402(A)(2)(g), Site Control requirements for Generation Interconnection Requests vary based on the type of Generation Interconnection Request and some types of Generation Interconnection Requests do not require Site Control evidence. For those types of Generation Interconnection Requests for which Site Control evidence is required by section 402(a)(2)(g), Site Control evidence with respect to the Generating Facility's Interconnection Facilities or Interconnection

Switchyard, as applicable, is required at Decision Point II. The Site Control documentation submitted must be pre-approved through the designated Transmission Provider tool or service, as applicable, and Project Developer shall provide a certification, executed by an officer or authorized representative of the Project Developer, verifying that the Site Control requirement is met.

2. At Decision Point II, Project Developer may elect to exercise the Option to Build any Interconnection Facilities or Stand-Alone Network Upgrades identified in the second turn of the Screening Phase. No other changes, modifications, or alterations to a New Service Request or Eligible Customer for Load Request may be made at Decision Point II.

Tariff, Part VIII, Subpart C, section 409
Phase III or System Impact Study Phase

A. Phase III Rules for New Service Requests Submitted prior to the next Business Day after the close of Decision Point II of Cycle 01

1. This Tariff, Part VIII, Subpart C, section 409 sets forth the procedures and other terms governing the Transmission Provider's administration of Phase III of the Cycle process. After Decision Point II of a Cycle is completed and a group of valid New Service Requests is established therein, Phase III of a Cycle will commence. During Phase III of a Cycle, the Transmission Provider shall conduct a Phase III System Impact Study. Only New Service Requests meeting the requirements of Tariff, Part VIII, Subpart C, section 408, Decision Point II, will be included in the Phase III System Impact Study.

   a. The Phase III System Impact Study analysis will retool load flow, short circuit, and stability results based on decisions made in Decision Point II.

   b. The Phase III System Impact Study will include a final Affected System study, if applicable.

   c. Phase III System Impact Study results will be publicly available on Transmission Provider's website; Project Developers and Eligible Customers must obtain the results from the website.

   d. Facilities Study. During the Phase III System Impact Study, a Facilities Study shall also be conducted pursuant to Tariff, Part VIII, Subpart C, section 404(A)(7).

   e. Start and Duration of Phase III

      i. Phase III shall start on the first Business Day immediately following the end of Decision Point II unless the Final Agreement Negotiation Phase of the immediately preceding Cycle is still open. In no event shall Phase III of a Cycle commence before the conclusion of the Final Agreement Negotiation Phase of the immediately preceding Cycle.

      ii. The Transmission Provider shall use Reasonable Efforts to complete Phase III within 180 days from the date such Phase III commenced. If the 180th day does not fall on a Business Day, Phase III shall be extended to end on the next Business Day. If the Transmission Provider is unable to complete Phase III within 180 days, the Transmission Provider shall notify all impacted Project Developers or Eligible Customers simultaneously by posting on Transmission Provider's website a revised estimated completion date along with

an explanation of the reasons why additional time is required to complete Phase III.

f. Draft Agreement

Prior to the Final Agreement Negotiation Phase, Transmission Provider shall provide in electronic form a draft interconnection related agreement from Tariff, Part IX, as applicable to the Project Developer's or Eligible Customer's New Service Request, along with any applicable draft schedules, to the parties to such interconnection related agreement.

B. System Impact Study Phase Rules for New Service Requests and Eligible Customer for Load Requests Submitted on or after the next Business Day after the close of Decision Point II of Cycle 01

1. This Tariff, Part VIII, Subpart C, section 409 sets forth the procedures and other terms governing the Transmission Provider's administration of the System Impact Study Phase of the Cycle process. After Decision Point II of a Cycle is completed and a group of valid New Service Requests and Eligible Customer for Load Requests is established therein, Transmission Provider will commence the System Impact Study Phase of a Cycle and conduct a System Impact Study as described in Tariff, Part VIII, Subpart C, sections 404(A)(2), (3), and (4). Only New Service Requests and Eligible Customer for Load Requests meeting the requirements of Tariff, Part VIII, Subpart C, section 408, Decision Point II, will be included in the System Impact Study.

2. The System Impact Study results will be publicly available on Transmission Provider's website; Project Developers and Eligible Customers must obtain the results from the website.

3. Reinforcement Cost Certainty Framework. To increase the amount of certainty for Generation Interconnection Requests, Transmission Provider will attempt to cap final estimated Interconnection Reliability Reinforcement cost responsibility for Generation Project Developers at the Final Agreement Negotiation Phase to 135 percent of the estimated Interconnection Reliability Reinforcement cost amount provided to Generation Project Developers at Decision Point II. As part of this process, Transmission Provider will use, if possible, the pool of forfeited Readiness Deposits and non-refundable Study Deposits to provide the amount in excess of 135 percent of the estimated Interconnection Reliability Reinforcement amount provided to a Generation Project Developer at Decision Point II. To the extent Transmission Provider determines that achieving a 135 percent cap on a given Generation Project Developer's estimated Interconnection Reliability Reinforcement cost amount provided to Generation Project Developer at Decision Point II is not possible, Transmission Provider shall offer such Generation Project Developer the following options: (a) executing the final Part IX service agreement and paying the full estimated amount of Interconnection Reliability Reinforcement

costs for which it is responsible even though that amount exceeds 135 percent of the Generation Project Developer's estimated Interconnection Reliability Reinforcement estimate provided to Generation Project Developer at Decision Point II; or (b) withdrawing its New Service Request from the Cycle and being reimbursed 75 percent of the amount of at risk Readiness Deposits it provided during the Cycle process. In the event Transmission Provider cannot cap the cost responsibility of any Generation Project Developer in the Cycle to 135 percent of the estimated Interconnection Reliability Reinforcement cost amount provided to Generation Project Developers at Decision Point II, Transmission Provider will determine the percentage cap on final estimated Interconnection Reliability Reinforcement cost responsibility for all Generation Project Developers remaining in the Cycle at the Final Agreement Negotiation Phase that can be achieved and limit costs to that percentage amount.

4. The System Impact Study Phase will be completed 200 days after the close of Decision Point II or on the first Business Day after the 200th day if the 200th day is not a Business Day.

Tariff, Part VIII, Subpart C, section 410
Decision Point III

(This Tariff, Part VIII, Subpart C, section 410 shall apply only to New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01)

A. Decision Point III shall commence on the first Business Day immediately following the end of Phase II, and shall run concurrently with the Final Agreement Negotiation Phase. New Service Requests that are studied in Phase II will enter Decision Point III. Before the close of Decision Point III, 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.

. Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point III for a New Service Request to remain in the Cycle and proceed through the Final Agreement Negotiation Phase as set forth below:

a. Security

i. Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase III System Impact Study Results.

b. Notification in writing that Project Developer or Eligible Customer elects to proceed to a final service agreement with respect to its New Service Request

c. Project Developers must present 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 III.

(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 410(C) (New Service Request Modification Requests at Decision Point III).

ii. Interconnection Facilities (to the Point of Interconnection) Site Control evidence for an additional three-year term beginning from the last day of the relevant Cycle, Phase III.

(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. Interconnection Switchyard, if applicable, Site Control evidence for an additional three-year term beginning from the last day of the relevant Cycle, Phase III.

(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. 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, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 410(A)(1)(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 410(A)(1)(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~~final interconnection related service 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 410(A)(1)(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 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.

e. Project Developer or Eligible Customer 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. If Project Developer or Eligible Customer does not satisfy these requirements, these requirements can be addressed through a milestone in the applicable interconnection-related service agreement entered into pursuant to Tariff, Part IX.

f. For state-level, non-jurisdictional interconnection projects, evidence of a fully executed Interconnection Agreement with the applicable entity.

g. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 410(A)(1)(d)(a) through (f) 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.

B. If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 410(A)(1)(d)(a) through (f) above, then, at the close of the Decision Point III, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 410(A)(1)(d)(a) through (e) above, as follows:

1. 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 III.

2. Project Developer or Eligible Customer then has five Business Days to respond to Transmission Provider's deficiency determination.

3. 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 the Final Agreement Negotiation Phase.

   Transmission Provider's review of the above required elements may run co-extensively with the Final Agreement Negotiation Phase.

4. If the New Service Request is deemed terminated and withdrawn by the Transmission Provider, then Transmission Provider shall:

   a. remove the withdrawn New Service Request from the Cycle and terminate the New Service Request;

   b. Readiness Deposits will be treated pursuant to Tariff, Part VIII, Subpart A, section 401(D)(2)(c).

   c. At the conclusion of Transmission Provider's deficiency review for Decision Point III, 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.

5. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point III. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point III, the Transmission Provider must receive before the close of Decision Point III written notification from the Project Developer or Eligible Customer of its decision to withdraw its New Service Request. Following receipt of such written notification from the Project Developer or Eligible Customer, the Transmission Provider shall:

   a. remove the withdrawn New Service Request from the Cycle and terminate the New Service Request;

   b. Readiness Deposits will be treated pursuant to Tariff, Part VIII, Subpart A, section 401(D)(2)(c).

   c. At the conclusion of Transmission Provider's deficiency review for Decision Point III, 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.

d. Adverse Study Impact Calculation. Notwithstanding the refund provisions in Tariff, Part VIII, Subpart C, section 410(B)(4)(b) and (c), and 410(B)(5)(b), Transmission Provider shall refund to Project Developer or Eligible Customer the cumulative Readiness Deposit amounts paid by Project Developer or Eligible Customer if the Project Developer's or Eligible Customer's Network Upgrade cost from Phase II to Phase III:

i. increases overall by 35 percent or more; and

ii. increased by more than $25,000 per MW.

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

C. New Service Request Modification Requests at Decision Point III

New Service Requests may not be changed or modified in any way for any reason during Decision Point III except as permitted below. A New Service Request must be withdrawn and resubmitted in a subsequent Cycle to the extent a Project Developer or Eligible Customer wants to make any changes to such New Service Request at this point in the Cycle process.

Project Developer may specify a change to the project Site that was previously submitted in Decision Point I only if:

1. The initial Site (as defined from Decision Point I) and the proposed Site are adjacent parcels or evidence of easements between locations is provided;

2. No modification to previously submitted parcels for Interconnection Facilities or Interconnection Switchyard is permitted if such modification affects issued System Impact Studies (I, II, and III) and Facilities Studies; and

3. Such Site Control is subject to the verification procedures set forth in Tariff, Part VIII, Subpart C, section 410(A)(1)(c).

Demonstration of Site Control as to parcels submitted during Decision Point I that are no longer utilized in the Site is not required.

Tariff, Part VIII, Subpart D
FINAL AGREEMENT NEGOTIATION PHASE

Tariff, Part VIII, Subpart D, section 411
Final Agreement Negotiation Phase

A. For New Service Requests or Eligible Customer for Load Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, Transmission Provider shall use Reasonable Efforts to complete the Final Agreement Negotiation Phase within 60 days of the start of such Phase. The Final Agreement Negotiation Phase shall commence on the first Business Day immediately following the end of Phase III, and shall run concurrently with Decision Point III. New Service Requests that enter Decision Point III will also enter the Final Agreement Negotiation Phase. The purpose of the Final Agreement Phase is to negotiate, execute and enter into a final interconnection related service agreement found in Tariff, Part IX, as applicable to a New Service Request; adjust the Security obligation based on New Service Requests withdrawn during Decision Point III and/or during the Final Agreement Negotiation Phase; and conduct any remaining analyses or updated analyses based on New Service Requests withdrawn during Decision Point III. If the 60th day does not fall on a Business Day, the phase shall be extended to end on the next Business Day.

1. If a New Service Request is withdrawn during the Final Agreement Negotiation Phase, the Transmission Provider shall remove the New Service Request from the Cycle, and adjust the Security obligations of other New Service Requests based on the withdrawal.

B. Final Agreement Negotiation Phase Procedures for New Service Requests or Eligible Customer for Load Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01. The Final Agreement Negotiation Phase shall consist of the following terms and procedures:

1. Transmission Provider shall provide in electronic form a draft interconnection related agreement from Tariff, Part IX (as applicable to the Project Developer's or Eligible Customer's New Service Request), along with any applicable draft schedules, to the parties to such interconnection related agreement prior to the start of the Final Agreement Negotiation Phase.

    a. Subject to any withdrawn New Service Requests during Decision Point III that require Transmission Provider to update study results, the draft interconnection related agreement shall be prepared using the study results available from Phase III or the most-recently completed studies conducted during the Final Agreement Negotiation Phase.

        i. If a different New Service Request is withdrawn during Decision Point III after a draft agreement has been tendered to Project Developer or Eligible Customer, and that withdrawn New Service Request impacts the Project Developer's or Eligible Customer tendered draft, Transmission Provider shall use Reasonable Efforts to update and reissue the tendered draft within 15 Business Days.

2. Negotiation

Parties may use not more than 60 days following the start of the Final Agreement Negotiation Phase to conduct negotiations concerning the draft agreements. If the 60th day is not a Business Day, negotiations shall conclude on the next Business Day. Upon receipt of the draft agreements, Project Developer or Eligible Customer, and Transmission Owner, as applicable, shall have no more than 20 Business Days to return written comments on the draft agreements. Transmission Provider shall have no more than 10 Business Days to respond and, if appropriate, provide revised drafts of the agreements in electronic form. Transmission Provider, in its sole discretion, may allow more than 60 days for the Final Agreement Negotiation Phase.

3. Impasse

If the Project Developer or Eligible Customer, or Transmission Owner, as applicable, determines that final agreement negotiations are at an impasse, such party shall notify the other parties of the impasse, and such party may request Transmission Provider to file the unexecuted agreement with FERC or request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5. If Transmission Provider, in its sole discretion, determines that the negotiations are at an impasse, Transmission Provider shall notify the other parties of the impasse, and may file the unexecuted agreement with the FERC.

4. Execution and Filing

Not later than five Business Days following the end of negotiations within the Final Agreement Negotiation Phase, Transmission Provider shall provide the final interconnection related agreement, along with any applicable schedules, to the parties in electronic form.

a. Not later than 15 Business Days after receipt of the final interconnection related agreement, Project Developer or Eligible Customer shall either:

i. execute the final interconnection related service agreement in electronic form and return it to Transmission Provider electronically;

ii. request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5; or

iii. request in writing that Transmission Provider file with FERC the final interconnection related service agreement in unexecuted form

(a) The unexecuted interconnection related service agreement shall contain terms and conditions deemed appropriate by Transmission Provider for the New Service Request.

iv. and provide any required adjustments to Security.

b. If Project Developer or Eligible Customer executes the final interconnection related service agreement, then, not later than 15 Business Days after PJM sends notification to the relevant Transmission Owner, the relevant Transmission Owner shall either:

i. execute the final interconnection related agreement in electronic form and return it to Transmission Provider electronically;

ii. request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5; or

iii. request in writing that Transmission Provider file with FERC the final interconnection related serviced agreement in unexecuted form.

(a) The unexecuted interconnection related service agreement shall contain terms and conditions deemed appropriate by Transmission Provider for the New Service Request.

5. Parties may not proceed under such interconnection related service agreement until: (i) 30 days after such agreement, if executed and nonconforming, has been filed with the Commission; (ii) such agreement, if unexecuted, has been filed with and accepted by the Commission; or (iii) the earlier of 30 days after such agreement, if conforming, has been executed or has been reported in Transmission Provider's Electronic Quarterly Reports.

C. Final Agreement Negotiation Phase Procedures for New Service Requests or Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01. The Final Agreement Negotiation Phase for New Service Requests or Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01 shall consist of the following terms and procedures:

1. The Final Agreement Negotiation Phase shall run concurrently with the System Impact Study Phase. New Service Requests and Eligible Customer for Load Requests that enter the System Impact Study Phase will also enter the Final Agreement Negotiation Phase. The purpose of the Final Agreement Negotiation Phase is to negotiate, execute and enter into either a final interconnection related

service agreement found in Tariff, Part IX, as applicable to a New Service Request, or a Transmission Service Agreement ~~in the form found in Tariff, Part III or Part XI, as applicable~~, and to adjust the Security obligation for such agreement based on the results of the System Impact Study. The Readiness Deposits provided by Project Developers may be converted to Security for their final interconnection related service agreement under Tariff, Part IX.

2. Transmission Provider shall provide in electronic form either a draft interconnection related service agreement from Tariff, Part IX (as applicable to the New Service Request), along with any applicable draft schedules, or a draft Transmission Service Agreement from Tariff, Part III or Part XI (as applicable to the Eligible Customer for Load Request), along with any applicable draft schedules, to the parties to such Service Agreement at latest 60 days after the start of the System Impact Study Phase. Subject to any New Service Requests or Eligible Customer for Load Requests withdrawn during Decision Point II that require Transmission Provider to update study results, the draft agreement shall be prepared using the study results available from turn 2 of the Screening Phase or the most-recently available results of studies conducted during the System Impact Study Phase.

3. Negotiation. Upon receipt of their draft agreement(s), Project Developer or Eligible Customer shall have no more than 15 Business Days to return written comments on draft agreements. Transmission Owner, as applicable, shall have no more than 30 Business Days to return written comments on draft agreements. Transmission Provider shall have no more than 10 Business Days to respond to and, if appropriate, provide revised drafts of the agreements in electronic form. Transmission Provider, in its sole discretion, may continue negotiations with all parties up to the Soft Close Date for the succeeding cycle.

4. Impasse. If the Project Developer or Eligible Customer, or Transmission Owner, as applicable, determines that final agreement negotiations are at an impasse, such party shall notify the other parties of the impasse, and such party may request in writing dispute resolution as allowed under Tariff, Part I, section 12. Dispute resolution must be completed by the end of the System Impact Study Phase.

5. Execution and Filing

On the last day of the System Impact Study Phase and on the same day the final system impact study reports are issued, Transmission Provider shall provide the final interconnection related service agreement or Transmission Service Agreement, along with any applicable schedules, to the parties in electronic form.

a. Not later than 10 Business Days after receipt of the final interconnection related service agreement or Transmission Service Agreement, Project Developer or Eligible Customer shall either:

i. execute the final interconnection related service agreement or Transmission Service Agreement in electronic form and return it to Transmission Provider electronically;

ii. request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5; or

iii. request in writing that Transmission Provider file with FERC the final interconnection related service agreement or Transmission Service Agreement in unexecuted form and provide any required adjustments to Security for interconnection related service agreements.

(a) The unexecuted interconnection related service agreement or unexecuted Transmission Service Agreement shall contain terms and conditions deemed appropriate by Transmission Provider.

b. If Project Developer or Eligible Customer executes the final interconnection related service agreement or Transmission Service Agreement, then, not later than 10 Business Days after Transmission Provider sends notification to the relevant Transmission Owner, the relevant Transmission Owner shall either:

i. execute the final interconnection related service agreement or Transmission Service Agreement in electronic form and return it to Transmission Provider electronically;

ii. request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5; or

iii. request in writing that Transmission Provider file with FERC the final interconnection related service agreement or Transmission Service Agreement in unexecuted form.

(a) The unexecuted interconnection related service agreement or Transmission Service Agreement shall contain terms and conditions deemed appropriate by Transmission Provider.

5. If Project Developer or Eligible Customer elects to not execute a final interconnection related service agreement or Transmission Service Agreement, request in writing dispute resolution, or request in writing that Transmission Provider file with FERC the final interconnection related service agreement or Transmission Service Agreement in unexecuted form, all previously provided

Security will remain at risk and Transmission Provider may use the at risk security deposits to fund underfunded network upgrades.

6. Parties may not proceed under such interconnection related service agreement or Transmission Service Agreement(s) until: (i) 30 days after such agreement(s), if executed and nonconforming, has/have been filed with the Commission; (ii) such agreement(s), if unexecuted, has/have been filed with and accepted by the Commission; or (iii) the earlier of 30 days after such agreement(s), if conforming, has/have been executed or has been reported in Transmission Provider's Electronic Quarterly Reports.

7. The Security for any interconnection related service agreement shall be held by Transmission Provider until the Project Developer's Generating Facility or Merchant Transmission Facility achieves commercial operations. At that time, Transmission Provider and Project Developer shall enter into a Post-Operations Fee Security Agreement in the form that will be provided in Tariff, Part IX, Subpart [X] .

Tariff, Part VIII, Subpart E
MISCELLANEOUS

Tariff, Part VIII, Subpart E, section 412
Assignment of Project Identifier

A. When an Application from a Project Developer or an Eligible Customer results in a valid New Service Request or valid Eligible Customer for Load Request, in accordance with Tariff, Part VIII, Subpart B, section 403, Transmission Provider shall confirm the assigned Project Identifier to such request. ~~For Project Developers and Eligible Customers, the~~This Project Identifier will indicate the applicable Cycle, and will denote a number that represents the project within the Cycle. The Project Identifier is strictly for identification purposes, and does not indicate priority within a Cycle.

B. When an Application from an Upgrade Customer results in a valid Upgrade Request, in accordance with Tariff, Part VIII, Subpart H, section 435, Transmission Provider shall confirm the assigned Request Number to such request. The Request Number will indicate the serial position and priority.

C. When an Application from a Surplus Interconnection Service Customer results in a valid Surplus Interconnection Service Request, in accordance with Tariff, Part VIII, Subpart E, section 414, Transmission Provider shall confirm the assigned Surplus Service Request Number to such request. The Request Number will indicate the serial position and priority.

D. When an Application from a Replacement Generation Project Developer prior to the next Business Day after the close of Decision Point II of Cycle 01 results in a valid Replacement Generation Interconnection Service Request, in accordance with Tariff, Part VIII, Subpart J, section 437, Transmission Provider shall confirm the assigned Replacement Generation Request Number for such request. The Request Number will indicate the serial position and priority with respect to other Replacement Generation Interconnection Service Requests. A Replacement Generation Project Developer or Project Developer may have both an active Replacement Generation Interconnection Service Request and Request Number and an active New Service Request and Project Identifier for the same project at the same time, but in no event shall these requests result in more than one Generation Interconnection Agreement.

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 Eligible 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 Eligible 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

l. 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, *Transmission Provider~~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 Generation~~r~~ 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 without prejudice to the submission of a New Service Request for the same generation.

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*~~ *Generation* 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 Generation~~r~~ Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or Generation~~r~~ Interconnection Agreement terms of termination for a deactivated Generating Facility.

Tariff, Part VIII, Subpart E, section 416
Base Case Data

Transmission Provider shall maintain base case power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on a password-protected website, subject to the confidentiality provisions of Tariff, Part VIII, Subpart E, section 425. Such base case power flows and underlying assumptions should reasonably represent those used during the most recent Cycle. Transmission Provider may require Project Developers or Eligible Customers and password-protected website users to sign any required confidentiality agreement(s) before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all ~~(i) generation projects and (ii) transmission projects, including merchant transmission~~ Cycle projects, that are included in the then-current, approved Regional Transmission Expansion Plan.

Tariff, Part VIII, Subpart E, section 420
Responsibilities of Transmission Provider and Transmission Owners

Transmission Provider shall be responsible for the preparation of all studies required by the Tariff. Transmission Provider may contract with consultants, including the affected Transmission Owner(s), to obtain services or expertise with respect to any such study, including but not limited to (1) the need for Interconnection Facilities, ~~Network Upgrades~~Interconnection Reliability Reinforcements, and Merchant Transmission Upgrades, (2) estimates of costs and construction times required by all such studies, and (3) information regarding distribution facilities. Transmission Owner(s) shall supply such information and data reasonably required by Transmission Provider to perform its obligations under this Part VIII.

Tariff, Part VIII, Subpart E, section 421
Additional Upgrades

In the event that, in the context of the Regional Transmission Expansion Plan, it is determined that, to accommodate a New Service Request, Eligible Customer for Load Request, or Upgrade Request, it is more economical or beneficial to the Transmission System to construct upgrades in addition to the minimum necessary to accommodate the New Service Request, Eligible Customer for Load Request, or Upgrade Request, a New Service Customer shall be obligated to pay only the costs of the minimum upgrades necessary to accommodate its New Service Request, Eligible Customer for Load Request, or Upgrade Request. The remaining costs shall be borne by the Transmission Owners in accordance with Operating Agreement, Schedule 6 and, subject to FERC approval, may be included in the revenue requirements of the Transmission Owners.

Tariff, Part VIII, Subpart E, section 424
Transmission Owner Construction Obligation for Necessary Facilities and Upgrades

A. Construction Obligation

The determination of the Transmission Owners' obligations to build the necessary facilities and upgrades to accommodate New Service Requests, Eligible Customer for Load Requests, or interconnections with Affected Systems in accordance with Tariff, Part VIII, Subpart G, section 434, shall be made in the same manner as such responsibilities are determined under Operating Agreement, Schedule 6. Except to the extent otherwise provided in a Generation Interconnection Agreement or Construction Service Agreement entered into pursuant to this Part VIII, the Transmission Owners in the Zone(s) where the necessary facilities and upgrades will be located shall be designated as the appropriate entities to construct and own or finance all Transmission Owner Interconnection Facilities, ~~and~~ Network Upgrades, and Interconnection Reliability Reinforcements constructed to accommodate New Service Requests and Eligible Customer for Load Requests. Interconnection Reliability Reinforcements shall be integrated into the Regional Transmission Expansion Plan approved per Operating Agreement, Schedule 6.

B. Alternative Facilities and Upgrades

Upon completion of the studies of a New Service Request or Upgrade Request prescribed in the Tariff, the Transmission Provider shall recommend the necessary facilities and upgrades to accommodate the New Service Request or Upgrade Request, and the Transmission Owner's construction obligation to build such facilities and upgrades. The Transmission Owner(s), or the Project Developer, Eligible Customer or Upgrade Customer, may offer alternatives to the Transmission Provider's recommendation. If, based upon its review of the relative costs and benefits, the ability of the alternative(s) to accommodate the New Service Request or Upgrade Request, and the alternative's(s') impact on the reliability of the Transmission System, the Transmission Provider does not adopt such alternative(s), the Transmission Owner(s), or the Project Developer, Eligible Customer, or Upgrade Customer, may require that the alternative(s) be submitted to Dispute Resolution in accordance with Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5. The affected Project Developer, Eligible Customer, Upgrade Customer may participate in any such Dispute Resolution process.

Tariff, Part VIII, Subpart E, section 425
Confidentiality

Except as otherwise provided in this Tariff, Part VIII, Subpart E, section 425, all information provided to Transmission Provider by Project Developers, Eligible Customers, or Upgrade Customers relating to any study of a New Service Request, Eligible Customer for Load Request, or Upgrade Request, required under the Tariff shall be deemed Confidential Information under Tariff, Part VIII, Subpart E, section 425. Upon completion of each study, the study will be listed on Transmission Provider's website and, to the extent required by Commission regulations, will be made publicly available upon request. To the extent that Transmission Provider contracts with consultants or with one or more Transmission Owner(s) for services or expertise in the preparation of any of the studies required under the Tariff, the consultants and/or Transmission Owner(s) shall keep all information provided by Project Developers confidential, and shall use such information solely for the purpose of the study for which it was provided and for no other purpose.

A. Confidential Information

For purposes of this Tariff, Part VIII, Subpart E, section 425, the term "party" refers to Project Developer, Eligible Customer, Upgrade Customer, Transmission Provider, or a Transmission Owner, as applicable, and the term "parties" refers to all such entities collectively, or to any two or more of them, as the context indicates. Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the party providing the information orally informs the party receiving the information that the information is confidential. If requested by any party, the disclosing party shall provide in writing the basis for asserting that the information referred to in this section warrants confidential treatment, and the requesting party may disclose such writing to an appropriate Governmental Authority. Any party shall be responsible for the costs associated with affording confidential treatment to its information.

1. Term

During the longest of the terms of (as and to the extent applicable) an interconnection-related service agreement set forth in Tariff, Part IX or a Transmission Service Agreement set forth in Tariff, Parts III and Part XI and for a period of three years after the expiration or termination thereof, and except as otherwise provided in this Tariff, Part VIII, Subpart E, section 425, each party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by any other party.

2. Scope

Confidential Information shall not include information that the receiving party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving party; (ii) was in the lawful possession of the receiving party on a non-confidential basis before receiving it from the disclosing party; (iii)

was supplied to the receiving party without restriction by a third party, who, to the knowledge of the receiving party, after due inquiry, was under no obligation to the disclosing party to keep such information confidential; (iv) was independently developed by the receiving party without reference to Confidential Information of the disclosing party; (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving party or breach of the requirements of this Tariff, Part VIII, Subpart E, section 425; or (vi) is required, in accordance with Tariff, Part VIII, Subpart E, section 425(A)(7) below, to be disclosed to any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the Tariff or any agreement entered into pursuant thereto. Information designated as Confidential Information shall no longer be deemed confidential if the party that designated the information as confidential notifies the other parties that it no longer is confidential.

3. Release of Confidential Information

No party shall disclose Confidential Information to any other person, except to its Affiliates (limited by the Commission's Standards of Conduct requirements), subcontractors, employees, consultants or to parties who may be, or may be considering, providing financing to or equity participation in Project Developer, Eligible Customer, or Upgrade Customer, or to potential purchasers or assignees of Project Developer, Eligible Customer, or Upgrade Customer, on a need-to-know basis in connection with the interconnected-related service agreement or Transmission Service Agreement, unless such person has first been advised of the confidentiality provisions of this Tariff, Part VIII, Subpart E, section 425(A) and has agreed to comply with such provisions. Notwithstanding the foregoing, a party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Tariff, Part VIII, Subpart E, section 425(A).

4. Rights

Each party retains all rights, title, and interest in the Confidential Information that it discloses to any other party. A party's disclosure to another party of Confidential Information shall not be deemed a waiver by any party or any other person or entity of the right to protect the Confidential Information from public disclosure.

5. No Warranties

By providing Confidential Information, no party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no party obligates itself to provide any particular information or Confidential Information to any other party nor to enter into any further agreements or proceed with any other relationship or joint venture.

6. Standard of Care

Each party shall use at least the same standard of care to protect Confidential Information it receives as the party uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each party may use Confidential Information solely to fulfill its obligations to the other parties under this Tariff, Part VIII or any agreement entered into pursuant to this Tariff, Part VIII.

7. Order of Disclosure

If a Governmental Authority with the right, power, and apparent authority to do so requests or requires a party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that party shall provide the party that provided the information with prompt prior notice of such request(s) or requirement(s) so that the providing party may seek an appropriate protective order or waive compliance with the terms of this Tariff, Part VIII or any applicable agreement entered into pursuant to this Tariff, Part VIII. Notwithstanding the absence of a protective order or agreement, or waiver, the party that is subjected to the request or order may disclose such Confidential Information which, in the opinion of its counsel, the party is legally compelled to disclose. Each party shall use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8. Termination of Agreement(s)

Upon termination of any agreement entered into pursuant to this Tariff, Part VIII for any reason, each party shall, within 10 calendar days of receipt of a written request from another party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting party) or to return to the other party, without retaining copies thereof, any and all written or electronic Confidential Information received from the requesting party.

9. Disclosure to FERC or its Staff

Notwithstanding anything in this Tariff, Part VIII, Subpart E, section 425(A) to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the parties that is otherwise required to be maintained in confidence pursuant to this Tariff, Part VIII or any agreement entered into pursuant to this Tariff, Part VIII, the party receiving such request shall provide the requested information to FERC or its staff within the time provided for in the request for information.

In providing the information to FERC or its staff, the party must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other parties prior to the

release of the Confidential Information to the Commission or its staff. A party shall notify the other party(ies) to any agreement entered into pursuant to this Tariff, Part VIII when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

10. Other Disclosures

Subject to the exception in Tariff, Part VIII, Subpart E, section 425(A)(9), no party shall disclose Confidential Information of another party to any person not employed or retained by the disclosing party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing party to be required in connection with a dispute between or among the parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the party that provided such Confidential Information, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Tariff, Part VIII or any agreement entered into pursuant to this Tariff, Part VIII, or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. Prior to any disclosures of another party's Confidential Information under this Tariff, Part VIII, Subpart E, section 425(A)(10), the disclosing party shall promptly notify the other parties in writing and shall assert confidentiality and cooperate with the other parties in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

11. Information in Public Domain:

This confidentiality provision shall not apply to any information that was or is hereafter in the public domain, except as a result of a breach of this confidentiality provision.

12. Return or Destruction of Confidential Information

If a party provides any Confidential Information to another party in the course of an audit or inspection, the providing party may request the other party to return or destroy such Confidential Information after the termination of the audit period and the resolution of all matters relating to that audit. Each party shall make Reasonable Efforts to comply with any such requests for return or destruction within 10 days of receiving the request and shall certify in writing to the other party that it has complied with such request.

Tariff, Part VIII, Subpart E, section 426
Capacity Interconnection Rights

A. Purpose

Capacity Interconnection Rights shall entitle the holder to deliver the output of a Generation Capacity Resource at the bus where the Generation Capacity Resource interconnects to the Transmission System. The Transmission Provider shall plan the enhancement and expansion of the Transmission System in accordance with Operating Agreement, Schedule 6 such that the holder of Capacity Interconnection Rights can integrate its Capacity Resources in a manner comparable to that in which each Transmission Owner integrates its Capacity Resources to serve its Native Load Customers.

B. Receipt of Capacity Interconnection Rights

Generation accredited under the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region ("RAA") as a Generation Capacity Resource prior to the original effective date of Tariff, Part IV shall have Capacity Interconnection Rights commensurate with the size in megawatts of the accredited generation. When a Generation Project Developer's generation is accredited as deliverable through the applicable procedures of the Tariff, the Generation Project Developer also shall receive Capacity Interconnection Rights commensurate with the size in megawatts of the generation as identified in the Generation Interconnection Agreement. Pursuant to the applicable terms of RAA, Schedule 10, a Transmission Project Developer may combine Incremental Deliverability Rights associated with Merchant Transmission Facilities with generation capacity that is not otherwise accredited as a Generation Capacity Resource for the purposes of obtaining accreditation of such generation as a Generation Capacity Resource and associated Capacity Interconnection Rights.

C. Loss of Capacity Interconnection Rights

1. Operational Standards

To retain Capacity Interconnection Rights, the Generation Capacity Resource associated with the rights must operate or be capable of operating at the capacity level associated with the rights. Operational capability shall be established consistent with RAA, Schedule 9 and the PJM Manuals. Generation Capacity Resources that meet these operational standards shall retain their Capacity Interconnection Rights regardless of whether they are available as a Generation Capacity Resource or are making sales outside the PJM Region.

2. Failure to Meet Operational Standards

This Tariff, Part VIII, Subpart E, section 426(C)(2) shall apply only in circumstances other than Deactivation of a Generation Capacity Resource. In the event a Generation Capacity Resource fails to meet the operational standards set forth in Tariff, Part VIII, Subpart E, section 426(C)(1) for any consecutive three-

year period (with the first such period commencing on the date Generation Project Developer must demonstrate commercial operation of the generating unit(s) as specified in the Generation Interconnection Agreement), the holder of the Capacity Interconnection Rights associated with such Generation Capacity Resource will lose its Capacity Interconnection Rights in an amount commensurate with the loss of generating capability. Any period during which the Generation Capacity Resource fails to meet the standards set forth in Tariff, Part VIII, Subpart E, section 426(C)(1) as a result of an event that meets the standards of a Force Majeure event as defined in Tariff, Part I, section 1 shall be excluded from such consecutive three-year period, provided that the holder of the Capacity Interconnection Rights exercises due diligence to remedy the event. A Generation Capacity Resource that loses Capacity Interconnection Rights pursuant to this section may continue Interconnection Service, to the extent of such lost rights, as an Energy Resource in accordance with (and for the remaining term of) its Generation Interconnection Agreement and/or applicable terms of the Tariff.

3. Replacement of Generation

In the event of the Deactivation of a Generation Capacity Resource (in accordance with Tariff, Part V and any Applicable Standards), or removal of Capacity Resource status (in accordance with Tariff, Attachment DD, section 6.6 or Tariff, Attachment DD, section 6.6A), any Capacity Interconnection Rights associated with such Generating Facility shall terminate one year from the Deactivation Date, or one year from the date the Capacity Resource status change takes effect, unless the holder of such rights (including any holder that acquired the rights after Deactivation or removal of Capacity Resource status) has submitted a completed Generation Interconnection Request up to one year after the Deactivation Date, or up to one year from the date the Capacity Resource status changes take effect, which claims the same Capacity Interconnection Rights in accordance with Tariff, Part VIII, Subpart B, section 403(D) or a Replacement Generation Project Developer has submitted a completed Replacement Generation Interconnection Service Request prior to the next Business Day after the close of Decision Point II of Cycle 01 and up to one year after the Deactivation Date which claims the same Capacity Interconnection Rights in accordance with Tariff, Part VIII, Subpart J, section 437. A Generation Project Developer or Replacement Generation Project Developer must submit any claim for Capacity Interconnection Rights from deactivating units concurrently with its Application for Interconnection Service or Application for Replacement Generation Interconnection Service. A Generation Project Developer claim for Capacity Interconnection Rights from deactivating units must be received by Transmission Provider prior to the Application Deadline to be reviewed to determine acceptance in any given Cycle. Such new Generation Interconnection Request may include a request to increase Capacity Interconnection Rights in addition to the replacement of the previously deactivated amount, or amount removed from Capacity Resource status, as a single Generation Interconnection Request. A Replacement Generation Interconnection Request may not increase or request to increase Capacity Interconnection Rights in addition to

the replacement of the amount of the Capacity Interconnection Rights of the deactivating unit. Transmission Provider may perform thermal, short circuit, and/or stability studies, as necessary and in accordance with the PJM Manuals, due to any changes in the electrical characteristics of any newly proposed equipment, or where there is a change in Point of Interconnection, which may result in the loss of a portion or all of the Capacity Interconnection Rights as determined by such studies.

Upon execution of a Generation Interconnection Agreement reflecting its new Generation Interconnection Request or Replacement Generation Interconnection Service Request, the holder of the Capacity Interconnection Rights will retain only such rights that are commensurate with the size in megawatts of the replacement generation, not to exceed the amount of the holder's Capacity Interconnection Rights associated with the facility upon Deactivation or removal of Capacity Resource status. Any desired increase in Capacity Interconnection Rights must be reflected in a Generation Interconnection Request and be accredited through the applicable procedures in Tariff, Part VIII. In the event the new Generation Interconnection Request to which this section refers is, or is deemed to be, terminated and/or withdrawn for any reason at any time, the pertinent Capacity Interconnection Rights shall not terminate until the end of the one-year period from the Deactivation Date, or the end of the one year period from the date the Capacity Resource status change takes effect. In the event the Replacement Generation Interconnection Service Request to which this section refers does not meet the requirements for Replacement Generation Interconnection Service specified in Tariff, Part VIII, Subpart J, section 437(A), Transmission Provider shall notify the Replacement Generation Project Developer to that effect. If Transmission Provider provides such notice more than one year after the Deactivation Date, the Replacement Generation Project Developer shall retain the pertinent Capacity Interconnection Rights provided it submits prior to the next Business Day after the close of Decision Point II of Cycle 01 a new Generation Interconnection Request for the Generating Facility in a Cycle currently open for Applications to be submitted under Tariff, Part VIII, Subpart B, section 403(A) and complies with the applicable provisions of Tariff, Part VIII, Subpart B, section 403, including section 403(D)(1), within sixty (60) days of receiving such notice. In the event the Replacement Generation Project Developer's Replacement Generation Interconnection studies are not completed within the study timeframes provided in Tariff, Part VIII, Subpart J, section 437(C)(1) or the Replacement Generation Interconnection Service Request to which this section refers is, or is deemed to be, withdrawn from the Replacement Generation Interconnection process and an Application is submitted for that project in the Cycle Process, the Replacement Generation Project Developer or former Replacement Generation Project Developer, as applicable, shall retain the pertinent Capacity Interconnection Rights after the end of the one-year period from the Deactivation Date, for so long as it has a valid Replacement Generation Interconnection Service Request submitted prior to the next Business Day after the close of Decision Point II of Cycle 01 or New Service Request that is still being considered by Transmission Provider, and until a Generation Interconnection Agreement setting forth such Capacity

Interconnection Rights is effective. When the project is withdrawn from the Replacement Generation Interconnection process, its Replacement Generation Request Number shall be terminated.

4. Transfer of Capacity Interconnection Rights

Capacity Interconnection Rights may be sold or otherwise transferred subject to compliance with such procedures as may be established by Transmission Provider regarding such transfer and notice to Transmission Provider of any Generating Facilities that will use the Capacity Interconnection Rights after the transfer. The transfer of Capacity Interconnection Rights shall not itself extend the periods set forth in Tariff, Part VIII, Subpart E, section 426(C)(2) regarding loss of Capacity Interconnection Rights.

Tariff, Part VIII, Subpart E, section 429
Milestones

A. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, i~~I~~n order to proceed with a Generation Interconnection Agreement, within 60 days after receipt of the Phase III System Impact Study (or, if no Phase IIII System Impact Study was required, then after the results of either the Phase I or Phase II System Impact Study were provided on Transmission Provider's website):

1. Project Developer must demonstrate that it has:

   a. entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; and

   b. obtained any necessary local, county, and state site permits; and

   c. signed a memorandum of understanding for the acquisition of major equipment; and

   d. if applicable, obtained any necessary local, county, and state siting permits or other required approvals for the construction of its proposed Merchant D.C. Transmission Facilities or Merchant Controllable A.C. Transmission Facilities.

B. For New Service Requests and Eligible Customer for Load Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, in order to proceed with a final interconnection related service agreement, by the close of Decision Point II, Project Developer or Eligible Customer must update the permit matrix provided with its Application and provide updates to any other Application items that were not complete at the Application Deadline.

C. The Transmission Provider may include any additional related milestone dates beyond those included in the Generation Interconnection Agreement for the construction of the P~~p~~roject Developer's generation project or in the Transmission Service Agreement for Eligible Customers that, if not met, shall relieve the Transmission Provider and the Transmission Owner(s) from the requirement to construct the necessary facilities and upgrades.

1. If the milestone dates in the Generation Interconnection Agreement or Transmission Service Agreement are not met, such ~~Generation Interconnection A~~agreement may be deemed to be terminated and Transmission Provider may cancel such agreement with the Federal Energy Regulatory Commission, and the New Service Agreement may simultaneously be deemed to be terminated and withdrawn.

2. Such milestones may include site acquisition, permitting, regulatory certifications (if required), acquisition of any necessary third-party financial commitments, commercial operation, and similar events.

3. The Transmission Provider may reasonably extend any such milestone dates (including those required in order to proceed with an Generation Interconnection Agreement or Transmission Service Agreement) in the event of delays not caused by the Project Developer, such as unforeseen regulatory or construction delays that could not be remedied by the Project Developer through the exercise of due diligence.

4. The Generation Interconnection Agreement set forth in Tariff, Part IX, Subpart B, provides Project Developer shall also have a one-time option to extend any milestone (other than any milestone related to Site Control) for a total period of one year regardless of cause. Other milestone dates stated in the Generation Interconnection Agreement shall be deemed to be extended coextensively with Project Developer's use this provision.

5. Termination and withdrawal of a New Service Request for failure to meet a milestone shall not relieve the Project Developer from reimbursing the Transmission Provider (for the benefit of the affected Transmission Owner(s)) for the costs incurred prior to such termination and withdrawal. Applicable provisions of the Generation Interconnection Agreement set forth in Tariff, Part IX, Subpart B will continue in effect after termination to the extent necessary to provide for final billings, billing adjustments, and the determination and enforcement of liability and indemnification obligations arising from events or acts that occurred while the CSA or the applicable Generation Interconnection Agreement was in effect.

Tariff, Part VIII, Subpart E, section 431
Interconnection Studies Processing Time and Metrics

A. Phase I System Impact Studies Processing Time

1. Number of New Service Requests that had Phase I System Impact Studies completed within the six month reporting period,

2. Number of New Service Requests that had Phase I System Impact Studies completed within Transmission Provider's coordinated region during the six month reporting period that were completed more than 120 days, as determined in conformance with Tariff, Part VIII, Subpart C, section 405(A)(1)(b)(i).

3. At the end of the six month reporting period, the number of active valid New Service Requests with ongoing incomplete Phase I System Impact Studies exceeding 120 days, as determined in conformance with Tariff, Part VIII, Subpart C, section 405(A)(1)(b)(i).

4. Mean time (in days), for Phase I System Impact Studies completed within Transmission Provider's coordinated region during the six-month reporting period, from the date when Transmission Provider initiated the performance of the System Impact Studies to the date when Transmission Provider provided the completed Phase I System Impact Study to Project Developers.

5. Percentage of New Service Requests with Phase I System Impact Studies exceeding 120 days as determined in conformance with Tariff, Part VIII, Subpart C, section 405(A)(1)(b)(i) to complete this six month reporting period, calculated as the sum of section 431(A)(2)plus 431(A)(3) divided by the sum of section 431(A)(1) plus 431(A)(3).

B. Phase II System Impact Studies Processing Time

1. Number of New Service Requests that had Phase II System Impact Studies completed within Transmission Provider's coordinated region during the six-month reporting period.

2. Number of New Service Requests that had Phase II System Impact Studies completed within Transmission Provider's coordinated region during the six month reporting period that were completed more than 180 days as determined in conformance with Tariff, Part VIII, Subpart C, section 407(A)(1)(e)(i) after the date the end of Decision Point I.

3. At the end of the six month reporting period, the number of active valid New Service Requests with ongoing incomplete Phase II System Impact Studies exceeding 180 days as determined in conformance with Tariff, Part VIII, Subpart C, section 407(A)(1)(e)(i) after the end of Decision Point I.

4. Mean time (in days), for Phase II System Impact Studies completed within Transmission Provider's coordinated region during the six-month reporting period from the day after the end of Decision Point to the date when Transmission Provider provided the completed Phase II Interconnection System Impact Study to Project Developers.

5. Percentage of New Service Requests with Phase II System Impact Studies exceeding 180 days as determined in conformance with Tariff, Part VIII, Subpart C, section 407(A)(1)(e)(i), to complete this six month reporting period, calculated as the sum of section 431(B)(2) plus 431(B)(3) divided by the sum of section 431(B)(1)plus 431(B)(3)).

C. Phase III System Impact Studies Processing Time

1. Number of New Service Requests that had Phase III System Impact Studies completed within Transmission Provider's coordinated region during the six month reporting period.

2. Number of New Service Requests that had Phase III System Impact Studies completed within Transmission Provider's coordinated region during the six month reporting period that were completed more 180 days as determined in conformance with Tariff, Part VIII, Subpart C, section 409(A)(1)(e)(i) after the end of Decision Point II.

3. At the end of the six month reporting period, the number of active valid New Service Requests with ongoing incomplete Phase III System Impact Studies exceeding 180 days as determined in conformance with Tariff, Part VIII, Subpart C, section 409(A)(1)(e)(i) after the end of Decision Point II.

4. Mean time (in days), for Phase III System Impact Studies completed within Transmission Provider's coordinated region during the six month reporting period, from the day after the end of Decision Point II to the date when Transmission Provider provided the completed Phase III Interconnection System Impact Study to the Project Developers.

5. Percentage of New Service Requests with Phase III System Impact Studies exceeding the sum of 180 days as determined in conformance with Tariff, Part VIII, Subpart C, section 409(A)(1)(e)(i) to complete this six month reporting period, calculated as the sum of section 431(C)(2) plus 431(C)(3) divided by the sum of section 431(C)(1) plus 431(C)(3)).

C.1 Fast Energization Studies Processing Time

1. Number of New Service Requests and Eligible Customer for Load Requests for which Transmission Provider completed Fast Energization Cycle studies during the preceding Cycle.

2. Number of New Service Requests and Eligible Customer for Load Requests in the current Cycle for which Transmission Provider has completed the Screening Phase studies during the preceding 12 months.

3. Number of New Service Requests and Eligible Customer for Load Requests in the current Cycle for which Transmission Provider has completed the System Impact Study Phase studies during the preceding 12 months.

4. Number of New Service Requests and Eligible Customer for Load Requests in the current Cycle, if any, for which Transmission Provider has not completed the Screening Phase studies within 200 days of the close of Decision Point II.

D. Withdrawn New Service Requests and Eligible Customer for Load Requests

1. Number of New Service Requests withdrawn from Transmission Provider's interconnection queue during the six month reporting period.

1.1 Number of New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months.

2. Number of New Service Requests withdrawn from Transmission Provider's interconnection queue during the six month reporting period before the start of Planning Phase I.

2.1 Number of New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months at or before the close of Decision Point I.

3. Number of New Service Requests withdrawn from Transmission Provider's interconnection queue during the six month reporting period from start of Phase I, to at or before the end of Decision Point I.

3.1 Number of New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months at or before the close of Decision Point II.

4. Number of New Service Requests withdrawn from Transmission Provider's interconnection queue during the six month reporting period after the end of Decision Point to at or before the end of Decision Point II.

4.1 Number of New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months at or before the end of the System Impact Study Phase.

5. Number of New Service Requests withdrawn from Transmission Provider's interconnection queue during the six month reporting period after the end of Decision Point II to before execution of an interconnection-related service

agreement or transmission service agreement, or Project Developer or Eligible Customer requests the filing of an unexecuted, new interconnection agreement.

5.1 Number of New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months after the end of the System Impact Study Phase to before execution of an interconnection-related service agreement or Transmission Service Agreement, or Project Developer or Eligible Customer requests the filing of an unexecuted, new interconnection-related service agreement or Transmission Service Agreement.

6. Number of New Service Requests withdrawn from Transmission Provider's interconnection queue after execution of an interconnection-related service agreement or transmission service agreement, or Project Developer or Eligible Customer requests the filing of an unexecuted, new interconnection agreement.

6.1 Number of New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months after execution of an interconnection-related service agreement or Transmission Service Agreement, or Project Developer or Eligible Customer requests the filing of an unexecuted, new interconnection-related service agreement or Transmission Service Agreement.

7. Mean time (in days), for all withdrawn New Service Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the Cycle.

7.1 Mean time (in days), for all New Service Requests and Eligible Customer for Load Requests withdrawn from Transmission Provider's Part VIII process during the previous 12 months from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the Cycle.

E. Posting Requirements

Transmission Provider is required to post on its website the measures in Tariff, Part VIII, Subpart E, sections 431(A) through 431(D) for each six-month reporting period within 30 days of the end of the reporting period; however, if the 30th does not fall on a Business Day, this time period shall conclude on the next Business Day. Transmission Provider will keep the measures posted on its website for three calendar years with the first required reporting year to be 2020.

F. Additional Compliance Requirements

In the event that any of the values calculated in Tariff, Part VIII, Subpart E, section 431(A)(5); Tariff, Part VIII, Subpart E, section 431(B)(5); or Tariff, Part VIII, Subpart E, section 431(C)(5) exceeds 25 percent for two consecutive reporting periods, Transmission Provider will have to comply with the measures below for the next two six-month reporting periods and must continue reporting this information until Transmission Provider reports two consecutive six-month reporting periods without the values calculated in Tariff, Part

VIII, Subpart E, section 431(A)(5); Tariff, Part VIII, Subpart E, section 431(B)(5); or Tariff, Part VIII, Subpart E, section 431(C)(5) exceeding 25 percent for two consecutive six-month reporting periods:

1. Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an New Service Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the reporting period.

2. Transmission Provider shall aggregate the total number of employee hours and third party consultant hours expended towards interconnection studies within its coordinated region that reporting period and post on its website. This information is to be posted within 30 days of the end of the reporting period.

G. Change to Only Fast Energization Reporting and Posting. After the first two Cycles under the Fast Energization Process under this Tariff, Part VIII have been completed, the reporting and posting obligations under this Tariff, Part VIII, Subpart E, section 431, other than the reporting and associated posting required by Tariff, Part VIII, Subpart E, sections 431(D)(1.1), 431(D)(2.1), 431(D)(3.1), 431(D)(4.1), 431(D)(5.1), 431(D)(6.1), and 431(D)(7.1), shall cease.

Tariff, Part VIII, Subpart E, section 432
Transmission Provider Website Postings

A. Transmission Provider shall maintain, on Transmission Provider's website, with regard to Project Developers, Eligible Customers and Upgrade Customers, the following:

1. the Project Identifier;

2. the proposed or incremental Maximum Facility Output and Capacity Interconnection Rights;

3. the location of the project by state;

4. the station or transmission line or lines where the interconnection will be made;

5. the project's projected in-service date;

6. the project's status;

7. the type of service requested;

8. the availability of any related studies;

9. the type of project to be constructed.

B. Transmission Provider shall maintain, on Transmission Provider's website, with regard to Replacement Generation Project Developers the following:

1. the Replacement Generation Request Number;

2. the Application date of the Replacement Generation Interconnection Service Request;

3. the proposed Replacement Generation Resource's Maximum Facility Output and Capacity Interconnection Rights;

4. the location of the proposed Replacement Generation Resource by state and by Transmission Owner Zone;

5. the substation where the proposed Replacement Generation Resource will be interconnected;

6. the deactivating Generating Facility from which Capacity Interconnection Rights are being claimed;

7. The anticipated Deactivation Date of the deactivating Generating Facility;

8. the proposed Replacement Generation Resource's projected in-service date;

9. the proposed Replacement Generation Resource's status;

10. the fuel type of proposed Replacement Generation Resource to be constructed; and

11. the availability of any related studies.

B. Transmission Provider shall maintain, on Transmission Provider's website, with regard to Eligible Customer for Load Requests, the following:

1. the Project Identifier;

2. the Application date of the Eligible Customer for Load Request;

3. the requested withdrawal MW;

4. the location of the requested Delivery Point and Load Facility by state and by Transmission Owner Zone;

5. the Transmission Service requested and the requested service commencement date; and

6. the availability of any related studies.

Tariff, Part VIII, Subpart F
WHOLESALE MARKET PARTICIPATION AGREEMENT/NON-JURISDICTIONAL AGREEMENTS

Tariff, Part VIII, Subpart F, section 433
Wholesale Market Participation Agreement/Non-Jurisdictional Agreements

A. In some instances, Generation Project Developer may physically connect its Generating Facility to distribution or sub-transmission facilities in order to access the electrical Point of Interconnection on the Transmission System (the "POI"), for the purpose of engaging in FERC-jurisdictional Wholesale Transactions. In those instances, Generation Project Developer must enter into both a (1) non-jurisdictional interconnection agreement with the owner or operator of the distribution or sub-transmission facilities, which governs the physical connection of the Generating Facility to those facilities; and (2) a three-party Wholesale Market Participation Agreement ("WMPA") with PJM and the affected Transmission Owner in order to effectuate Wholesale Transactions in PJM's markets.

B. Generation Project Developer shall follow the Application Rules of Tariff, Part VIII, Subpart C, section 403 that apply to a Generating Facility, and shall complete the Application and Studies Agreement set forth in Tariff, Part IX, Subpart A (the "Application"). In the Application, Generation Project Developer shall indicate its intent to physically connect its Generating Facility to distribution or sub-transmission facilities that currently are not subject to FERC jurisdiction, for the purpose of injecting energy at the Point of Interconnection and engaging in FERC-jurisdictional Wholesale Transactions.

C. Generation Project Developer shall provide with the Application a copy of the executed interconnection agreement that governs the physical connection of the Generating Facility to the distribution or sub-transmission facilities, if the interconnection agreement is available. If the interconnection agreement is not yet available, Generation Project Developer shall provide with the Application all available documentation demonstrating that Generation Project Developer has requested or applied for interconnection through the relevant non-jurisdictional process, and Generation Project Developer shall provide a status report.

D. For New Service Requests prior to the next Business Day after the close of Decision Point II of Cycle 01, i~~I~~n order to proceed to the execution of a WMPA, Generation Project Developer must demonstrate that it has executed the non-jurisdictional interconnection agreement by no later than Decision Point III in the applicable Cycle.

Tariff, Part VIII, Subpart G
AFFECTED SYSTEM RULES

Tariff, Part VIII, Subpart G, section 434
Affected System Rules

A. New Service Request Affected System Rules Where Affected System is an Electric System other than Transmission Provider's Transmission System for New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01.

1. The Transmission Provider will coordinate with Affected System Operators the conduct of any studies required to determine the impact of a New Service Request on any Affected System and will include those results in the Phase II System Impact Study, if available from the Affected System.

   a. The Transmission Provider will invite such Affected System Operators to participate in meetings held with the Project Developer as necessary, as determined by the Transmission Provider.

   b. The Project Developer or Eligible Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies by Affected System Operators and the determination of modifications to Affected Systems needed to accommodate the New Service Request.

   c. Transmission Provider shall contact any potential Affected System Operators and provide or otherwise coordinate information regarding each relevant New Service Request as required for the Affected System Operator's studies of the effects of such request.

   d. If an affected system study agreement is required by the Affected System Operator, in order to remain in the relevant Cycle, Project Developer or Eligible Customer shall enter into an affected system study agreement with the Affected System Operator the later of: (i) the conclusion of Decision Point II of the relevant Cycle, or (ii) 60 days of Transmission Provider sending notification to Project Developer or Eligible Customer of the need to enter into such Affected System Study Agreement. If Project Developer or Eligible Customer fails to comply with these requirements, its New Service Request at issue shall be deemed terminated and withdrawn.

   e. Affected System Study results will be provided by Phase II of the relevant Cycle, if available. To the extent Affected System results are included in the Phase II System Impact Study, the Project Developer shall be provided the opportunity to review such study results consistent with Tariff, Part VIII, Subpart C, section 407(A)(1)(c), as applicable

   f.

      i. The Project Developer or Eligible Customer shall be responsible for the costs of any identified facilities commensurate with the Affected System Operator's tariff's allocation of responsibility for such costs

to such Project Developer or Eligible Customer if their project request has been initiated pursuant to such Affected System Operator's tariff.

ii. Neither the Transmission Provider, the relevant Transmission Owner(s) associated with such New Service Request, nor the Affected System Operator shall be responsible for making arrangements for any necessary engineering, permitting, and/or construction of transmission or distribution facilities on any Affected System or for obtaining any regulatory approval for such facilities.

(a) The Transmission Provider and the relevant Transmission Owner(s) will undertake Reasonable Efforts to assist the Project Developer or Eligible Customer in obtaining such arrangements, including, without limitation, providing any information or data required by such other Affected System Operator pursuant to Good Utility Practice.

2. In no event shall the need for upgrades to an Affected System delay Initial Operation of a Project Developer's Generating Facility or Merchant Transmission Facility. Notwithstanding the start of Initial Operation, Transmission Provider reserves the right to limit Generating Facility injections in the event of potential Affected System impacts, in accordance with Good Utility Practice. Total injections may be limited pending coordination and completion of any necessary deliverability studies by the Affect System Operator.

B. Affected System Rules Where Transmission Provider's Transmission System is the Affected System

1. An Affected System Customer responsible for an Affected System Facility that requires Network Upgrades to Transmission Provider's Transmission System must contact Transmission Provider as set forth in the PJM Manuals. Upon contact by the Affected System Customer, Transmission Provider will provide Affected System Customer with an Affected System Customer Facilities Study Application and Agreement (a form of which is found in Tariff, Part IX). The Affected System Customer must electronically sign Affected System Customer Facilities Study Application and Agreement, and concurrently provide the required Study Deposit, by wire transfer, of $100,000.

a. Affected System Customer shall include the project identification or reference number assigned to the Affected System Facility by the Affected System Operator and attach the relevant Affected System Operator Study that identified the need for such Facilities Study Agreement.

i. Transmission Provider shall assign to Affected System Customer's project the same project identification or reference number used by the Affected System Operator.

b. Transmission Provider shall not start the review of the Affected System Customer Facilities Study Application and Agreement until such agreement is complete and the required Study Deposit is received by the Transmission Provider.

c. The Study Deposit is non-binding, and actual study costs may exceed the Study Deposit.

i. Affected System Customer is responsible for, and must pay, all actual study costs.

ii. If Transmission Provider sends Affected System Customer notification of additional study costs, then Affected System Customer 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 Affected System Customer Facilities Study Application and Agreement. If Affected System Customer fails to complete either (i) or (ii), then Transmission Provider shall deem the Affected System Customer Facilities Study Application and Agreement to be terminated and withdrawn.

2. Transmission Provider shall cooperate with the Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Transmission Provider's Transmission System.

3. Upon receipt of the Affected System Customer Facility Study report, Transmission Provider and the Affected System Customer shall enter into a stand-alone Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement (forms of which are found in Tariff, Part IX) for the construction of the upgrades with each Transmission Owner responsible for constructing such upgrades if a Construction Service Agreement is required, or for each set of Common Use Upgrades on the system of such Transmission Owner if a Network Upgrade Cost Responsibility Agreement is required. Transmission Provider shall provide in electronic form a draft stand-alone Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement in electronic form.

a. For purposes of applying the stand-alone Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement (forms of which are found in Tariff, Part IX) to the construction of such upgrades, the developer

of the Affected System Facility shall be deemed to be a Project Developer pursuant to Tariff, Part VIII.

b. Such stand-alone Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement (forms of which are found in Tariff, Part IX) shall be negotiated and executed within 60 days of the Transmission Provider's issuance of a draft version thereof. If the 60th day does not fall on a Business Day, the phase shall be extended to end on the next Business Day. The 60 days shall run concurrently with the relevant Cycle process.

   i. Security is required within 30 days of the Transmission Provider's issuance of the draft stand-alone Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement (forms of which are found in Tariff, Part IX). The Security obligation may be adjusted based on additional factors, including, but not limited to, ~~New Service Requests or Upgrade Requests~~ projects being withdrawn in the relevant Cycle. If the 30th day does not fall on a Business Day, the phase shall be extended to end on the next Business Day.

   ii. Parties may use not more than 60 days to conduct negotiations concerning the draft Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement. Upon receipt of the draft agreement(s), Affected System Customer and Transmission Owner(s), as applicable, shall have no more than 20 Business Days to return written comments on the draft agreement(s). Transmission Provider shall have no more than 10 Business Days to respond and, if appropriate, provide revised draft(s) of the agreement(s) in electronic form. Transmission Provider, in its sole discretion, may allow more than 60 days for the Final Agreement Negotiation Phase.

c. If the Affected System Customer or Transmission Owner, as applicable, determines that final agreement negotiations are at an impasse, such party shall notify the other parties of the impasse, and such party may request Transmission Provider to file the unexecuted Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement with FERC or request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5. If Transmission Provider, in its sole discretion, determines that the negotiations are at an impasse, Transmission Provider shall notify the other parties of the impasse, and may file the unexecuted Construction Service Agreement with the FERC.

d. Not later than 15 Business Days after receipt of the final Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement, Project Developer or Affected System Customer shall either:

i. execute the final Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement in electronic form and return it to Transmission Provider electronically;

ii. request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5; or

iii. request in writing that Transmission Provider file with FERC the final Construction Service Agreement or Network Upgrade Cost Responsibility Agreement unexecuted, with the unexecuted Construction Service Agreement or Network Upgrade Cost Responsibility Agreement containing terms and conditions deemed appropriate by Transmission Provider, and provide any required adjustments to Security.

e. If Affected System Customer executes the final interconnection related service agreement, then, not later than 15 Business Days after PJM sends notification to the relevant Transmission Owner, the relevant Transmission Owner shall either:

i. execute the final Construction Service Agreement in electronic form and return it to Transmission Provider electronically;

ii. request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5; or

iii. request in writing that Transmission Provider file with FERC the final Construction Service Agreement unexecuted, with the unexecuted Construction Service Agreement containing terms and conditions deemed appropriate by Transmission Provider, and provide any required adjustments to Security.

f. Parties may not proceed under such Construction Service Agreement or a Network Upgrade Cost Responsibility Agreement until: (i) 30 days after such agreement, if executed and nonconforming, has been filed with the Commission; (ii) such agreement, if unexecuted, has been filed with and accepted by the Commission; or (iii) the earlier of 30 days after such

agreement, if conforming, has been executed or has been reported in Transmission Provider's Electronic Quarterly Reports.

C. Affected System Rules Where Affected System is an Electric System other than Transmission Provider's Transmission System for New Service Requests and Eligible Customer for Load Requests Submitted on or after the next Business Day after the close of Decision Point II of Cycle 01.

1. The Transmission Provider will coordinate with Affected System Operators the conduct of any studies required to determine the impact of a New Service Request or Eligible Customer for Load Request on any Affected System and will include those results in the System Impact Study, if available from the Affected System.

a. The Transmission Provider will invite such Affected System Operators to participate in meetings held with the Project Developer or Eligible Customer as necessary, as determined by the Transmission Provider.

b. The Project Developer or Eligible Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies by Affected System Operators and the determination of modifications to Affected Systems needed to accommodate the New Service Request or Eligible Customer Load Interconnection Request.

c. Transmission Provider shall contact any potential Affected System Operators and provide or otherwise coordinate information regarding each relevant New Service Request or Eligible Customer for Load Request as required for the Affected System Operator's studies of the effects of such request.

d. If an affected system study agreement is required by the Affected System Operator, in order to remain in the relevant Cycle, Project Developer or Eligible Customer shall enter into an affected system study agreement with the Affected System Operator the later of: (i) the conclusion of Decision Point II of the relevant Cycle, or (ii) 90 days of Transmission Provider sending notification to Project Developer or Eligible Customer of the need to enter into such Affected System Study Agreement. If Project Developer or Eligible Customer fails to comply with these requirements, its New Service Request or Eligible Customer for Load Request at issue shall be deemed terminated and withdrawn.

e. Affected System Study results will be provided in the System Impact Study of the relevant Cycle, if available. To the extent Affected System results are included in the System Impact Study, Project Developer shall be provided the opportunity to review such study results consistent with Tariff, Part VIII, Subpart C, section 409(B)(2), as applicable

f.

i. Project Developer or Eligible Customer shall be responsible for the costs of any identified facilities commensurate with the Affected System Operator's tariff's allocation of responsibility for such costs to such Project Developer or Eligible Customer if their project request has been initiated pursuant to such Affected System Operator's tariff.

ii. Neither Transmission Provider, the relevant Transmission Owner(s) associated with such New Service Request or Eligible Customer for Load Request, nor the Affected System Operator shall be responsible for making arrangements for any necessary engineering, permitting, and/or construction of transmission or distribution facilities on any Affected System or for obtaining any regulatory approval for such facilities.

(a) Transmission Provider and the relevant Transmission Owner(s) will undertake Reasonable Efforts to assist the Project Developer or Eligible Customer in obtaining such arrangements, including, without limitation, providing any information or data required by such other Affected System Operator pursuant to Good Utility Practice.

2. In no event shall the need for upgrades to an Affected System delay Initial Operation of a Project Developer's Generating Facility or Merchant Transmission Facility. Notwithstanding the start of Initial Operation, Transmission Provider reserves the right to limit Generating Facility injections in the event of potential Affected System impacts, in accordance with Good Utility Practice. Total injections may be limited pending coordination and completion of any necessary deliverability studies by the Affected System Operator.

Tariff, Part VIII, Subpart H
UPGRADE REQUESTS

Tariff, Part VIII, Subpart J, section 437
Replacement Generation Interconnection Service

A. Replacement Generation Interconnection Service Request

Replacement Generation Interconnection Service Requests may be made prior to the next Business Day after the close of Decision Point II of Cycle 01 by an existing Project Developer whose Generating Facility is already interconnected and is being or has been deactivated, or one of its affiliates, or by an unaffiliated Replacement Generation Project Developer, provided that:

1. The deactivating Generating Facility (a) has Capacity Interconnection Rights, (b) has provided written notice to Transmission Provider of the proposed Deactivation under Part V, section 113.1 or a Notice of Intent to Deactivate under this section in the form found on Transmission Provider's website, and (c) has submitted a Notice of Intent to Transfer Capacity Interconnection Rights in the form found on Transmission Provider's website. To claim the Capacity Interconnection Rights under Tariff, Subpart E, section 426, the Replacement Generation Project Developer must include with its Replacement Generation Interconnection Service Request the notices under subsections (b) and (c) above to the extent those notices have not already been submitted to Transmission Provider as required.

2. The Replacement Generation Resource may be of any fuel type, including stand alone battery storage devices, so long as the Replacement Generation Project Developer claims Capacity Interconnection Rights from a deactivating Generating Facility and requests for the Replacement Generation Resource to be a Generation Capacity Resource.

3. The Replacement Generation Interconnection Service Request must be submitted prior to the expiration of the pertinent Capacity Interconnection Rights one year after the Deactivation Date.

4. The Replacement Generation Resource must interconnect to the PJM Transmission System at the same substation (the electrical bus to which the Replacement Generation Resource is connecting must be the same bus or an electrically equivalent bus) and at the same voltage as the deactivating Generating Facility.

5. The Replacement Generation Interconnection Service Request must be for Capacity Interconnection Rights and Maximum Facility Output that are less than or equal to the deactivating Generating Facility's Capacity Interconnection Rights and Maximum Facility Output.

6. The Replacement Generation Interconnection Service Request planned in-service date (as stated in the Replacement Generation Interconnection Study Agreement) can be no later than three (3) years from the Deactivation Date for the deactivating Generating Facility specified in the written notice to Transmission Provider of the proposed Deactivation under Tariff, Part V, section 113.1 , if applicable, or four (4)

years from the date on which the Replacement Generation Project Developer submits its Replacement Generation Interconnection Service Request.

a. The planned in-service date will be used to develop the draft Generation Interconnection Agreement milestone dates described in section 437(C)(1)(f).

b. Notwithstanding the planned in-service date requirement of this subsection 437(A)(6) the Replacement Generation Resource may not be placed in service prior to the actual Deactivation Date of the deactivating Generating Facility.

c. In no event shall the milestone dates exceed three (3) years beyond the planned in-service date.

d. Nothing in this section, or in the Tariff, prohibits a Replacement Generation Project Developer from seeking a waiver from the Commission or from the Transmission Provider supporting such request at its discretion.

B. Applications for Replacement Generation Interconnection Service

1. Applications for Replacement Generation Interconnection Service must be submitted prior to the next Business Day after the close of Decision Point II of Cycle 01 and must include a complete and executed Replacement Generation Interconnection Study Agreement, in the form located at Tariff, Part IX, Subpart N.

2. Applications for Replacement Generation Interconnection Service must include the evidence of Site Control that is required of New Service Requests at Decision Point III under Tariff, Subpart C, section 410(A)(1)(c), except that the ability to change the required Site Control evidence to a condition precedent in the final interconnection-related agreement in Tariff, Part VIII, Subpart C, section 410(A)(1)(c)(iv) shall not apply.

3. Applications for Replacement Generation Interconnection Service must include the evidence that the Replacement Generation Project Developer has: (a) any necessary fuel delivery agreement(s) and water agreement(s), and (b) any necessary rights-of-way for fuel and water interconnections, that is required of New Service Requests at Decision Point III under Tariff, Subpart C, section 410(A)(1)(e).

4. To be considered complete at the time of submission, an Application for Replacement Generation Interconnection Service must include, at a minimum, each of the following:

a. Information concerning the Replacement Generation Project Developer, including the name, address, telephone number, and e-mail address of

Replacement Generation Project Developer; an Internal Revenue Service Form W-9 or comparable state-issued document for Replacement Generation Project Developer; documentation proving the existence of a legally binding relationship between Replacement Generation Project Developer and any entity with a vested interest in this Agreement and associated project (e.g., a parent company, a subsidiary, or financing company acting as agent for Replacement Generation Project Developer); and Replacement Generation Project Developer's banking information, or the banking information of any entity with a legally binding relationship to Replacement Generation Project Developer that wishes to make payments and receive refunds on behalf of Replacement Generation Project Developer, in association with this Agreement and corresponding project:

b. Specification of the location of the proposed Replacement Generation Resource's Site or the existing deactivating Generating Facility's Site (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);

c. The megawatt size of the proposed Replacement Generation Resource;

d. Identification of the fuel type of the proposed Replacement Generation Resource;

e. A description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the proposed Replacement Generation Resource is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator;

f. The planned in-service date of the proposed Replacement Generation Resource, evidenced by (i) a critical path construction schedule ("Project Schedule") showing how the Replacement Generation Project Developer will achieve the planned in service date, (ii) an attestation executed by an officer or authorized representative of the Replacement Generation Project Developer, verifying the accuracy of the information in the Project Schedule, including all dates, and certifying that the Applicant will exercise commercially reasonable best efforts to achieve these dates, and (iii) information and documentation supporting the Project Schedule. An Application for Replacement Generation Interconnection Service that does not include the required attestation shall not be considered complete and shall be rejected;

g. A copy of either the written notice to Transmission Provider of the proposed Deactivation under Part V, section 113.1 or the Notice of Intent to

Deactivate under this section 437, and a copy of the Notice of Intent to Transfer Capacity Interconnection Rights.

h. Identification of the specific deactivating Generating Facility already interconnected to the PJM Transmission System, including whether the Replacement Generation Project Developer requesting Replacement Generation Interconnection Service is the owner or affiliate of the owner of the deactivating Generating Facility;

i. Any additional information as may be prescribed by the Transmission Provider in the PJM Manuals;

j. A deposit in the amount of $60,000. Replacement Generation Project Developer is responsible for actual study costs, which may exceed the deposit amount. If Transmission Provider sends Replacement Generation Project Developer notification of additional study costs, then Replacement Generation Project Developer must either: (i) pay all additional study costs within 20 days of Transmission Provider sending the notification of such additional study costs or (ii) withdraw its Replacement Generation Interconnection Service Request. If Replacement Generation Project Developer fails to complete either (i) or (ii), then Transmission Provider shall deem the Replacement Generation Interconnection Service Request to be terminated and withdrawn. If any deposit monies remain after the Replacement Generation Interconnection Study is complete and any outstanding monies owed by the Replacement Generation Project Developer in connection with outstanding invoices related to prior New Service Requests, Surplus Interconnection Requests, and/or Replacement Generation Interconnection Service Requests by the Replacement Generation Project Developer have been paid, such remaining deposit monies shall be returned to the Replacement Generation Project Developer; and

k. If the proposed Replacement Generation Resource is an Energy Storage Resource, the Replacement Generation Project Developer must submit the primary frequency response operating range for the Replacement Generation Resource.

5. Transmission Provider shall commence review of Applications for Replacement Generation Interconnection Service as soon as practicable upon receipt and in the order received. Transmission Provider will evaluate and process Applications for Replacement Generation Interconnection Service through a separate Replacement Generation Interconnection Service process that proceeds in parallel with the Cycle Process.

6. Deficiency Review. Upon receipt of the Application for Replacement Generation Interconnection Service, the Replacement Generation Interconnection Study

Agreement, and the requisite information and deposit monies listed in subsection 437(B)(1) through (4), Transmission Provider first shall determine whether the materials, information, and monies submitted are valid or deficient. If deemed deficient by Transmission Provider, the Replacement Generation Project Developer must submit the requisite materials, 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 Replacement Generation Project Developer to timely provide materials, information, and/or monies identified in the deficiency notice shall result in the Replacement Generation Interconnection Service Request being terminated and withdrawn. The Replacement Generation Interconnection Service Request shall be considered valid as of the date and time within the single 10 Business Day deficiency cure period the Transmission Provider receives from the Replacement Generation Project Developer the last piece of required materials, information, and/or monies deemed acceptable by the Transmission Provider to clear such deficiency notice. Once the Transmission Provider determines the Replacement Generation Interconnection Service Request is a valid request, Transmission Provider shall confirm the assigned Replacement Generation Request Number for such request in accordance with Tariff, Part VIII, Subpart E, section 412(D).

C. Processing of Valid Replacement Generation Interconnection Service Requests

1. This Tariff, Part VIII, Subpart J, section 437(C) sets forth the procedures and other terms governing the Transmission Provider's administration of the Replacement Generation Interconnection process.

   a. After reviewing an Application for Replacement Generation Interconnection Service, including Application receipt, deficiency review of the Application, determination that the Application represents a valid Replacement Generation Interconnection Service Request, and a kickoff/scoping meeting, if necessary, all of which is anticipated to take approximately sixty (60) days, Transmission Provider shall conduct a Replacement Generation Interconnection Study.

   b. Once an Application for Replacement Generation Interconnection Service has been determined to be a valid Replacement Generation Interconnection Service Request and Transmission Provider has commenced the Replacement Generation Interconnection Study, a Replacement Generation Project Developer: (i) may not reduce the megawatt values of the proposed Replacement Generation Resource's Capacity Interconnection Rights or Maximum Facility Output except as provided in Tariff, Part VIII, Subpart J, section 437(C)(1)(d),; (ii) may not change the proposed Replacement Generation Resource's fuel type; (iii) may not change the Site of the proposed Replacement Generation Resource or the Site Control evidence for that Site; (iv) may make Permissible Technological Advancement changes only to the proposed Replacement Generation Resource's

equipment after it has an effective Generation Interconnection Agreement and proceeds via a Necessary Study Agreement; (v) may make changes to the proposed Replacement Generation Resource's Point of Interconnection, provided that the Point of Interconnection must continue to be at the same substation (the electrical bus to which the Replacement Generation Resource is connecting must be the same bus or an electrically equivalent bus) and same voltage level as the deactivating Generating Facility's Point of Interconnection, the change is considered Good Utility Practice as agreed by the Interconnecting Transmission Owner, and Transmission Provider determines the change to the Point of Interconnection does not materially and adversely affect the cost or timing of other interconnection requests; and (vi) may amend the proposed Replacement Generation Resource to remove a Material Adverse Impact determined pursuant to Tariff, Part VIII, Subpart J, section 437(C)(1)(d).

c. The Replacement Generation Interconnection Study, which is anticipated to take approximately one hundred eighty (180) days, shall consist of an impact study to determine if interconnection of the proposed Replacement Generation Resource would cause any thermal/voltage, stability, or short circuit planning criteria violations and a facilities study performed by the relevant Transmission Owner. A voltage increase or decrease, as identified in any applicable voltage analyses, will not automatically trigger a screen failure under the impact study unless a voltage threshold defined in Transmission Provider's documented planning criteria (its FERC Form No. 715 -- Annual Transmission Planning and Evaluation Report) is exceeded. All types of Generating Facilities will be studied as Replacement Generation Resources using the most recent Cycle Phase II System Impact Study model available or, if available, the most recent Cycle Phase III System Impact Study model. The scope of the impact study shall be the same as the Cycle Phase I, Phase II, and Phase III System Impact Studies and will include a contingency analysis consistent with NERC's, PJM's, and each Applicable Regional Entity's reliability criteria and the transmission planning criteria, methods and procedures described in the FERC Form No. 715 for each Applicable Regional Entity, an assessment of regional transmission upgrades that most effectively meet identified needs, and an analysis to determine cost allocation responsibility for required facilities and upgrades. The facilities study conducted by the relevant Transmission Owner will develop the costs and construction time estimates for any of the following determined in an impact study to be needed in connection with the Replacement Generation Interconnection Service Request: new interconnection facilities, metering/relaying equipment, and new Network Upgrades. The Replacement Generation Interconnection Process rules under this Tariff, Part VIII, Subpart J, section 437, including whether new interconnection facilities may be required or new Network Upgrades are required, will dictate the permitted scope of the facilities study.

d. A "Material Adverse Impact" for purposes of the Replacement Generation Interconnection process shall mean thermal/voltage, stability or short circuit reliability criteria violations. If Transmission Provider determines that interconnection of a Replacement Generation Resource will cause a Material Adverse Impact to the Transmission System, the Replacement Generation Project Developer will be given fifteen (15) Business Days after receiving the impact study results to submit changes to the proposed Replacement Generation Resource to eliminate the Material Adverse Impact. This opportunity to amend the proposed Replacement Generation Resource to address a Material Adverse Impact may be exercised only once. Following the one-time submission of changes to address a Material Adverse Impact, Transmission Provider shall use the changed parameters to retool its analyses.

e. Replacement Generation Resource projects will not share with other Replacement Generation Resources or with New Service Requests in the Cycle Process the cost of Network Upgrades necessitated by their interconnection with the Transmission System if they are deemed to use the same system headroom. Instead, cost responsibility for Network Upgrades will be based on the "first to cause" rule, under which a Replacement Generation Interconnection Service Request first to cause a constraint will be responsible for addressing the constraint and responsible for 100% of any associated Network Upgrade costs.

f. At the conclusion of the Replacement Generation Interconnection Study, Transmission Provider will provide to the Replacement Generation Project Developer a Replacement Generation Interconnection Study report, providing the results of the impact study and the facilities study. Transmission Provider will tender with the study report a draft Generation Interconnection Agreement in the form of agreement found at Tariff, Part IX, Subpart B.

g. Generation Interconnection Agreement Negotiation.

    i. The rules for Generation Interconnection Agreement negotiation shall, unless otherwise specified in this Tariff, Part VIII, Subpart J, section 437, follow the Generation Interconnection Agreement negotiation rules provided in Tariff, Part VIII, Subpart D, section 411, and the Execution Deadlines provided in Tariff, Part IX, section 500. The Milestones requirements of Tariff, Part VIII, Subpart E, section 429, also shall apply.

    ii. Within thirty (30) days after the Replacement Generation Interconnection Developer receives the Replacement Generation Interconnection Study report and a draft Generation Interconnection Agreement, the Replacement Generation Project Developer shall be

required to post 100% of the Security required in its Generation Interconnection Agreement and to provide evidence that it has obtained any necessary local, county, and state site permits and signed a memorandum of understanding for the acquisition of major equipment. If the Replacement Generation Project Developer fails to post 100% of the Security required for its Generation Interconnection Agreement by that date, its Replacement Generation Interconnection Service Request shall be deemed terminated and/or withdrawn.

iii. The Replacement Generation Project Developer and Transmission Owner shall have no more than 20 Business Days after receipt of the draft Generation Interconnection Agreement to return written comments on that draft. Transmission Provider shall have no more than 10 Business Days to respond to such comments and, if appropriate, provide a revised draft Generation Interconnection Agreement in electronic form. Transmission Provider, in its sole discretion, may allow more than 60 days for this final Generation Interconnection Agreement negotiation.

iv. The planned in service date set forth in the Application for Replacement Generation Interconnection Service shall be used to establish the milestone dates for the Replacement Generation Resource's Generation Interconnection Agreement. At the time of final negotiation of the Replacement Generation Resource's Generation Interconnection Agreement and thereafter, following the Milestones provisions of Tariff, Part VIII, Subpart E, section 429, Transmission Provider may reasonably extend those milestone dates, including the in service date, in the event of delays not caused by the Replacement Generation Project Developer, such as unforeseen regulatory or construction delays that could not be remedied by the Replacement Generation Project Developer through the exercise of due diligence.

v. If the Application for Replacement Generation Interconnection Service was submitted with a Notice of Intent to Deactivate and not the written notice to Transmission Provider of the proposed Deactivation under Part V, section 113.1, Transmission Provider must receive the written notice under Part V, section 113.1 before the Generation Interconnection Agreement is executed or the Replacement Generation Interconnection Service Request will be withdrawn.

vi. Replacement Generation Project Developer agrees to waive the right to a one-year extension of its milestone dates for any reason as set forth in section 6.5 of the form of Generation Interconnection

Agreement (Tariff, Part IX, Subpart B), which will be reflected in its Generation Interconnection Agreement

vii. Not later than five Business Days following the end of negotiations under subsection iii, Transmission Provider shall provide the final Generation Interconnection Agreement, along with any applicable schedules, to the parties in electronic form. Not later than 15 Business Days after receipt of the final Generation Interconnection Agreement, the Replacement Generation Project Developer shall either execute the revised Generation Interconnection Agreement, request dispute resolution, or request that the Generation Interconnection Agreement be filed unexecuted.

viii. If the Replacement Generation Project Developer executes the final Generation Interconnection Agreement, then, not later than 15 Business Days after PJM sends notification to the relevant Transmission Owner, the relevant Transmission Owner shall either execute the final Generation Interconnection Agreement in electronic form; request dispute resolution; or request that the Generation Interconnection Agreement be filed unexecuted.

h. Subject to the provisions of Tariff, Part VIII, Subpart E, section 414(B)(4), additional studies may not be needed to provide Replacement Generation Interconnection Service to a Replacement Generation Project Developer that has a Generating Facility that is currently operating utilizing Surplus Interconnection Service associated with a deactivating Generating Facility, as the studies performed to secure Surplus Interconnection Service may serve as the Replacement Generation Interconnection Study required for Replacement Generation Interconnection Service Requests. Regardless of whether additional studies are needed, a Replacement Generation Project Developer that has a Generating Facility that is currently operating utilizing Surplus Interconnection Service associated with a deactivating Generating Facility must submit an Application for Replacement Generation Interconnection Service pursuant to Tariff, Part VIII, Subpart J, section 437(B) to transfer the deactivating Generating Facility's Capacity Interconnection Rights to the Generating Facility currently utilizing Surplus Interconnection Service and make that Generating Facility a Replacement Generation Resource.

i. Projects in Transition Cycle #1, Transition Cycle #2, or Cycle #1 that do not yet have a Generation Interconnection Agreement may submit Applications under this Tariff, Part VIII, Subpart J, section 437 for Replacement Generation Interconnection Service. Transmission Provider shall study all valid Replacement Generation Interconnection Service Requests submitted from Transition Cycle #1, Transition Cycle #2, or Cycle #1 as soon as practicable upon receipt of such requests and, if the Transmission Provider

determines that such a Replacement Generation Interconnection Service Request does not cause the need for Network Upgrades, the project will be eligible to receive a Generation Interconnection Agreement through the Replacement Generation Interconnection Process under Tariff, Part VIII, Subpart J, section 437 and its Cycle Process project shall be terminated. To the extent such movement of projects out of the Transition Cycle(s) or Cycle #1 changes the models used for the Transition Cycles' or Cycle #1's System Impact Studies, the effects on the models can be addressed during the next applicable Decision Point for those Cycle(s).

2. Contingent Facilities, if any, would be identified during the impact study phase of the Replacement Generation Interconnection Study in the same manner they are identified in the Cycle Phase I, Phase II, and Phase III System Impact Studies (see Tariff, Part VIII, Subpart C, section 404(A)(3)) and shall be listed in the Generation Interconnection Agreement.

3. Interim Studies of the Deliverability of Replacement Generation Resources, if necessary, would be addressed in the Generation Interconnection Agreement and in accordance with PJM Manual 14H.

Tariff, Part VIII, Subpart L

PROVISIONAL INTERCONNECTION SERVICE

Tariff, Part VIII, Subpart L, section 439
Provisional Interconnection Service

A. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, a Project Developer with a three-party interconnection agreement, including a Project Developer seeking to serve Eligible Load with new or additional generating capability, 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 Project Developer's Generation Interconnection Agreement and accepted by FERC.

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 Eligible Load with new or additional generating capability 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, Subpart L, section 440
Schedule of Interim Deliverability

A. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, a Project Developer or Eligible Customer will receive in its final interconnection related service agreement or Transmission Service Agreement a schedule of interim deliverability of requested rights.

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 Developers' Generating Facilities or Merchant Transmission Facilities or the Load Facilities on whose behalf Eligible Customers seek Transmission Service inject into, or withdraw from, as applicable, the Transmission System and what limitations on injections and/or withdrawals may be necessary. An annual schedule of these injection limits and/or withdrawal limits based on anticipated Transmission System conditions in future years will be included in the final interconnection related service agreement or Transmission Service Agreement for each Project Developer and Eligible Customer.

2. Transmission Provider shall study and update annually the maximum permissible injections and/or withdrawals, as applicable, of each Project Developer's Generating Facility or Merchant Transmission Facility or each Load Facility on whose behalf Eligible Customer seeks Transmission Service. The results will be communicated to Project Developers and Eligible Customers in writing and posted on Transmission Provider's website upon completion of the annual studies. Project Developer or Eligible Customer assumes all risks and liabilities with respect to its schedule of interim deliverability, including changes in injection or withdrawal limits.

Tariff, Part VIII, sections ~~437~~ 442 – 499
[Reserved]