UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	**)**	**Docket No. ER27-531-000**

PROPOSED TARIFF REVISIONS FOR LARGE LOADS AND ADDITIONAL COMPLIANCE WITH CO-LOCATION ORDER AND REQUEST FOR EXTENDED 60-DAY COMMENT PERIOD

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November 16, 2026

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November 16, 2026

Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

Re: *PJM Interconnection, L.L.C., Docket No. ER27-531-000*
Proposed Tariff Revisions for Large Loads and Additional Compliance with Co-Location Order and Request for Extended 60-Day Comment Period

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act ("FPA"),[1] part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations,[2] and the August 14, 2026 letter order issued in Docket No. EL26-67-000,[3] PJM Interconnection, L.L.C. ("PJM") hereby proposes revisions to Parts I, III, VI, VII, VIII, IX, X, and XI, and Attachments F-3, F-3A, and F-4 of PJM's Open Access Transmission Tariff ("Tariff"), and to Schedule 8 of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region ("RAA").[4] With the reforms proposed here and the other filings being concurrently

[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. part 35.

[3] *PJM Interconnection*, *L.L.C.*, 196 FERC ¶ 61,129, at P 10 (2026) (noting that to extent PJM submits "an FPA section 205 filing addressing the Commission's preliminary findings in the Show Cause Order on or before November 16, 2026, then the obligation of the respondent(s) who have made such an FPA section 205 filing to file a response to the Show Cause Order will be suspended").

[4] The PJM Transmission Owners ("Transmission Owners") are separately filing revisions to Tariff, Parts VIII, IX, and XI to add provisions concerning the allocation of the costs of system reinforcements needed for generator interconnection and transmission service for Eligible Loads and Large Loads, a cost-recovery framework for those system reinforcements, and proposed rates for the three new transmission services PJM proposes to offer. PJM concurrently is filing ride-through provisions for Large Computational Load to mitigate against future incidents like the one that occurred July 22, 2026, in the PJM Region, along with other proposed operational requirements and annual transmission service reporting requirements. That filing, and all evidence submitted in support thereof, is incorporated by reference into this filing. Given the multiple same-day filings and the fact that these filings are making changes, some of them overlapping, to over 100

submitted today as described in Attachment D, PJM has responded fully to the Large Load Show Cause Order and requests that the FPA section 206 aspect of the order be closed.

The Tariff revisions PJM proposes include:

- Revisions to the terms and conditions for Network Integration Transmission Service ("NITS")[5] to impose new terms and conditions on Eligible Customers taking transmission service on behalf of Eligible Load (including specifically Co-Located Load and customers with Behind the Meter Generation ("BTMG")) and Large Loads;[6]

- Revisions to Part VIII of the Tariff to create the new Fast Energization Process, which will study together New Service Requests, including Generation Interconnection Requests, and requests from Eligible Customers seeking transmission service on behalf of Eligible Load and Large Load[7] in a single, 12-month process;[8]

- Addition of the new Part XI to the Tariff, providing the terms and conditions for new transmission services (Interim NITS, Firm Contract Demand ("FCD") Transmission Service, and Non-Firm Contract Demand ("NFCD")

Tariff sections in nine parts of the Tariff, PJM expects it will need to make one or more clean-up filings in the future to ensure the Tariff is clear, and commits to doing so. PJM will promptly submit a letter in Docket Nos. EL25-49 and EL26-27 informing participants in those dockets of today's tariff filings, some parts of which are submitted in compliance with Commission directives and others of which are submitted pursuant to Section 205 of the FPA. In an abundance of caution, PJM requests waiver of any regulation or filing requirements relating to submissions in Docket Nos. EL25-49 and EL26-27 relating to today's tariff filings. Good cause exists to grant any necessary waivers because submission of these tariff filings in the structure presented efficiently addresses the complexity of the overlapping filing obligations and differing requested effective dates, PJM is requesting a sixty-day comment period and 120 day Commission action date that affords interested participants reasonable time to engage in the tariff filing dockets.

[5] Terms not otherwise defined herein shall have the meaning set forth in the Tariff, the RAA, or Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement").

[6] *See infra* Section III.A.

[7] The Commission accepted PJM's definition of "Large Load" as "end-use customer(s) load that has a cumulative peak load of 50 [megawatts ("MW")] or greater at a single electrical site behind one or more points of interconnection, where for configurations involving multiple affiliated load facilities or multiple points of interconnection with affiliated load facilities behind them, all affiliated load facilities within a one-mile radius will be considered a single electrical site as further described in the PJM Manuals" in its October 9, 2026 order in Docket No. ER26-3515-000. *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at PP 13, 24 (2026). That definition is now in the RAA, Article I, Definitions, and cross-referenced in Tariff, Parts I and VIII. *PJM Interconnection, L.L.C.*, Thirty-Day Compliance Filing to the Commission's October 9, 2026 Order on PJM's Large Load Definition and Large Load Registry, Docket No. ER26-3515-002 (Nov. 9, 2026).

[8] *See infra* Section III.B.

Transmission Service) available to Eligible Customers taking transmission service on behalf of Eligible Load and Large Load;[9] and

- Revised versions of Tariff provisions concerning Co-Located Load and BTMG pending in Docket No. ER26-1479-002,[10] which PJM has reevaluated and revised in connection with its response to the Order Instituting Proceeding Under Section 206 of the FPA ("Large Load Show Cause Order").[11]

PJM's proposed revisions address the Commission's areas of concern in the Large Load and Co-Located Load show cause proceedings: promotion of reliability; efficient transmission service study processes; cost transparency and mitigation of cost-shifting; flexible load service; accommodating Co-Located Loads and BTMG; and generation study procedures for generators serving electrically proximate Large Loads and Co-Located Loads. PJM proposes to add to its Tariff an enhanced process to identify and study transmission service for new Large Loads. PJM will require Large Loads (i.e., loads over 50 MW at a single location) to be identified on a registry to set a baseline for the current level of transmission service.[12] PJM will then require any new requests for transmission service or requests to increase existing service beyond the baseline level to apply for that service and be studied.[13] In evaluating such requests, PJM proposes to use a new, reformed "Fast Energization Process," to make the study process faster, even more focused on

[9] *See infra* Section III.C.

[10] *See infra* Section III.D. Revisions to these Tariff provisions were filed initially on August 17, 2026, *PJM Interconnection, L.L.C.*, Compliance Filing of PJM Interconnection, L.L.C. in Response to Order on Rehearing, Clarification, Compliance Filing, and Paper Hearing in Docket Nos. EL25-49-002, et al, Docket No. ER26-1479-002 (Aug. 17, 2026) ("August 17 Filing"), in compliance with the Commission's June 18, 2026 order in Docket Nos. EL25-49-000, et al. *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,209 ("Co-Location Order"), *notice of denial of reh'g by operation of law & providing for further consideration*, 196 FERC ¶ 62,089 (2026). Earlier today, PJM filed a motion to withdraw the August 17 Filing in Docket No. ER26-1479-002 so that it could file replacement revisions in this filing.

[11] *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, *errata notice*, 196 FERC ¶ 61,122, *order dismissing requests for reh'g & clarification*, 196 FERC ¶ 61,214 (2026).

[12] *See* Attachment A-1, Proposed Tariff, Part III, General.

[13] *See infra* Section III.A.

readiness and certainty, and provide enhanced transparency.[14] The Fast Energization Process proposes key reforms to the existing process to complete studies in 12 months.[15] PJM's Fast Energization Process will study requests for transmission service and Generation Interconnection Requests together to optimize the Transmission System and yield efficiencies for electrically proximate load and generation.[16]

PJM also proposes implementing the three new transmission services the Commission put forward in a way that will ensure reliability, with technical and operational limitations on withdrawals of energy by flexible Large Loads and Eligible Loads, and on injections of energy by Eligible Generating Facilities.

In short, this filing responds in a unified fashion to two separate show cause orders, one that has been ongoing for almost two years, with briefing and several compliance filings required, and a second issued only five months ago, with overlapping concerns and considerations. A chart detailing where each directive from the Co-Location Order and the Large Load Show Cause Order (together, "June 2026 Orders")[17] is addressed is provided as Attachment D to this filing.[18] In light of the resulting scope and complexity of this filing, PJM respectfully requests that the Commission establish a 60-day comment period for this filing, to allow all interested parties sufficient time to review the proposed revisions and for PJM to continue to engage with stakeholders after filing to potentially further improve and augment the proposals set forth in this filing. PJM further requests a Commission

[14] *See infra* Section III.B.

[15] *See infra* Section III.B.

[16] *See infra* Section III.B.

[17] Co-Location Order, 195 FERC ¶ 61,209; Large Load Show Cause Order, 195 FERC ¶ 61,211.

[18] *See generally* Attachment D, Chart Mapping Order Directives to Tariff Changes attached hereto.

order on this filing within 120 days. The Commission's full acceptance of this filing within 10 months of the date it is filed would likely be necessary to facilitate implementation in time for Cycle 02.[19]

As PJM discussed in the PJM Abeyance Motion,[20] the Commission's June 2026 Orders presented certain interrelated and overlapping issues that PJM needed to address in a holistic, coordinated manner.[21] PJM noted in the PJM Abeyance Motion that the June 2026 Orders directed PJM to expand the availability of new transmission services, enhance its Large Load study procedures, and detail the operational requirements and control technologies that customers taking transmission service on behalf of certain loads must use.[22] PJM submitted a partial compliance filing on August 17, 2026, that addressed certain directives of the Co-Location Order.[23]

Since the August 17 Filing, and as PJM worked on its response to the Large Load Show Cause Order, PJM has determined that it must amend its earlier filing to comply with the Co-Location Order to harmonize the treatment of Eligible Loads and Large Loads. PJM therefore seeks an effective date of March 16, 2027, for certain Tariff revisions in Part VIII relating to Eligible Loads and for the revisions in Part III and the new Part XI, to establish available services as soon as practicable. PJM seeks an indefinite effective date for the

[19] *See infra* Section III.B.3 (explaining that the Submission Window for the first Cycle under the Fast Energization Process would open in late November 2027).

[20] *PJM Interconnection, L.L.C.*, Motion of PJM Interconnection, L.L.C. to Hold Proceeding in Abeyance and Request for Shortened Answer Period and Expedited Treatment, Docket No. EL26-67-000, at 4-8 (July 28, 2026); *PJM Interconnection, L.L.C*, Motion for Extension of Time for Specified Compliance Requirements and Request for Expedited Treatment of PJM Interconnection, L.L.C., Docket Nos. EL25-49-000, et al., at 4-8 (July 28, 2026) ("PJM Extension Motion").

[21] *See supra* note 10.

[22] PJM Abeyance Motion at 4-5.

[23] PJM Abeyance Motion at 1, 6-7; PJM Extension Motion at 1-2, 6-7.

Fast Energization provisions of Part VIII, as the Fast Energization Process cannot begin until Cycle 01 of PJM's current interconnection process is sufficiently advanced.[24]

Each element of this proposal is just and reasonable. However, if the Commission deems necessary, and to help facilitate the Commission's acceptance of this filing without delay so that PJM can comply expeditiously with the June 2026 Orders, PJM provides notice that it consents to the Commission's exercise of authority to sever any element of the Proposed Tariff and RAA language to the extent necessary and permitted under sections 205 and 206 of the FPA and *NRG Power Marketing, LLC v. FERC*.[25]

PJM submits this filing pursuant to its independent authority to modify its Tariff under FPA section 205 pursuant to Tariff, Part I, section 9.2(a) and the Consolidated Transmission Owners Agreement ("CTOA"), section 7.5.1(ii), following the requisite consultation specified under Tariff, Part I, section 9.2(b) and the CTOA, section 7.5.1(ii).

[24] In order to avoid intervening proposed Tariff revisions from other filings potentially causing the Tariff revisions herein to be overwritten, PJM has included revisions with proposed effective dates of March 16, 2027, in certain of the Tariff sections with indefinite dates that are attached hereto as Attachment A-2. Specifically, the changes proposed to the following Tariff sections with a proposed March 16, 2027 effective date have been added into the proposed revisions in the version of the marked Tariff with an indefinite effective date: Tariff, Part VIII, section 400, Definitions C, E, N, P, and R; and Tariff, Part VIII, sections 401, 403, 404, 406, 408, and 414. When PJM makes a compliance filing to establish the effective date for the sections listed here that it is filing with indefinite effective dates, assuming they are accepted, it will address the earlier language and update its status as well.

[25] *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108 (D.C. Cir. 2017). As the Commission has often stated, "[t]he United States Court of Appeals for the District of Columbia Circuit has held that, in certain circumstances, the Commission has 'authority to propose modifications to a utility's [FPA section 205] proposal if the utility consents to the modifications.'" *N.Y. Indep. Sys. Operator, Inc.*, 188 FERC ¶ 61,051, at P 22 n.36 (2024) (alteration in original) (citing *NRG Power Mktg.*, 862 F.3d at 114-15); *see Midcontinent Indep. Sys. Operator, Inc.*, 180 FERC ¶ 61,141, at P 26 n.29 (2022) (same), *order on reh'g*, 182 FERC ¶ 61,096 (2023), *aff'd sub nom.*, *Entergy Ark., LLC v. FERC*, 109 F.4th 583 (D.C. Cir. 2024); *ISO New Eng. Inc.*, 175 FERC ¶ 61,172, at P 16 n.20 (2021) (same).

I. INTRODUCTION

As it is elsewhere in the country, data center construction and operation is causing unprecedented load growth in the PJM Region.[26] PJM's 2025 long-term load forecast shows a peak load growth of 32 gigawatts ("GW") from 2024 to 2030, with 30 GW of that growth coming from data centers.[27] PJM's 2026 long-term load forecast projects a 3.6% annual increase in its summer peak load over the next 10 years;[28] in 2023, PJM projected just a 0.8% annual increase over a 10-15 year horizon.[29] The extraordinary growth of data centers and other Large Loads presents unique reliability and resource adequacy challenges as compared to traditional loads. Data centers have significant energy and capacity demands and can be built faster (12-18 months) than the generation and transmission facilities necessary to meet those demands.[30] The North American Electric Reliability Corporation ("NERC") recognizes this as a resource adequacy issue, explaining that Large Loads are "magnitudes larger than most loads historically seen on the system and

[26] *RTEP 2024: Regional Transmission Expansion Plan*, PJM Interconnection, L.L.C., 47 (Apr. 17, 2025), https://www.pjm.com/-/media/DotCom/library/reports-notices/2024-rtep/2024-rtep-report.pdf [https://perma.cc/PV4N-VA3P] (explaining that there is significant load growth in the PJM Balancing Authority Area due to new construction of data centers). As the Commission also has recognized, Large Loads have unique operational characteristics, including significant load fluctuations. As noted earlier, PJM is concurrently proposing ride through requirements and other operational requirements in a separate section 205 filing.

[27] *Letter from David E. Mills, PJM Board of Managers Chair*, PJM Interconnection, L.L.C. to PJM Stakeholders, 1 (Aug. 8, 2025), https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250808-pjm-board-letter-re-implementation-of-critical-issue-fast-path-process-for-large-load-additions.pdf [https://perma.cc/977B-93NW].

[28] PJM Resource Adequacy Planning Department, *2026 PJM Load Forecast Report*, PJM Interconnection, L.L.C., 6 (Jan. 14, 2026), https://www.pjm.com/-/media/DotCom/library/reports-notices/load-forecast/2026-load-report.pdf [https://perma.cc/6BPF-LJYA].

[29] PJM Resource Adequacy Planning Department, *PJM Load Forecast Report: January 2023*, PJM Interconnection, L.L.C., 3 (Jan. 2023), https://www.pjm.com/-/media/DotCom/library/reports-notices/load-forecast/2023-load-report.ashx [https://perma.cc/XG66-PBQK].

[30] *Characteristics and Risks of Emerging Large Loads: Large Loads Task Force White Paper*, North America Electric Reliability Corporation, 15-16 (July 2025), https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/3_doc_white-paper-characteristics-and-risks-of-emerging-large-loads.pdf [https://perma.cc/HVX5-8J9V] ("NERC Large Loads White Paper").

proliferating more quickly than most historical load growth" and therefore "the need for additional generation may not have been planned for, and current system plans may not be able to meet it."[31] Additionally, unlike traditional loads, Large Loads can materialize and grow quickly in geographically concentrated areas,[32] which makes them more difficult to plan for than other loads.[33] In the Large Load Show Cause Order, the Commission recognized the material differences between Large Loads and other load categories, explaining that "integrating large loads poses specific challenges to transmission system operation given their size, operational behavior, and unique potential to impact the transmission system."[34]

To meet this moment, the Commission, on its own motion and in response to section 205 filings, has issued a number of landmark orders stimulating innovation and advancement. In parallel, the PJM Five-Year Strategy released September 1, 2026, sets forth how PJM will lead during the next five years and beyond, with reliability as its North Star.[35] The third objective of the PJM Five-Year Strategy, titled "Proactively Adapt Planning Processes," includes multiple workstreams to achieve this objective. These include: (1) a one-year generation interconnection process; (2) incorporating Large Load

[31] NERC Large Loads White Paper at 16.

[32] *See* Declaration of Donald Bielak, P.E. on Behalf of PJM Interconnection, L.L.C. (Attachment C) ¶ 15 ("Bielak Decl.") ("Large Loads differ fundamentally from traditional loads in their size, pace of growth, and concentration, and they are presently the major source of load growth in the PJM Region.").

[33] NERC Large Loads White Paper at 16 ("The arrival and timing of large loads is also frequently uncertain. . . . Some proposed large loads do not materialize as planned: they may be canceled due to economic and financial challenges or other setbacks. Due to the uncertainty of these large loads materializing, forecasting load for resource adequacy and transmission planning may be much more difficult.").

[34] *See* Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 58.

[35] *Corporate Strategy and Value*, PJM Interconnection, L.L.C., https://www.pjm.com/about-pjm/corporate-strategy-and-value [https://perma.cc/N92H-AQZ8] (last visited Nov. 14, 2026).

forecasting and modeling into planning processes; (3) determining interim solutions for near-term reliability needs; and (4) creating a synchronized planning and interconnection process for greater efficiency and transparency.[36] These objectives align closely with the Commission's Large Load Show Cause Order, offering PJM an opportunity to accelerate its strategic timeline.

Through this filing, PJM responds to the Large Load Show Cause Order, consistent with strategic objectives to proactively adapt PJM's planning processes to deliver accelerated interconnection and transmission service and processes. PJM proposes to efficiently, reliably, and transparently provide transmission service to both co-located and flexible Large Loads (i.e., Large Loads that are not co-located with generation, but are willing and able to limit their energy withdrawals from the Transmission System under certain conditions)[37] and to quickly bring additional generation online to meet current and forecasted demand from Large Loads. PJM further proposes Tariff revisions to provide just and reasonable terms and conditions of service for the provision of transmission service, including the new transmission services the Commission first advanced for Co-Located Load in PJM and then proposed more broadly in show cause orders for all the jurisdictional Regional Transmission Organizations, including the Large Load Show Cause Order directed to PJM and Transmission Owners in the PJM Region.[38]

PJM also seeks to meet the need for "speed to power" and accelerate its generation interconnection procedures to a one-year process by leveraging technology and process

[36] *Shaping a Power Change: PJM Five-Year Strategy*, PJM Interconnection, L.L.C., 9 (Aug. 2026), https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2026/20260819-shaping-a-powerful-change-pjm-five-year-strategy.pdf [https://perma.cc/2RBY-MPLH].

[37] *See* Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 85 n.178.

[38] *See generally* Large Load Show Cause Order, 195 FERC ¶ 61,211.

efficiencies. PJM will deliver at each turn of its new process non-binding good-faith estimates of the cost and time to construct facilities within 60-90 calendar days, consistent with the Commission's findings in the Large Load Show Cause Order.[39] To provide transmission service to Eligible Loads and Large Loads as contemplated in the June 2026 Orders, PJM proposes to add transmission service requests to the existing New Service Request study process in Tariff, Part VIII, which will allow PJM to optimize upgrades to the Transmission System, eliminate duplicative upgrades, and offer timely transmission service and generator deliverability based on current system topology rather than requiring customers to wait on contingent upgrades to be built. With the reforms proposed here and the supplemental filings PJM proposes to make, addressed in Section III.G below, PJM has responded fully to the Large Load Show Cause Order and requests that the FPA section 206 aspect of the order be closed.

II. BACKGROUND

A. 2025 Show Cause Orders

1. February Order

Following a technical conference discussing the co-location of large loads at generating facilities, the Commission initiated a show-cause proceeding against PJM and the Transmission Owners on February 20, 2025 ("February Order").[40] In the February Order, the Commission expressed concern that PJM's Tariff did not address co-location arrangements with sufficient clarity and consistency.[41] The Commission made several

[39] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 63; Bielak Decl. ¶ 21.

[40] *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,115, *order on show cause*, 193 FERC ¶ 61,217 (2025) ("December Order"), *order on compliance*, 195 FERC ¶ 61,030, *order on reh'g, clarification, compliance & paper hearing*, Co-Location Order,195 FERC ¶ 61,209.

[41] February Order, 190 FERC ¶ 61,115, at P 2.

preliminary findings that the Tariff appeared to be unjust and unreasonable regarding co-location arrangements, and it directed PJM and the Transmission Owners to respond to numerous questions addressing its concerns.[42]

2. December Order

On December 18, 2025, the Commission issued an order on show cause finding the Tariff unjust and unreasonable due to, among other reasons, the lack of specificity for the rates, terms, and conditions that apply to Interconnection Customers[43] serving Co-Located Load and Eligible Customers taking transmission service on behalf of Co-Located Load.[44] The December Order directed PJM to make a compliance filing within 30 days to, among other things, clarify the rates, terms, and conditions that apply to an Interconnection Customer seeking to serve Co-Located Load with new generation.[45] The December Order also directed PJM to make a compliance filing within 60 days to revise the Tariff in a number of ways, including to modify the retail BTMG netting rules to limit netting over a certain threshold[46] and to require that an Eligible Customer taking transmission service on behalf of a Co-Located Load select at least one of three transmission services: (1) NITS or Interim NITS; (2) FCD Transmission Service; or (3) and NFCD Transmission Service.[47]

[42] February Order, 190 FERC ¶ 61,115, at PP 74-75, 87-88.

[43] Under PJM's current interconnection rules in Tariff, Parts VII, VIII, and IX, Interconnection Customers are referred to as "Project Developers." PJM uses in this filing the term used in its current interconnection rules, but it should be understood as consistent with the Commission's references to Interconnection Customers.

[44] December Order, 193 FERC ¶ 61,217, at P 159.

[45] December Order, 193 FERC ¶ 61,217, at PP 232-35.

[46] December Order, 193 FERC ¶ 61,217, at P 221.

[47] December Order, 193 FERC ¶ 61,217, at P 193.

The December Order established a paper hearing procedure to obtain additional evidence to determine the appropriate rates, terms, and conditions for these transmission services.[48] The Commission required parties to address, among other things, the interconnection requirements and operational practices necessary to maintain system reliability if a Co-Located Load or associated generator trips offline and the eligibility requirements necessary for an Eligible Customer to take FCD or NFCD Transmission Service on behalf of Co-Located Load.[49]

B. Compliance Filings and Paper Hearing Procedure

1. Thirty-Day Compliance Filing

On January 20, 2026, PJM made its 30-day compliance filing in Docket No. ER26-1088-000 pursuant to the December Order ("Thirty-Day Compliance Filing").[50] Among other changes, the Thirty-Day Compliance Filing proposed to clarify that existing services in the Tariff could be used by Project Developers serving Co-Located Load, including Provisional Interconnection Service and Surplus Interconnection Service.[51] The Thirty-Day Compliance Filing also clarified that Project Developers serving Co-Located Load can request interconnection service below nameplate capacity and accelerate the interconnection process under certain circumstances.[52] The Commission accepted in part and rejected in part PJM's compliance filing in an order on April 16, 2026;[53] PJM

[48] *See* December Order, 193 FERC ¶ 61,217, at PP 194, 203, 207, 219.

[49] December Order, 193 FERC ¶ 61,217 at P 219(8), (10).

[50] *PJM Interconnection, L.L.C.*, Thirty-Day Compliance Filing with Order on Show Cause of PJM Interconnection, L.L.C., Docket No. ER26-1088-000 (Jan. 20, 2026).

[51] Thirty-Day Compliance Filing at 5-7.

[52] Thirty-Day Compliance Filing at 4-5.

[53] *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,030.

submitted an additional compliance filing on May 18, 2026, to comply with the Commission's order.[54]

2. Sixty-Day Compliance Filing

On February 23, 2026, PJM made its 60-day compliance filing in Docket No. ER26-1479-000 pursuant to the December Order ("Sixty-Day Compliance Filing").[55] The Sixty-Day Compliance Filing proposed Tariff revisions to, among other things: (1) amend PJM's BTMG Tariff provisions;[56] (2) establish certain aspects of three new transmission services for Eligible Customers seeking to take service on behalf of Co-Located Load;[57] and (3) amend PJM's Necessary Studies processes.[58]

3. Paper hearing procedures

PJM submitted an initial brief to address the Commission's finding in the December Order that additional record evidence was needed to set the appropriate replacement rates, terms, and conditions for new transmission services for Eligible Customers serving Co-Located Load, including for Interim NITS, FCD Transmission Service, and NFCD Transmission Service.[59] PJM's initial brief set forth the non-rate terms and conditions for these new transmission services along with illustrative Tariff language. Various parties

[54] *PJM Interconnection, L.L.C.*, Compliance Filing to the Commission's April 16 Order on PJM's Thirty-Day Compliance Filing with the Order to Show Cause of PJM Interconnection, L.L.C., Docket No. ER26-1088-001 (May 18, 2026).

[55] *PJM Interconnection, L.L.C.*, 60-Day Compliance Filing for Co-Located Load Related Revisions to Open Access Transmission Tariff to Comply with Commission Order in Docket No. EL25-49, et al. of PJM Interconnection, L.L.C., Docket No. ER26-1479-000 (Feb. 23, 2026) ("Sixty-Day Compliance Filing").

[56] Sixty-Day Compliance Filing at 4-18.

[57] Sixty-Day Compliance Filing at 18-24.

[58] Sixty-Day Compliance Filing at 24-28.

[59] *PJM Interconnection, L.L.C.*, Brief of PJM Interconnection, L.L.C., Docket Nos. EL25-49-000, et al. (Feb. 23, 2026) ("PJM Initial Brief").

protested aspects of PJM's illustrative Tariff language.[60] PJM proposed certain refinements to the illustrative language in its reply brief.[61]

C. June 2026 Orders

1. Co-Location Order

The Commission issued the Co-Location Order addressing the Sixty-Day Compliance Filing, the paper hearing submissions, and requests for rehearing and clarification of the December Order.[62] The Co-Location Order accepted most of PJM's proposed Tariff changes, but directed PJM to make a number of additional changes within 60 days.[63] Among other things, the Co-Location Order directed PJM to revise the Tariff to adopt more detailed study procedures for customers requesting FCD and/or NFCD Transmission Service that mirror existing cluster study procedures.[64] The Co-Location Order also directed PJM to make new transmission services available to customers with BTMG that are willing and able to limit their withdrawals from the Transmission System.[65] To accomplish this, the Commission directed PJM to either add a definition of "Eligible Load" that encompasses customers serving Co-Located Load and customers serving load

[60] *See, e.g.*, *PJM Interconnection, L.L.C.*, Reply Brief of Joint Co-Location Developers and Motion to Intervene Out-of-Time of Calibrant, Convergent, U.S. Energy Storage Coalition, and Verrus, Docket Nos. EL25-49-000, et al., at 2 (Mar. 25, 2026); *PJM Interconnection, L.L.C.*, Reply Brief and Protest of Enchanted Rock, Docket Nos. EL25-49-000, et al., at 7-9 (Mar. 25, 2026) (arguing that PJM's proposal "renders Interim NITS entirely unworkable"); *PJM Interconnection, L.L.C.*, Reply Brief of Advanced Energy United and Solar Energy Industries Association, Docket Nos. EL25-49-000, et al., at 6-10 (Mar. 25, 2026).

[61] *PJM Interconnection, L.L.C.*, Reply Brief of PJM Interconnection, L.L.C., Docket Nos. EL25-49-000, et al., Attachment A (Redlines on Reply Brief to Illustrative Language for New Tariff, Part XI; Attachments F-3A and F-4; and Other Illustrative Tariff Revisions), Illustrative Tariff, Part XI, Subpart A, section 701.1 (Apr. 24, 2026) ("PJM Reply Brief").

[62] *See* Co-Location Order, 195 FERC ¶ 61,209, at PP 1-2, 4-7.

[63] *See, e.g.*, Co-Location Order, 195 FERC ¶ 61,209, at P 280 (directing PJM to revise Tariff to specify what information about Necessary Studies will be available in the PJM Manuals).

[64] Co-Location Order, 195 FERC ¶ 61,209, at P 370.

[65] Co-Location Order, 195 FERC ¶ 61,209, at P 91.

with BTMG, or to propose comparable Tariff revisions.[66] The Co-Location Order further required PJM to revise the Tariff to provide additional detail regarding the operational requirements and necessary control technologies to be employed for customers taking new transmission services on behalf of Eligible Load.[67]

2. Large Load Show Cause Order

The Large Load Show Cause Order found that several aspects of the Tariff appeared unjust and unreasonable because it lacked specific procedures for integrating large loads, including Large Load-specific procedures for interconnection studies, processing transmission service requests, and providing transmission service without cost shifting.[68] The Large Load Show Cause Order also found that the Tariff appeared to be unjust and unreasonable because it lacked transmission service options for customers serving large loads that are willing and able to limit their withdrawals from the Transmission System.[69] The Commission was specifically concerned whether the Tariff was just and reasonable without allowing customers to take Interim NITS, FCD Transmission Service, and/or NFCD Transmission Service on behalf of Eligible Load.[70] The Commission also emphasized that, in the Co-Location Order, it approved a requirement that customers taking transmission service on behalf of Eligible Load must have necessary control technologies or protection systems to limit energy withdrawals to approved levels.[71] The Large Load

[66] Co-Location Order, 195 FERC ¶ 61,209, at P 91.

[67] Co-Location Order, 195 FERC ¶ 61,209, at PP 482, 541.

[68] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 59-60, 65, 77.

[69] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 86.

[70] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 87.

[71] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 87 & n.189 (citing Co-Location Order, 195 FERC ¶ 61,209, at P 480).

Show Cause Order further found that PJM's Tariff appeared to be unjust and unreasonable due to a lack of mechanisms to ensure that costs are not shifted between transmission customers.[72]

To address these issues, the Large Load Show Cause Order directed PJM to make two compliance filings.[73] First, the Large Load Show Cause Order directed PJM to submit an informational filing within 30 days to explain how PJM intends to ensure that it has adequate generation to serve existing and new large loads.[74] Second, the Large Load Show Cause Order directed PJM to submit within 60 days a compliance filing explaining whether its Tariff remains just and reasonable in light of the issues identified in the order, or to propose Tariff changes that would remedy the identified concerns.[75] The Commission noted that it would entertain requests to hold the show cause proceedings in abeyance if PJM demonstrated a plan to file changes pursuant to FPA section 205 to address the identified concerns.[76]

D. Partial Extension and Partial Compliance Filing

On July 28, 2026, PJM moved for a 90-day extension of time to meet certain Co-Location Order requirements,[77] and it simultaneously requested the Commission to hold the Large Load Show Cause Order proceedings in abeyance for 90 days.[78] PJM explained that the June 2026 Orders contained certain interrelated and overlapping issues that must

[72] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 77.

[73] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 3-4.

[74] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 4.

[75] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 3.

[76] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 39.

[77] *See generally* PJM Extension Motion.

[78] *See generally* PJM Abeyance Motion.

be addressed on a holistic basis, which required additional time and stakeholder engagement.[79] For example, PJM noted that the June 2026 Orders both directed PJM to expand the availability of new transmission services, enhance its Large Load study procedures, and detail the operational requirements and control technologies that customers taking transmission service on behalf of certain loads must use.[80] PJM committed to submitting a partial compliance filing by August 17, 2026, that addressed certain directives of the Co-Location Order.[81] The Commission granted PJM's requests on August 14, 2026.[82]

Pursuant to its commitment, PJM made a partial compliance filing on August 17, 2026, in Docket No. ER26-1479-002 to address many of the Co-Location Order's directives, including by proposing to add the term Eligible Load to the Tariff to encompass both Co-Located Load and load with BTMG; adopting various modifications to the terms and conditions for Interim NITS; modifying the definition of Retail BTMG to eliminate the 50 MW nameplate limit for netting; and removing the requirement for existing customers to execute a new Generation Interconnection Agreement ("GIA") to serve Co-Located Load.[83]

[79] PJM Abeyance Motion at 4-8; PJM Extension Motion at 4-8.

[80] PJM Abeyance Motion at 4-5.

[81] PJM Abeyance Motion at 1, 6-7; PJM Extension Motion at 1-2, 6-7.

[82] *PJM Interconnection, L.L.C.*, Notice of Extension of Time, Docket Nos. EL25-49-000, et al. (Aug. 14, 2026).

[83] *See generally* August 17 Filing.

E. PJM's Stakeholder Engagement Process

PJM held engagement sessions to inform stakeholders about the June 2026 Orders and solicit feedback on the proposed Tariff revisions PJM would file in response to those orders. PJM's stakeholder engagement process is detailed below:

- **July 30, 2026, Co-Located Load Order Workshop ("CLLOW")**: PJM presented on the June 2026 Orders and explained PJM's proposed compliance approach.[84]
- **August 18, 2026, CLLOW**: PJM provided an update on its June 2026 Orders compliance strategy. PJM presented its proposed Large Load Show Cause Order compliance framework[85] and discussed the overlap between Large Load, Co-Located Load, and load with BTMG.[86] PJM solicited and received stakeholder feedback on its presentation.[87]
- **September 16, 2026, CLLOW**: PJM presented its proposed process for integrating Large Loads with the Transmission System, pursuant to the Large

[84] *See Co-Located Load Order Workshop*, PJM Interconnection, L.L.C., https://www.pjm.com/committees-and-groups/workshops/cllsco [https://perma.cc/B3FW-BRLM] (last visited Nov. 12, 2026) (follow "Meeting Materials" subheading; then choose "2026" from dropdown; then choose "7.30.2026 – Co-Located Load Order Workshop"; then select and click "Download").

[85] Donnie Bielak, *Show Cause for Large Loads Framework*, PJM Interconnection, L.L.C. (Aug. 18, 2026), 20260818-item-03---show-cause-for-large-loads-framework---presentation.pdf [https://perma.cc/V2Q3-A9NT].

[86] *See* Tim Horger, *Overlap of Large Load, Co-Located Load and Load with BTMG*, PJM Interconnection, L.L.C. (Aug. 18, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20260818/20260818-item-02---overlap-of-large-load-co-located-load-and-load-with-btmg---presentation.pdf [https://perma.cc/XQ8A-M3PU].

[87] *See August 18 Co-Located Load Order Workshop Stakeholder Feedback Poll Responses*, PJM Interconnection, L.L.C. (Aug. 18, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20260818/20260818-august-18-co-located-load-order-workshop-stakeholder-feedback-poll-responses-received-by-8-28-26-final.pdf [https://perma.cc/V7NB-9RR5].

Load Show Cause Order.[88] PJM solicited and received stakeholder feedback on its presentation.[89]

- **September 30, 2026, CLLOW**: PJM presented its proposed Large Load study process and received stakeholder feedback.[90]
- **October 5, 2026, CLLOW**: PJM presented and solicited feedback on certain draft Tariff redlines to comply with the June 2026 Orders PJM gave a presentation on proposed Eligible Load Curtailment priority by transmission service type.[91]
- **October 16, 2026, CLLOW:** PJM presented and solicited feedback on certain draft Tariff redlines to comply with the June 2026 Orders.[92]
- **October 26, 2026, CLLOW:** PJM presented on proposed Tariff redlines associated with its new transmission services.[93] PJM also discussed its

[88] *See* Donnie Bielak, *Show Cause for Large Loads Framework*, PJM Interconnection, L.L.C. (Sep. 16, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20260916/20260916-item-03---show-cause-for-large-loads-approach---presentation.pdf [https://perma.cc/YLW3-DGTK].

[89] *See September 16 Co-Located Load Order Workshop Stakeholder Feedback Poll Responses*, PJM Interconnection, L.L.C. (Sep. 16, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20260916/20260916-september-16-co-located-load-order-workshop-stakeholder-feedback-poll-responses-received-by-9-22-26.pdf [https://perma.cc/CM3H-E66H].

[90] Donnie Bielak, *Show Cause for Large Loads Framework*, PJM Interconnection, L.L.C. (Sep. 30, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20260930/20260930-item-02---show-cause-for-large-loads-approach---presentation.pdf [https://perma.cc/FB8W-CDDV].

[91] Chris Pilong, *Operationalizing Flexible Large Loads: Curtailment Overview*, PJM Interconnection, L.L.C. (Oct. 5, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261005/20261005-item-02---operationalizing-flexible-large-loads-curtailment-overview---presentation.pdf [https://perma.cc/FTM9-LLB6].

[92] *See Item 02 – Draft Tariff Revisions – Redline*, PJM Interconnection, L.L.C. (Oct. 15, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261016/20261016-item-02---draft-tariff-revisions---redline.pdf [https://perma.cc/K3V7-7G28] (presenting redline Tariff revisions at the October 16, 2026 CLLOW).

[93] *See, e.g.*, *Item 02 – Tariff Part XI New Transmission Services – Redlines*, PJM Interconnection, L.L.C. (Oct. 26, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261026/20261026-item-02---tariff-part-xi-new-transmission-services---

proposed Fast Energization Process, which would require PJM to annually study all (i) generation and Merchant Transmission Interconnection requests; and (ii) Large Load and Long Term Firm Transmission Service requests in a single cluster over a 12-month period.[94] In Section III below, PJM describes its Fast Energization Process proposal and associated Tariff revisions in detail. Additionally, the Transmission Owners discussed proposed transmission rates, cost allocation, and a cost-recovery framework, to be separately filed.[95]

- **October 28, 2026, Markets and Reliability Committee**: PJM discussed its proposed response to the Large Load Show Cause Order, including its Fast Energization Process proposal.[96]
- **November 5, 2026, Special Members Committee**: PJM provided notice in accordance with Tariff, Part I, section 9.2(b) regarding its proposed Tariff

redlines.pdf [https://perma.cc/WF4R-RKYC] (presenting redline Tariff revisions at the October 26, 2026 CLLOW).

[94] Donnie Bielak, *Fast Energization*, PJM Interconnection, L.L.C. (Oct. 26, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261026/20261026-item-03---1-fast-energization---presentation.pdf [https://perma.cc/VSE5-5235].

[95] *See Notice of PJM Transmission Owners Consultation with the Members Committee Regarding Proposed Revisions to the PJM Tariff*, PJM Interconnection, L.L.C. (Oct. 9, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261026/20261026-item-04---pjm-to-large-load-mc-consultation-notice.pdf [https://perma.cc/MT5Z-GKR7].

[96] Donnie Bielak et al., *Large Load Show Cause Response*, PJM Interconnection, L.L.C. (Oct. 28, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2026/20261028/20261028-item-06---large-load-show-cause-response---presentation.pdf [https://perma.cc/58FJ-VLAZ].

revisions to comply with the June 2026 Orders,[97] including its Fast Energization proposal.[98]

- **November 6, 2026, TOA-AC**: PJM provided notice to the Transmission Owners in accordance with Tariff, Part I, section 9.2(b) regarding its proposed Tariff revisions to comply with the June 2026 Orders, including its Fast Energization proposal.[99]
- **November 12, 2026, CLLOW:** PJM discussed its proposed revisions to the Tariff and RAA to implement its Fast Energization proposal. PJM provided draft Tariff and RAA redlines to stakeholders for discussion.[100]

PJM intends to schedule additional stakeholder sessions after the submission of this filing to continue the process of education and discussion on the proposal submitted here. In particular, PJM is planning sessions on at least November 23, 2026, and December 15, 2026, to answer stakeholder questions and receive feedback.

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[97] *See Meeting Details*, PJM Interconnection, L.L.C. (Nov. 5, 2026), https://www.pjm.com/forms/registration/Meeting%20Registration.aspx?ID=%7b1045ffcd-c613-47d7-90be-24f2afa0c1c4%7d [https://perma.cc/N8TQ-ELZR] (November 5, 2026 Special Members Committee Meeting Materials).

[98] Donnie Bielak, *Fast Energization*, PJM Interconnection, L.L.C. (Nov. 5, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2026/20261105-special/item-01---1-fast-energization---presentation.pdf [https://perma.cc/Z87G-9U6R].

[99] *See TOA-AC Meeting Agenda*, PJM Interconnection, L.L.C. (Nov. 6, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/committees/toa-ac/2026/20261106-special/agenda.pdf [https://perma.cc/FK73-PBGQ].

[100] *See, e.g.*, *Item 02 – Tariff Part XI New Transmission Services – Redlines*, PJM Interconnection, L.L.C. (Nov. 11, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261112/20261112-item-02---tariff-revisions-part-xi-new-transmission-services-november-11-draft---redline.pdf [https://perma.cc/7VBQ-P2RQ]; *Item 02 – RAA Schedule 8 – Redlines,* PJM Interconnection, L.L.C. (Nov. 11, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/workshops/cllsco/2026/20261112/20261112-item-02---raa-revisions-schedule-8-november-11-draft--redline.pdf [https://perma.cc/579S-MCKS].

III. OVERVIEW OF PROPOSED CHANGES

A. Part III—NITS

PJM is proposing certain changes to the terms and conditions of NITS in Part III to ensure that PJM is appropriately studying, planning, and upgrading the Transmission System for Large Load growth. Currently, there is no limit on a Network Customer's load growth when taking NITS, including for Large Load.[101] Under the current process, PJM plans the Transmission System based on the yearly load forecast, including adjustments to account for Large Loads.[102] To promote efficiency and transparency for Large Load additions, PJM is proposing the new Fast Energization study process in Part VIII as discussed below.[103] However, certain changes to Part III are needed to ensure that Large Load is captured in that study process.

1. NITS quantity for Large Load

PJM is proposing to add language to capture the existing level of NITS being provided to Network Customers serving Large Loads. In this regard, Part III would now specify that "[t]he amount of Regional Network Integration Transmission Service provisioned to Network Customers for serving Large Loads are at levels specified in an effective Service Agreement or, if not specified therein, as reflected on the Large Load Registry per the terms of the Reliability Assurance Agreement, Schedule 11.B.1."[104] The RAA now requires all Large Load in the PJM Region to be registered as of March 1,

[101] *See, e.g.*, Tariff, Part III, section 31.6.

[102] *See generally* RAA, Schedule 8 (setting Unforced Capacity Obligations based on Obligation Peak Load with Load Adjustments); Operating Agreement, Schedule 6 (specifying procedures for PJM's Regional Transmission Expansion Plan ("RTEP") Protocol).

[103] *See infra* Section III.B.

[104] Attachment A-1, Proposed Tariff, Part III, General.

2027.[105] This addition to Part III is necessary to set a baseline of the Large Load currently being served via NITS to allow PJM to study future Large Load additions.

2. Information updates

The Tariff currently provides for Network Customers to provide PJM with annual updates on its Network Load and Network Resources forecasts, consistent with the information provided in its Application for NITS, including any information provided under Tariff, Part III, section 29.2(ix) pursuant to the Transmission Provider's planning process in Operating Agreement, Schedule 6, but does not require the Network Customer to file an Application for those changes.[106] Because NITS is available to Eligible Customers taking service on behalf of Eligible Load, PJM is proposing to add language to clarify that the annual information updates Network Customers provide must include changes to Eligible Load and, as applicable, the Eligible Generating Facility serving that load.[107] Further, PJM's Tariff remains unchanged in that the Network Customer must provide PJM with timely notice of material changes relating to the Network Customer's Network Load (including any Network Load that is Large Load), and the Network Customer's Transmission System or other aspects of its facilities or operations affecting PJM's ability to provide reliable service.[108] This obligation, in tandem with the obligation

[105] *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 48; *PJM Interconnection, L.L.C.*, Thirty-Day Compliance Filing to the Commission's October 9, 2026 Order on PJM's Large Load Definition and Large Load Registry, Docket No. ER26-3515-002 (Nov. 9, 2026).

[106] *See* Tariff, Part III, section 31.6.

[107] Attachment A-1, Proposed Tariff, Part III, section 31.6.

[108] *Id.*

to also update the Large Load Registry means that PJM and others will have a clearer picture of the Large Load on its system.[109]

Going forward, Large Load growth for NITS customers will require an Application to be studied through the Fast Energization Process.[110] Accordingly, PJM is proposing to strike the language in section 31.6 that suggests an Application would not be required for such changes (i.e., "[e]ven if an Application is no longer required").[111]

3. 50 MW limit on netting Behind the Meter Generation

The Commission directed PJM to allow Eligible Customers with Retail BTMG to net up to 50 MW of Retail BTMG from their load, subjection to certain exclusions for a three-year transition provision, to grandfather existing commercial arrangements, and for Cogeneration Facilities with load that follows the facility.[112] Consistent with this directive, PJM is proposing a revised definition of Retail BTMG that eliminates the rejected 50 MW nameplate limit and other netting exemptions from the definition.[113] In addition, PJM is proposing revisions to Part III, section 34.2 and Schedule 8 of the RAA to implement the 50 MW netting limit.[114]

Currently, there is no limit to Retail BTMG's daily load reduction for purposes of calculating capacity requirements under the RAA or transmission service charges under

[109] RAA, Schedule 11.B.1 (accepted in *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 48)..

[110] *See infra* Section III.B.

[111] Attachment A-1, Proposed Tariff, Part III, section 31.6.

[112] Co-Location Order, 195 FERC ¶ 61,209, at PP 207, 220.

[113] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – R - S) (adding the definition of "Retail Behind The Meter Generation"); Proposed Tariff, Part VIII, Subpart A, section 400, Definitions R.

[114] Attachment A-1, Proposed Tariff, Part III, section 34.2; Proposed Tariff, RAA, Schedule 8.

the Tariff.[115] Any load that is served by operating BTMG is simply not included in the daily load of the Network Customer.[116] Pursuant to the Commission's directive,[117] PJM is proposing revisions to section 34.2 that would limit the daily load reduction from Retail BTMG to 50 MW effective March 16, 2027 based on the status of the BTMG as of December 18, 2025, unless an exemption applies.[118] As directed, PJM has included three exemptions from the netting limit. First, the 50 MW limit would not apply for a three-year transition period for existing Retail BTMG that was used to serve load as of December 18, 2025.[119] Second, the 50 MW netting limit would not apply to Retail BTMG that was owned, operated and/or contracted for as of December 18, 2025, for the current term remaining under any contract to effectuate the Retail BTMG arrangement (including any renewal, amendment, or extension per the contract's terms).[120] To qualify for this exemption, the retail load served by the Retail BTMG must be on the Large Load Registry, the Retail BTMG must be registered with the Transmission Provider in accordance with the PJM Manuals, and the Network Customer must comply with any requests for information to verify eligibility.[121]

PJM is proposing that the load be added to the Large Load Registry and that Retail BTMG be registered to track utilization of the netting exemptions for settlement and

[115] Tariff, Part III, section 34.2 ("The daily load of a Network Customer does not include load served by operating Behind The Meter Generation.").

[116] Tariff, Part III, section 34.2.

[117] Co-Location Order, 195 FERC ¶ 61,209, at PP 207, 220.

[118] Attachment A-1, Proposed Tariff, Part III, section 34.2(B).

[119] Attachment A-1, Proposed Tariff, Part III, section 34.2(C).

[120] Attachment A-1, Proposed Tariff, Part III, section 34.2(D).

[121] Attachment A-1, Proposed Tariff, Part III, section 34.2(D).

resource planning purposes. The 50 MW netting limit will not apply to a Cogeneration Facility (consistent with the requirements of the Public Utility Regulatory Policies Act of 1978) that is integrated with the retail load it serves such that if the Cogeneration Facility trips offline, the retail load follows.[122] To qualify, the retail load must be on the Large Load Registry, the Retail BTMG must be registered, the Network Customer must certify eligibility, the Network Customer must comply with requests for information to verify eligibility, and the Network Customer must update PJM in the event it no longer qualifies for the exemption.[123] PJM also reserves the right to periodically audit compliance with these requirements.[124]

To effectuate the netting limit for the purpose of capacity cost allocation, PJM is proposing changes to RAA, Schedule 8 to incorporate the netting limits into the calculation of Obligation Peak Load for purposes of determining the Unforced Capacity Obligations.[125] Currently, the Daily Unforced Capacity Obligation of a Party to the RAA is calculated by taking the Party's Obligation Peak Load and applying scaling factors.[126] The Obligation Peak Load is calculated by taking the daily summation of the Party's weather adjusted coincident summer peak for the last Delivery Year for the end-users in the Zone, net of BTMG.[127] Because PJM is proposing to limit BTMG netting to 50 MW except in specific circumstances, PJM is proposing to add language in RAA, Schedule 8 to

[122] Attachment A-1, Proposed Tariff, Part III, section 34.2(E).

[123] Attachment A-1, Proposed Tariff, Part III, sections 34.2(E)(a)-(e).

[124] Attachment A-1, Proposed Tariff, Part III, section 34.2(F).

[125] Attachment A-1, Proposed Tariff, RAA, Schedule 8.

[126] RAA, Schedule 8(A).

[127] RAA, Schedule 8(A).

incorporate those netting limits into the Obligation Peak Load calculation for settlement and planning purposes.[128]

B. Part VIII—Fast Energization Process

Consistent with the Commission's directives to establish a study process for Large Load and to avoid duplicating system reinforcements for generator interconnection and transmission service for Large Loads,[129] and with PJM's strategic objectives,[130] PJM proposes to evaluate requests for Transmission Service on behalf of Eligible Loads and Large Loads as part of its Tariff, Part VIII procedures for studying the interconnection of Generating Facilities and Merchant Transmission and the provision of Long Term Firm Transmission Service. PJM further proposes new reforms to Tariff, Part VIII to speed up the studies, increase readiness requirements, and increase certainty as to responsibility for upgrades. PJM calls the resulting process the "Fast Energization Process," as it is designed both to get Generating Facilities online quickly and provide transmission service to Eligible Loads and Large Loads efficiently through a single, one-year process.

1. The Fast Energization Process is designed for speed and accuracy.

The Fast Energization Process would supplant the current interconnection process's three System Impact Study phases with an accelerated Screening Phase and a single System Impact Study.[131] This shift from three System Impact Studies to one will greatly expedite the interconnection process. The one System Impact Study in the Fast Energization

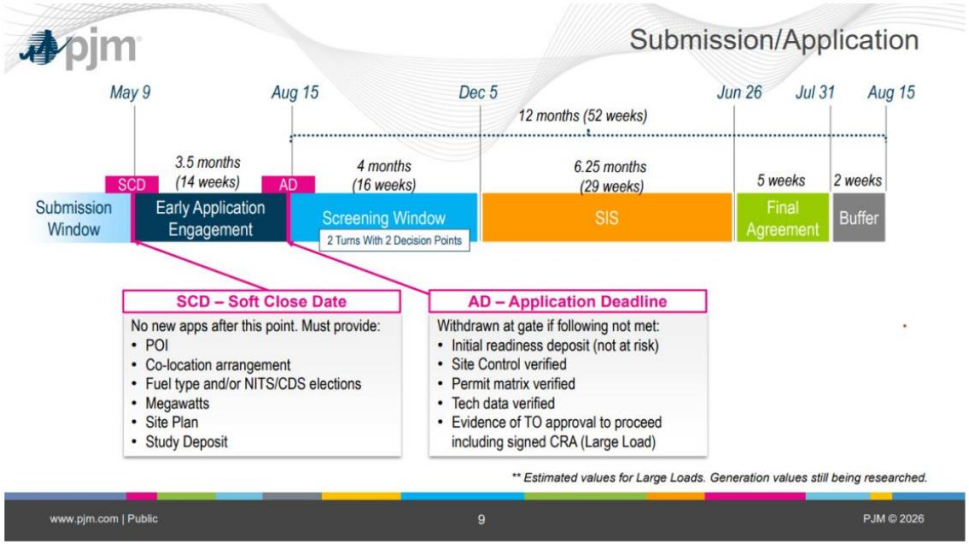
[128] Attachment A-1, Proposed RAA, Schedule 8(A).

[129] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 60.

[130] *See supra* Section I discussion of PJM's Five-Year Strategy and its objectives.

[131] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401 (Applications for Cycle Process Introduction); Proposed Tariff, Part VIII, Subpart C, section 404(B)(1) (Introduction); Proposed Tariff, Part VIII, Subpart C, section 405(B) (Phase I or Screening Phase); Proposed Tariff, Part VIII, Subpart C, section 409 (Phase III or System Impact Study Phase).

Process is preceded by a Screening Phase, during which PJM and Transmission Owners will provide two "turns" of system impact analysis with preliminary desk-side estimates for system upgrade costs and construction durations.[132] After each of these turns of analysis, there will be a Decision Point—a period during which Project Developers and Eligible Customers can choose whether or not to proceed and, if they are proceeding, commit Readiness Deposits.[133] This accelerated Screening Phase will extend for approximately four months, thereby providing two quick rounds of analysis that each take less than 60 days and get actionable information to Project Developers and Eligible Customers quickly.[134]



[132] Attachment A-2, Proposed Tariff, Part VIII, Subpart C, section 404(B)(1) (Introduction); Proposed Tariff, Part VIII, Subpart C, section 405(B) (Phase I or Screening Phase); Proposed Tariff, Part VIII, Subpart C, section 409 (Phase III or System Impact Study Phase).

[133] Attachment A-2, Proposed Tariff, Part VIII, Subpart C, section 404(B)(1) (Introduction); Proposed Tariff, Part VIII, Subpart C, section 406(C) (Decision Point I); Proposed Tariff, Part VIII, Subpart C, section 408(C) (Decision Point II).

[134] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 63 (directing PJM to explain whether the Tariff remains just and reasonable without processes for a study deadline of no more than 60 to 90 calendar days).

The Fast Energization Process will create additional time savings by having the Final Agreement Phase begin at the same time the System Impact Study Phase begins.[135] The process will also be expedited by imposing higher readiness requirements in the Application and having Readiness Deposits posted with the Applications and at risk at Decision Points I and II, earlier in the interconnection process than they currently are.[136] Higher and earlier readiness requirements and Readiness Deposits will better screen out speculative projects and ensure that projects that advance through the Fast Energization Process and enter into an interconnection-related service agreement are truly ready to start construction of their facility, complete construction, and get their facility in service.[137]

Finally, PJM has been and plans to continue to make investments in automation and technology to facilitate expediting the interconnection process. As described in the Bielak Declaration, PJM has been evaluating Tapestry, an AI-powered interconnection platform, and is close to the point at which it can trust results produced by the platform without parallel human verification.[138] This evaluation and PJM's own significant automation efforts have given PJM the confidence to work on developing a suite of automation that will enhance existing technology applications and also deploy technologies into new areas.[139] PJM is focusing particularly on improving its modeling platform, to turn

[135] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart D, section 411(C)(1) ("The Final Agreement Negotiation Phase shall run concurrently with the System Impact Study Phase.").

[136] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, sections 401(D)(1)-(3) (Required Study Deposits and Readiness Deposits); Proposed Tariff, Part VIII, Subpart C, section 406(C) (Decision Point I); Proposed Tariff, Part VIII, Subpart C, section 408(C) (Decision Point II).

[137] Bielak Decl. ¶ 7.

[138] Bielak Decl. ¶ 19.

[139] Bielak Decl. ¶ 19.

around grid studies more quickly, and on developing quality assurance tools to continue to drive high quality study results in a shorter period of time.[140]

2. The Fast Energization Process includes a Soft Close Date and Early Application Engagement to improve the quality of Applications and reduce disputes and litigation.

The Fast Energization Process includes a 14-week period between the Soft Close Date and the Application Deadline, called the Early Application Engagement, during which PJM will work with Applicants to improve their Applications.[141] This collaborative process will include PJM testing and giving feedback on Applicants' models, and giving guidance as to readiness.[142] This will result in cleaner Applications that can be validated quickly, thereby reducing disputes and litigation, with time-saving benefits for all concerned, including the Commission.[143]

3. Timing of Fast Energization Process implementation and the interim period

PJM proposes to implement the Fast Energization Process once the current Cycle reaches the end of Decision Point II, consistent with the current Tariff timeline for opening a new Cycle.[144] PJM thus proposes to open the Submission Window for the Fast Energization Process the next Business Day after Decision Point II of Cycle 01 ends.[145]

[140] Bielak Decl. ¶ 19.

[141] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 400 Definitions E (defining Early Application Engagement); Proposed Tariff, Part VIII, Subpart B, section 403(E)(2) (Early Application Engagement, Kickoff Calls, and Scoping Meetings).

[142] Attachment A-2, Proposed Tariff, Part VIII, Subpart B, section 403(E)(2) (Early Application Engagement, Kickoff Calls, and Scoping Meetings).

[143] *See* Bielak Decl. ¶ 20.

[144] *See* Tariff, Part VIII, Subpart B, section 403(A) (under the current Cycle process, PJM opens the Application window for the next Cycle when the current Cycle reaches Phase III).

[145] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A) ("Part VIII of the Tariff applies . . . 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.").

This is expected to be late November 2027.[146] At that time, all the pending Applications submitted for Cycle 02 under the existing process will be re-submitted for new Cycle 02 under the Fast Energization Process.[147] Opening the Submission Window in late November 2027 would result in a Soft Close Date in early May 2028,[148] followed by Early Application Engagement,[149] and an Application Deadline for the new Cycle 02 in August 2028.[150] The first Fast Energization Cycle would therefore finish in 2029.

During the interim period until the Fast Energization Process is in effect, PJM will use the Necessary Studies process, as directed in the Co-Location proceedings.[151] Once the Fast Energization Process is in effect, all Eligible Customer requests for transmission service to serve load, including Co-Located Load, will proceed through the Fast Energization Process.[152]

[146] *See* Stacey Nestel, *Cycle 01 Application*, PJM Interconnection, L.L.C., 2 (Jan. 2026), https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2026/20260126/20260126-item-05---cycle-1-application-requirements-and-nextgen-process.pdf [https://perma.cc/6RJL-DWPF].

[147] Attachment A-2, Proposed Tariff, Part VIII, Subpart C, section 404(A)(8). Requests to transfer Capacity Interconnection Rights in existing Cycle 02 Applications will be carried over to the new Cycle 02. *Id*.

[148] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 400 (Definitions S) (Soft Close Date).

[149] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 400 (Definitions E) (Early Application Engagement).

[150] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 400 (Definitions A) (Application Deadline).

[151] December Order, 193 FERC ¶ 61,217, at P 226; Co-Location Order, 195 FERC ¶ 61,209, at P 284.

[152] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(a) (effective 12/31/9998) ("[P]lanned 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.").

4. PJM is eschewing parallel processes, to streamline for speed and accuracy.

As part of the effort to streamline for speed, PJM proposes to eliminate Replacement Generation Interconnection Service.[153] Replacement Generation Interconnection Service was developed to address the delay in processing Generation Interconnection Requests during the transition from the old, serial process to the current clustered Cycle process.[154] That delay was particularly a problem for generators seeking to transfer Capacity Interconnection Rights from a deactivating resource to a New Service Request, because Capacity Interconnection Rights must be transferred within one year of deactivation of a resource.[155] With the Fast Energization Process taking only a year, there will no longer be a need for Replacement Generation Interconnection Service as a separate parallel process. Parallel processes, despite their value and benefit, increase complexity and tend to slow down processing; therefore PJM proposes to limit their use.[156]

PJM also proposes to return the Necessary Studies process to its former role of addressing modifications to projects covered by existing, effective service agreements once the Fast Energization Process is in effect,[157] as Eligible Loads and Eligible Generation can be studied more comprehensively through the main study process and do not need another separate parallel study process. PJM proposes to add the same Necessary Studies process

[153] Attachment A-2, Proposed Tariff, Part VIII, Subpart J, sections 437(A)-(B) (requiring Replacement Generation Interconnection Service Requests to be made prior to the next Business Day after the close of Decision Point II of Cycle 01).

[154] Bielak Decl. ¶ 14.

[155] *See* Tariff, Part VIII, Subpart E, section 426(C)(3).

[156] Bielak Decl. ¶¶ 15, 18. Along those lines, PJM also intends to open a stakeholder process in the first or second quarter of 2027 to explore improvements to Surplus Interconnection Service, another parallel process that has a negative impact on processing speed.

[157] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(a) (effective 12/31/9998).

for studying Eligible Customer-driven modifications to existing, effective Transmission Service Agreements for changes to the characteristics of Eligible Load and Large Load to the Necessary Studies process, however, as such changes require study to protect the Transmission System.[158]

5. PJM will maintain transparency of its study results

PJM will continue to identify the system reinforcements needed to interconnect Generating Facilities and provide transmission service to loads, the drivers of those reinforcements and their capital costs. PJM's studies will use a proportional impact methodology, consistent with Order No. 2023.[159] And PJM will post information regarding the reinforcements and their drivers and capital costs at the end of each Cycle on pjm.com in a publicly accessible, searchable format.[160] The allocation and recovery of those costs is in the control of the Transmission Owners because they have filing rights as to cost allocation, cost recovery, and rate design.

C. Part XI—New Transmission Services

1. Interim NITS

Consistent with the Commission's directive to make the new transmission services available to Eligible Customers serving load with BTMG,[161] PJM is proposing in Part XI, Subpart A to offer Interim NITS to Eligible Customers serving "Eligible Load," which

[158] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(a) (effective 12/31/9998).

[159] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart C, section 404.

[160] *See, e.g.*, Attachment A-2, Proposed Tariff, Part VIII, Subpart C, section 409(B)(2) (requiring System Impact Study results to be publicly available on PJM's website).

[161] Co-Location Order, 195 FERC ¶ 61,209, at P 91.

encompasses both Co-Located Load and load with BTMG.[162] PJM is also making Interim NITS available to Large Loads.[163] The Part XI, Subpart A largely adopts the terms and conditions proposed during the paper hearing process in Docket No. EL25-49-000,[164] but in a streamlined, reorganized format and with certain Commission-directed changes and other clarifications. The Commission generally found in the Co-Location Order that the Interim NITS rules PJM had proposed were just and reasonable.[165]

Section 701 describes the general nature of Interim NITS and restrictions on its use.[166] Interim NITS is a transmission service that allows Eligible Customers serving Eligible Load or Large Load to utilize head room on the system as-available on an interruptible basis to a specific Delivery Point while awaiting the completion of system upgrades necessary to provide full NITS.[167] Interim NITS is an energy-only service (i.e., it is not capacity backed).[168] Interim NITS is not available to Eligible Customers serving Eligible Load or Large Loads with FCD or NFCD Transmission Service.[169] In addition, Interim NITS may not be utilized by Eligible Customers to serve loads other than the designated Eligible Load or Large Load.[170] Finally, PJM reserves the right to curtail

[162] Attachment A-1, Proposed Tariff, Part XI, Subpart A, sections 700-03; Proposed Tariff, Part I, Definitions – E - F (Eligible Load).

[163] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.1.

[164] *See generally* PJM Initial Brief, Attachment A (Illustrative Language for New Tariff, Part XI; Attachments F-3A and F-4; and Other Illustrative Tariff Revisions) (Feb. 23, 2026); PJM Reply Brief, Attachment A (Redlines on Reply Brief to Illustrative Language for New Tariff, Part XI; Attachments F-3A and F-4; and Other Illustrative Tariff Revisions).

[165] *See* Co-Location Order, 195 FERC ¶ 61,209, at PP 263-68, 571.

[166] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.

[167] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.1.

[168] *See* Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.2.

[169] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.3.

[170] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.4.

Interim NITS, consistent with Good Utility Practice, for the purpose of making upgrades, modifications, or repairs to Transmission Owner or Generation Owner lines, substations, generators, or facilities or to respond to adverse system conditions.[171]

Section 702 lays out the requirements for initiating Interim NITS.[172] Eligible Customers may apply for Interim NITS at the same time as NITS by submitting an Application pursuant to the procedures in Part VIII.[173] The Transmission Service Agreement for Interim NITS is in the form provided in Attachment F-3A.[174] Such eligible Customers must also meet conditions precedent for service including complying with the PJM Credit Policy, executing a Transmission Service Agreement with operational procedures and necessary control technologies to limit withdrawals from the system, and certifying that the Eligible Customer is willing and able to limit withdrawals from the Transmission System for the Eligible Load when directed by Transmission Provider, and constructing any facilities on the customer's side of the Delivery Point to receive the delivery of energy.[175] Consistent with the Co-Location Order,[176] PJM clarified that Interim NITS will terminate and be converted automatically to NITS once the Transmission Provider performs an analysis to verify the system can accommodate the firm load and updates its internal systems to reflect the relevant upgrades needed to provide the requested

[171] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 701.5.

[172] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.

[173] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.1.

[174] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.2.

[175] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.3.

[176] Co-Location Order, 195 FERC ¶ 61,209, at P 571.

level of service on a firm basis.[177] The language concerning performing an updated analysis and updating the relevant internal system updates was added to clarify that the conversion does not happen automatically the moment upgrades are physically complete but must first be reflected in PJM's internal systems. In addition to termination for conversion to NITS, Interim NITS may be terminated to the extent the Eligible Load or Large Load is disqualified from receiving service pursuant to Part XI, Subpart C, section 719.5 due to multiple failures to follow Curtailment directives or misoperation of necessary control technologies.[178] Interim NITS may also be terminated to the extent an Eligible Customer is in breach of its obligations under the Transmission Service Agreement (e.g., failure to update Transmission Provider regarding material changes to the Eligible Load or Large Load).[179] Finally, Interim NITS may be terminated on another date mutually agreed by the parties.[180]

Consistent with the allocation of filing rights between PJM and Transmission Owners,[181] PJM understands the Transmission Owners have filed transmission rates for

[177] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.4(a); Proposed Tariff, Attachment F-3A.

[178] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.4(b).

[179] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.4(c).

[180] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 702.4(d).

[181] CTOA, Rate Schedule FERC No. 42; *see also Atl. City Elec. Co*., 190 FERC ¶ 61,109, at P 3 (2025) (providing history and authority for the CTOA under *Pennsylvania-New Jersey-Maryland Interconnection*, 105 FERC ¶ 61,294 (2003) ("*Atlantic City Settlement Order*"), *order on compliance*, 108 FERC ¶ 61,033 (2004) by explaining that "[i]n the *Atlantic City Settlement Order*, the Commission explained that the settlement agreement essentially divides filing rights between 'rate-related filings and terms and conditions-related filings – with the PJM [Transmission Owners] filing the former and PJM the latter'"); *Atl. City Elec. Co.*, 190 FERC ¶ 61,109, at P 4 ("[I]ndividual transmission owners do not have a right to file under FPA section 205 to modify 'terms and conditions of the PJM Tariff'. . . ."); *Atl. City Elec. Co. v. FERC*, 295 F.3d 1, 6 (D.C. Cir. 2002) (explaining that the initial Settlement Agreement between PJM and Transmission Owners "established procedures for changes to rate design and other tariff terms for transmission services. It permitted the transmission owners to file changes in transmission service rate design and non-rate terms and conditions to the tariff under section 205.").

Interim NITS.[182] In addition to such rates, Eligible Customers taking Interim NITS on behalf of Eligible Load or Large Load will be assessed certain other charges that are within PJM's filing authority, consistent with the charges assessed to loads taking NITS.[183] Accordingly, PJM would assess Eligible Customers taking Interim NITS on behalf of Eligible Load or Large Load:

- administrative services charges under Schedule 1A, Schedule 9, and Schedule 10 of the Tariff;[184]
- Ancillary Services charges in accordance with Part I, section 3;[185]
- Black Start Service charges in accordance with Tariff, Schedule 6A;[186]
- any redispatch costs as set forth in Tariff, Attachment K;[187] and
- any applicable Transmission Enhancement Charges in accordance with Tariff, Schedule 12.[188]

2. Contract Demand Transmission Service

Part XI, Subpart B, sections 708 through 711 and 714 through 715 provide the terms and conditions for the Contract Demand Transmission Services.[189] As explained in section 708, Contract Demand Transmission Service allows an Eligible Customer to take transmission service on behalf of Eligible Load or Large Load that is willing and able to

[182] *PJM Interconnection, L.L.C.*, PJM Transmission Owners' Partial Compliance Filing, Docket No. ER26-3537-000 (Aug. 17, 2026).

[183] *See* Co-Location Order, 195 FERC ¶ 61,209, at P 573.

[184] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 703.4.

[185] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 703.4.

[186] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 703.4.

[187] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 703.2.

[188] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 703.4.

[189] Attachment A-1, Proposed Tariff, Part XI, Subpart B, sections 708-11, 714-15.

limit withdrawals from the Transmission System.[190] FCD Transmission Service provides energy and capacity up to a specified, defined MW level.[191] NFCD Transmission Service provides energy procured by Transmission Provider on an as-available basis up to a specified, predetermined level.[192]

To be eligible for Contract Demand Transmission Service, any given Eligible Load or Large Load cannot be served by Interim NITS or NITS or have a pending Application for the same.[193] To prevent toggling between FCD Transmission Service and NFCD Transmission Service to avoid capacity costs, an Eligible Customer shall not be eligible to take NFCD Transmission Service on behalf of any given portion of an Eligible Load or Large Load it previously served with FCD Transmission Service for five years following the effective date of the relevant Transmission Service Agreement.[194] As with Interim NITS, Contract Demand Transmission Service may not be used for sales of energy or capacity to loads other than the Eligible Load or Large Load designated in the Transmission Service Agreement.[195] Also, Transmission Provider may Curtail Contract Demand Transmission Service, consistent with Good Utility Practice, to make or support upgrades, modifications, or maintenance to Transmission Owner or Generation Owner lines,

[190] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 708(a).

[191] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 708(b).

[192] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 708(b).

[193] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 709.3. This approach is consistent with the Commission's holdings that a customer cannot take NITS for only a portion of its load behind a delivery point. *See PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217, at P 196 (2025).

[194] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 709.3.

[195] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 709.4.

substations, and equipment or as needed due to adverse conditions on the Transmission System.[196]

To initiate Contract Demand Transmission Service on behalf of a designated Eligible Load or Large Load, the Eligible Customer must apply pursuant to the procedures in Tariff, Part VIII.[197] Note that even to the extent an entity intends to serve Eligible Load or Large Load entirely through Co-Located Generation and does not wish to take Transmission Service, the entity must still apply and take service for zero MW pursuant to a Transmission Service Agreement to account for the provision of ancillary services.[198] The Transmission Service Agreement for Contract Demand Transmission Service is in the form provided in Attachment F-4.[199]

Eligible Customers must meet the following conditions precedent to receive Contract Demand Transmission Service: (i) make a valid request pursuant to Part VIII; (ii) verify that the designated Eligible Load or Large Load has not been served by an Eligible Customer taking NITS or Interim NITS or applied for such service on behalf of the load; (iii) the Eligible Customer has complied with the PJM Credit Policy; (iv) the Eligible Customer has executed a Transmission Service Agreement in the form provided in Attachment F-4, which includes operational procedures and necessary control technologies to limit energy withdrawals; (v) the Eligible Customer is in compliance with all applicable technical requirements; (vi) the Eligible Customer constructed any facilities on its side of the Delivery Point necessary to receive the delivery of energy; (vii) the Eligible Customer

[196] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 709.5.

[197] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 710.1.

[198] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 710.1.

[199] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 710.2.

has completed any necessary certification requirements in accordance with the PJM Manuals; (viii) the Eligible Customer has executed the PJM Governing Agreements; and (ix) in the case of an Eligible Load served by an Eligible Generating Facility, the Eligible Customer verifies that no portion of the Eligible Generating Facility dedicated to serving the Eligible Load has Capacity Interconnection Rights.[200]

Contract Demand Transmission Service will generally continue without expiration, but may be terminated in certain circumstances.[201] First, Contract Demand Transmission Service may be terminated to the extent an incumbent Eligible Customer is being replaced by a successor Eligible Customer.[202] Second, an Eligible Customer may terminate FCD Transmission Service by providing PJM with 42 months' notice prior to the commencement of the Delivery Year.[203] Third, Contract Demand Transmission Service may be terminated to the extent the Eligible Load or Large Load is disqualified from receiving service pursuant to Part XI, Subpart C, section 719.5 due to multiple failures to follow Curtailment directives or misoperation of necessary control technologies.[204] Fourth, the Eligible Customer is in breach of its obligations under the Transmission Service Agreement (e.g., failure to update Transmission Provider regarding material changes to the Eligible Load or Large Load).[205] Fifth, Contract Demand Transmission Service may be terminated on another date mutually agreed by the parties.[206] Sixth, NFCD Transmission

[200] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 710.3.

[201] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711.

[202] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711(a).

[203] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711(b).

[204] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711(c).

[205] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711(d).

[206] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711(e).

Service may be terminated when system upgrades necessary to provide FCD Transmission Service are completed and placed in service.[207]

Consistent with the allocation of rights between PJM and Transmission Owners,[208] PJM understands the Transmission Owners will be making a separate filing transmission rates for FCD Transmission Service and NFCD Transmission Service. In addition to such rates, Eligible Customers will be assessed other charges Contract Demand Transmission Service that are within PJM's filing authority. Accordingly, PJM will assess Eligible Customers taking FCD Transmission Service on behalf of Eligible Load or Large Load:

- administrative services charges under Schedule 1A, Schedule 9, and Schedule 10 of the Tariff, based on the total quantity of megawatt-hours ("MWh") of FCD Transmission Service specified in the Transmission Service Agreement, except in the case of any capacity-related charges under these schedules, which shall be based on the Eligible Customer's Unforced Capacity Obligation;[209]

- Ancillary Services charges, except for Regulation, based on the total quantity in MWhs of FCD Transmission Service specified in the Transmission Service Agreement in accordance with Part I, section 3;[210]

- Regulation charges based on gross demand of the Eligible Load;[211]

- Black Start Service charges based on the gross demand in accordance with Tariff, Schedule 6A;[212]

- any redispatch costs as set forth in Tariff, Attachment K;[213] and

[207] Attachment A-1, Proposed Tariff, Part XI, Subpart B, section 711(f).

[208] *See supra* note 95.

[209] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 714.5.

[210] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 714.5.

[211] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 714.5.

[212] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 714.5.

[213] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 714.3.

- any applicable Transmission Enhancement Charges in accordance with Tariff, Schedule 12.[214]

For Eligible Customers taking NFCD Transmission Service on behalf of Eligible Load or Large Load, PJM would assess:

- administrative services charges under Schedule 1A, Schedule 9, and Schedule 10 of the Tariff, based on the total quantity of MWhs of reserved NFCD Transmission Service, except any capacity-related charges under these schedules will not apply;[215]

- Ancillary Services charges, except for Regulation, based on the total quantity in MWhs of reserved NFCD Transmission Service in accordance with Tariff, Part I, section 3;[216]

- To the extent the Eligible Customer does not have an effective Transmission Service Agreement for FCD Transmission Service, Black Start Service charges based on the gross demand in accordance with Tariff, Schedule 6A;[217]

- any redispatch costs as set forth in Tariff, Attachment K;[218] and

- To the extent the Eligible Customer does not have an effective Transmission Service Agreement for FCD Transmission Service, Regulation charges based on the gross demand of the Eligible Load or Large Load.[219]

3. Common service provisions for Interim NITS and Contract Demand Transmission Services

As proposed, Tariff, Part XI, Subpart C now provides the common service provisions for Part XI transmission services including requirements for control technologies, protection schemes, technical requirements, and facility construction. Service under Part XI is conditioned upon the Eligible Customer constructing, maintaining,

[214] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 714.5.

[215] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 715.4.

[216] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 715.4.

[217] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 715.4.

[218] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 715.2.

[219] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 715.4.

and operating the facilities and necessary control technologies and protection systems to take service and ensure that the Eligible Customer limits its withdrawals from the system.[220] Those necessary control technologies may include fully redundant special protection schemes in accordance with the PJM Manuals.[221] Necessary control technologies and special protection schemes must be developed in accordance with the PJM Manuals and consistent with Transmission Owner technical requirements and may be modified from time to time.[222] In addition, Eligible Customers must meet the relevant technical requirements for service including the installation of necessary hardware and software to limit energy withdrawals, provisioning an operations center and qualified personnel, and demonstration of operational control.[223]

Consistent with the Commission's directive,[224] PJM revised the Curtailment language to clarify the relative priority for the various services.[225] FCD Transmission Service will be treated as equivalent to NITS and Firm Point-to-Point Transmission Services for purposes of Curtailment.[226] Interim NITS, NFCD Transmission Service, and Non-Firm Point-to-Point Service will be treated as equivalent for purposes of Curtailment.[227] Transmission Provider will prioritize reservations for Curtailment based on their contribution to exceedances of system limits as specified in the PJM Manuals.[228]

[220] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 716.

[221] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 717.

[222] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 717.

[223] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 718.1.

[224] Co-Location Order, 195 FERC ¶ 61,209, at P 555.

[225] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.

[226] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.2.

[227] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.4.

[228] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.4.

As directed,[229] PJM also added language to specify that Eligible Customers subject to Curtailment may use a Co-Located Generating Facility to serve Co-Located Load provided the facility either has not obtained interconnection service yet or the facility is not a Capacity Resource.[230] Consistent with the Co-Location Order,[231] PJM added language in section 719.5 and to the Part I definition of Curtailment to clarify that with respect to Tariff, Part XI, its Curtailment authority includes the authority to curtail Interim NITS and NFCD Transmission Service for capacity or reserve shortages.[232]

Consistent with the Commission's directive,[233] PJM revised the operational penalties for failure to follow dispatch instructions or misoperation of control technologies.[234] Eligible Customers taking Interim NITS or Contract Demand Transmission Service are subject to operational penalties in the event that the Eligible Customer's necessary control technology or protection system scheme misoperates.[235] After one instance of misoperation, the Eligible Customer will be prohibited from taking transmission service or otherwise withdrawing energy from the Transmission System pursuant to the relevant Transmission Service Agreement for a period up to 120 days from misoperation, which may be shortened or extended per mutual agreement.[236] The up to 120-day pause pending evaluation of the misoperation of the necessary control technology

[229] Co-Location Order, 195 FERC ¶ 61,209, at P 576.

[230] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 705.2.

[231] Co-Location Order, 195 FERC ¶ 61,209, at P 551.

[232] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – C - D); Proposed Tariff, Part XI, Subpart C, section 719.5.

[233] Co-Location Order, 195 FERC ¶ 61,209, at PP 516, 523-24, 527.

[234] *See* Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.5.

[235] Attachment A-1, Proposed Tariff, Part XI, Subpart C, sections 719.5(a)-(b).

[236] *See* Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.5(b).

or protection system scheme is consistent with NERC requirements for an investigation into the operation of a Remedial Action Schemes (e.g., PRC-004-6 and PRC-012-02).[237] Such a pause in service will allow PJM (and the affected Transmission Owner(s), as necessary) time to investigate, identify, and implement necessary fixes to better protect the Transmission System, while respecting the Eligible Customer's desire to retain this type of service based on its promised willingness to limit energy withdrawals. In the event a necessary control technology or protection system misoperates a second time, the Eligible Customer's Transmission Service Agreement for that Eligible Load shall be terminated.[238] Similarly, Eligible Customers that fail to respond to established Load Shedding and Curtailment procedures shall be prohibited from taking service under the relevant Transmission Service Agreement for a period of up to 120 days.[239]

4. Pro Forma Service Agreement for Interim NITS (Attachment F-3A)

Because Interim NITS is by definition a temporary service that will convert into NITS, the *pro forma* service agreement is a combined Interim NITS/NITS agreement for Eligible Customers taking Interim NITS or NITS on behalf of Eligible Loads or Large Loads.[240] Any Eligible Customer taking these services on behalf of Eligible Loads or Large Loads would execute Attachment F-3A.[241] In addition to the general terms carried over

[237] *PRC-004-6 – Protection System Misoperation Identification and Correction*, North American Electric Reliability Corporation (June 12, 2025), https://www.nerc.com/globalassets/standards/reliability-standards/prc/prc-004-6.pdf [https://perma.cc/EV9E-JYWQ]; *PRC-012-2 – Remedial Action Schemes*, North American Electric Reliability Corporation (June 12, 2025), https://www.nerc.com/globalassets/standards/reliability-standards/prc/prc-012-2.pdf [https://perma.cc/9KFL-HHNU].

[238] *See* Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.5(b).

[239] *See* Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.5(a).

[240] Attachment A-1, Proposed Tariff, Part XI, Subpart A, sections 701.1, 702.4(a).

[241] Attachment A-1, Proposed Tariff, Attachment F-3A. The existing *pro forma* NITS Service Agreement is located at Tariff, Attachment F-3.

from the *pro forma* NITS Service Agreement (Attachment F-3), PJM has added terms specific to Interim NITS and serving Eligible Loads and Large Loads. When an Eligible Customer takes Interim NITS while awaiting upgrades for NITS, Attachment F-3A specifies that NITS will not commence until the necessary upgrades are complete, Transmission Provider has performed an updated analysis to verify the Transmission System can accommodate the firm load, and the Transmission Provider has updated the relevant systems pursuant to its internal procedures.[242] Because PJM will have to ensure the Transmission System can accommodate the specific Eligible Load or Large Load being served by the Eligible Customer, Attachment F-3A requires certain details about that load to be specified in the Agreement. Attachment F-3A requires the specific Eligible Load or Large Load being served to be identified, the load's gross demand to be specified, and, as applicable, information regarding the Eligible Generating Facility serving the load to be listed, including its Maximum Facility Output.[243] The Eligible Customer is also required to specify a Delivery Point for Interim NITS and submit a single-line diagram.[244]

Because Interim NITS requires the Eligible Customer to be willing and able to limit withdrawals from the system, Attachment F-3A includes terms to implement such limitations. First, Attachment F-3A specifies the amount of Interim NITS provided[245] and requires the Eligible Customer to certify that it is willing and able to limit its usage of the Transmission System consistent with the terms of the Agreement and when requested by

[242] Attachment A-1, Proposed Tariff, Attachment F-3A, sections 2.0-3.0.

[243] Attachment A-1, Proposed Tariff, Attachment F-3A.

[244] Attachment A-1, Proposed Tariff, Attachment F-3A, Specifications for Interim Regional NITS, section 1.0; Proposed Tariff, Attachment F-3A, Schedule A.

[245] Attachment A-1, Proposed Tariff, Attachment F-3A, Specifications for Interim Regional NITS, section 1.0.

the Transmission Provider.[246] The Agreement also includes a placeholder to list the necessary control technologies and operational practices that will be required prior to the commencement of Interim NITS.[247] Finally, the agreement prohibits the Eligible Customer from making any material modifications to the load being served without the Transmission Provider's prior written agreement.[248] To the extent modifications to the Load Facility are planned, the Agreement requires the Eligible Customer to provide PJM notice to allow PJM to initiate the Necessary Studies process.[249] In the event PJM determines that a planned modification would have a permanent material impact on the Transmission System or would constitute a material modification, Network Customer shall then withdraw the proposed modification or proceed with a new Eligible Customer for Load Request for the modification.[250] Finally, the Agreement provides that if an Eligible Customer fails to timely inform the Transmission Provider of or obtain Transmission Provider's written agreement for a material change in (i) the demand characteristics of the Load Facility; or (ii) the supply characteristics of the Eligible Generating Facility may constitute a breach to the Agreement and the Agreement may be terminated.[251]

[246] Attachment A-1, Proposed Tariff, Attachment F-3A, section 4.0.

[247] Attachment A-1, Proposed Tariff, Attachment F-3A, Specifications for Interim Regional NITS, sections 4.0-5.0.

[248] Attachment A-1, Proposed Tariff, Attachment F-3A, section 4.0.

[249] Attachment A-1, Proposed Tariff, Attachment F-3A, section 4.0.

[250] Attachment A-1, Proposed Tariff, Attachment F-3A, section 4.0.

[251] Attachment A-1, Proposed Tariff, Attachment F-3A, section 4.0.

5. Pro Forma Service Agreement for Contract Demand Transmission Service (Attachment F-4)

Attachment F-4, the *pro forma* agreement for Contract Demand Transmission Service, governs both FCD and NFCD Transmission Services.[252] Attachment F-4 is the *pro forma* agreement for Eligible Customers taking FCD or NFCD Service on behalf of Eligible Loads or Large Loads.[253] Any Eligible Customer taking these services on behalf of Eligible Loads or Large Loads would execute Attachment F-4.[254] In addition to the general terms carried over from the *pro forma* NITS Service Agreement (Attachment F-3), PJM has added terms specific to Contract Demand Transmission Service and serving Eligible Loads and Large Loads. When an Eligible Customer takes NFCD Transmission Service while awaiting upgrades for FCD Transmission Service, Attachment F-4 specifies that FCD Transmission Service will not commence until the upgrades are complete, Transmission Provider has performed an updated analysis to verify the Transmission System can accommodate the firm load, and the Transmission Provider has updated the relevant systems pursuant to its internal procedures.[255] Like with Interim NITS, because PJM will have to ensure the Transmission System can accommodate the specific Eligible Load or Large Load being served by the Eligible Customer, Attachment F-4 requires certain details about that load to be specified in the Agreement. Attachment F-4 requires the specific Eligible Load or Large Load being served to be identified, the load's gross demand to be specified, and, as applicable, information regarding the Eligible Generating

[252] Attachment A-1, Proposed Tariff, Attachment F-4.

[253] Attachment A-1, Proposed Tariff, Part XI, Subpart B, sections 708(a), 710.3(iv).

[254] Attachment A-1, Proposed Tariff, Attachment F-4; Proposed Tariff, Part XI, Subpart B, sections 708(a), 710.3(iv).

[255] Attachment A-1, Proposed Tariff, Attachment F-4, sections 2.0-3.0.

Facility serving the load to be listed, including its Maximum Facility Output.[256] The Eligible Customer is also required to specify a Delivery Point for the Contract Demand Transmission Service and submit a single-line diagram.[257]

Because Contract Demand Transmission Service requires the Eligible Customer to limit withdrawals from the system (as with Interim NITS), Attachment F-4 includes terms to implement such limitations. First, Attachment F-4 specifies the amount of FCD Transmission Service and NFCD Transmission Service being provided[258] and requires the Eligible Customer to certify that it is willing and able to limit its usage of the Transmission System consistent with the terms of the Agreement and when requested by the Transmission Provider.[259] The Agreement also includes a placeholder to list the necessary control technologies and operational practices that will be required prior to the commencement of service.[260] Finally, the agreement prohibits the Eligible Customer from making any material modifications to the load being served without the Transmission Provider's prior written agreement.[261] To the extent modifications to the Load Facility are planned, the Agreement requires the Eligible Customer to provide PJM notice to allow PJM to initiate the Necessary Studies process.[262] In the event PJM determines that a

[256] Attachment A-1, Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, sections 2.0-3.0.

[257] Attachment A-1, Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, section 1.0; Proposed Tariff, Attachment F-4, Schedule A.

[258] Attachment A-1, Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, section 1.0.

[259] Attachment A-1, Proposed Tariff, Attachment F-4, section 5.0.

[260] Attachment A-1, Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, sections 4.0-5.0.

[261] Attachment A-1, Proposed Tariff, Attachment F-4, section 4.0.

[262] Attachment A-1, Proposed Tariff, Attachment F-4, section 4.0.

planned modification would have a permanent material impact on the Transmission System or would constitute a material modification, Network Customer shall then withdraw the proposed modification or proceed with a new Eligible Customer for Load Request for the modification.[263] Finally, the Agreement provides that if an Eligible Customer fails to timely inform the Transmission Provider of or obtain Transmission Provider's written agreement for a material change in (i) the demand characteristics of the Load Facility; or (ii) the supply characteristics of the Eligible Generating Facility may constitute a breach of the Agreement and the Agreement may be terminated.[264]

D. Re-Filing Co-Located Load Compliance Changes

A number of proposed changes in this filing address compliance directives from the Co-Location Order and were previously filed on August 17, 2026.[265] PJM filed a motion with the Commission earlier today seeking leave to withdraw that filing in favor of this one due to the overlapping nature of many of the changes.[266] A number of the proposed changes from the August 17 Filing are being re-filed here. Attachment D provides a chart detailing where each directive from the June 2026 Orders is addressed in this filing.[267]

1. Prohibition on serving Co-Located Load from existing generators

The Co-Location Order directed PJM to explain in its compliance filing how its changes will prohibit Interconnection Customers from serving Co-Located Loads from new and existing generators until all necessary Network Upgrades, control technologies

[263] Attachment A-1, Proposed Tariff, Attachment F-4, section 4.0.

[264] Attachment A-1, Proposed Tariff, Attachment F-4, section 4.0.

[265] *See* August 17 Filing.

[266] *PJM Interconnection, L.L.C.*, Motion to Withdraw Filing and Terminate Proceeding in Deference to New Docket of PJM Interconnection, L.L.C., Docket No. ER26-1479-002 (Nov. 16, 2026).

[267] *See generally* Attachment D, Chart Mapping Order Directives to Tariff Changes.

and/or protection systems, and metering are complete and in service.[268] This FPA section 205 filing fulfils PJM's compliance obligations and obviates the need for a separate compliance filing by proposing to add Necessary Study references and provisions to Parts I, III, VI, and VII, and to direct Generation Project Developers seeking to serve Co-Located Load with an existing Co-Located Generating Facility to the Necessary Study process in Part VIII, Subpart A, section 401(H)(3).[269] In its Sixty-Day Compliance Filing, PJM proposed to add language to Part VIII for the Necessary Study process to preclude a Project Developer from implementing any planned modifications to its facilities until the Necessary Studies are completed and the amended GIA reflecting the results of such studies is fully executed and effective; the Sixty-Day Compliance Filing also provided that service to the Co-Located Load could not begin until "all required Network Upgrades, necessary control technologies and protection systems, and metering identified as necessary are complete and in service."[270] Thus, the Tariff would now require that all Interconnection Customers and Generation Project Developers seeking to serve Co-Located Load, whether with existing or new Generating Facilities: (1) provide advance written notice to PJM and the relevant Transmission Owner; (2) go through the Necessary Study process in Part VIII of the Tariff; and (3) not begin serving Eligible Load until the

[268] Co-Location Order, 195 FERC ¶ 61,209, at P 285.

[269] *See* Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – L-M-N) (adding the definitions of "Necessary Study" and "Necessary Studies Agreement"); Proposed Tariff, Part III (General) (addition of notice requirement); Proposed Tariff, Part VI, Subpart B, section 212 (same); Proposed Tariff, Part VII, Subpart A, section 301(A)(7)(c) (same).

[270] Sixty-Day Compliance Filing, Proposed Tariff Revisions (Attachments A & B), Part VIII, Subpart A, sections 401(H)(3)(a), 401(H)(3)(b)(iii). In this filing, PJM proposes to further clarify in Proposed Tariff, Part VIII, the Necessary Study process by amending the listing of required and necessary equipment changes to instead reference "the entire scope of work required under that . . . Generation Interconnection Agreement." Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(d). This ensures that all items determined to be necessary and therefore captured in the amended GIA are complete before the Project Developer may begin serving Eligible Load.

entire scope of the work under their GIA as amended after the Necessary Study process is complete. These combined revisions ensure that all these entities are treated comparably and the prohibition on serving Co-Located Loads before all the necessary upgrades and equipment changes are complete is enforced across the board.[271]

2. Expansion of service to "Eligible Load" for load with BTMG

The Co-Location Order directed PJM to expand the availability of the December Order's new transmission services to Network Customers serving load with BTMG that are willing and able to limit their withdrawals from the Transmission System under certain circumstances.[272] The Commission directed PJM to either add a definition of "Eligible Load" or propose other changes to implement this directive.[273] Consistent with this directive, PJM is proposing to add the term Eligible Load to the Tariff to encompass both Co-Located Load and Load with BTMG.[274] To that end, PJM is proposing to add to the Tariff, Part I, section 1, Definitions the term "Eligible Load" defined as "Co-Located Load or load connected to Behind the Meter Generation."[275] Further consistent with the Commission's directive to propose other Tariff changes necessary to expand the

[271] PJM also proposes herein formatting and language changes to the Necessary Study provisions in Part VIII, Subpart A, section 401(H)(3), to make clear that the Necessary Study process applies to all Project Developers that plan to make modifications to their facilities, "including but not limited to a Project Developer whose planned modifications include an Eligible Load configuration." Attachment A-1, Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(a). PJM further proposes minor, ministerial changes to Tariff, Part VIII to spell out the term "Generation Interconnection Agreement" and replace "PJM" with "Transmission Provider," as appropriate. *See, e.g.*, Attachment A-1, Proposed Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(j)(iv); Proposed Tariff, Part VIII, Subpart E, sections 414(B)(2), 414(B)(4)(c).

[272] Co-Location Order, 195 FERC ¶ 61,209, at P 91.

[273] Co-Location Order, 195 FERC ¶ 61,209, at P 91.

[274] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – E - F) (adding the definition of "Eligible Load").

[275] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – E - F) (adding the definition of "Eligible Load").

availability of these new services, PJM is proposing to add to the term "Eligible Generating Facility" to the Tariff to encompass both a Co-Located Generating Facility or Retail BTMG.[276] In addition, PJM is proposing conforming changes to replace "Co-Located Load" with "Eligible Load" and "Co-Located Generator" with "Eligible Generator" and other clarifying changes in Tariff Part I, section 1 (Definitions),[277] Part III (Network Integration Transmission Service),[278] Part VI (Administration and Study of New Service Requests),[279] Part VII (Transition Cycle Generation Interconnection Procedure),[280] Part VIII (New Rules Generation Interconnection Procedure),[281] Part IX (Forms of

[276] "'Eligible Load' shall mean Co-Located Load or load connected to Behind the Meter Generation. 'Eligible Generating Facility' shall mean a Co-Located Generating Facility or Behind the Meter Generation." Proposed Tariff, Part I, section 1 (Definitions – E - F) (defining "Eligible Load" and "Eligible Generating Facility").

[277] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – O - P - Q) (updating the definition of "Provisional Interconnection Service" to reference "Eligible Load" instead of just "Co-Located Load").

[278] Attachment A-1, Proposed Tariff, Part III, section 28.1 (replacing "Co-Located Load" with "Eligible Load"); section 29.1 (allowing customers to take NITS on behalf of "Eligible Load" instead of "Co-Located Load"); Proposed Tariff, Part III, section 29.2 (replacing "Co-Located Load" with "Eligible Load" in Application procedures); Proposed Tariff, Part III, section 31.6 (replacing "Co-Located Load" with "Eligible Load" in annual load and resource information update).

[279] Attachment A-1, Proposed Tariff, Part VI, Subpart B, section 212 (adding language in Part VI, Subpart B, section 212 regarding the Necessary Study process in Part VIII for Generating Facilities to reference service to Eligible Loads).

[280] Attachment A-1, Proposed Tariff, Part VII, Subpart A, section 300, Definitions E (adding the definitions for "Eligible Load" and "Eligible Generating Facility"); Proposed Tariff, Part VII, Subpart A, section 300, Definitions P (revising the definition of "Provisional Interconnection Service" to reference "Eligible Generating Facility" and "Eligible Load").

[281] Attachment A-1, Proposed Tariff, Part VIII, Subpart A, section 400, Definitions E (adding the definitions for "Eligible Load" and "Eligible Generating Facility"); Proposed Tariff, Part VIII, Subpart A, section 400, Definitions P (updating the definition of "Provisional Interconnection Service" to reference "Eligible Generating Facility" and "Eligible Load"); Proposed Tariff, Part VIII, Subpart A, section 401 (revising the Application requirements to allow Eligible Generating Facilities serving Eligible Load and clarifying the Necessary Studies process applies to Eligible Load); Proposed Tariff, Part VIII, Subpart B, section 403 (revising the Application rules to allow Eligible Generating Facilities serving Eligible Load); Proposed Tariff, Part VIII, Subpart C, section 404 (updating the System Impact Studies to contemplate service to Eligible Load); Proposed Tariff, Part VIII, Subpart C, section 406 (updating the acceleration language to allow acceleration of new service requests for new facilities or increases the generation capability in existing facilities to serve Eligible Load); Proposed Tariff., Part VIII, Subpart C, section 408 (same); Proposed Tariff, Part VIII, Subpart E, section 413 (updating the language permitting service requests below the Maximum Facility Output for new facilities or increases the generation capability in existing facilities that will serve

Interconnection-Related Agreements),[282] and Part XI, Subpart A (Interim Network Integration Transmission Service).[283]

3. Elimination of new GIA requirement

PJM previously proposed to require all Eligible Customers that intend to serve Co-Located Load with a new or existing Co-Located Generating Facility to enter into a new GIA pursuant to Part VIII of the Tariff, which was revised to include additional details regarding the Necessary Studies process.[284] The Co-Location Order rejected this proposal for customers with existing service agreements and directed PJM to add language concerning the Necessary Study process to Tariff, Parts VI and VII to allow customers with existing service agreements to modify those agreements.[285] Accordingly, PJM is proposing changes to allow customers that obtained service agreements pursuant to Parts VI and VII to modify those agreements pursuant to the Necessary Study process in Part VIII.[286]

Eligible Load); Proposed Tariff, Part VIII, Subpart E, section 414 (updating the language to permit Surplus Interconnection Service for Eligible Load).

[282] Attachment A-1, Proposed Tariff, Part IX, Subpart A (Form of Application and Studies Agreement), section 1 (revising section 1 of the Application and Studies Agreement to collect Applicant information for an Eligible Generating Facility serving Eligible Load); Proposed Tariff, Part IX, Subpart A (Form of Application and Studies Agreement), section 3.17 (changing "PJM" to "Transmission Provider" and clarifying all transmission service requests in the PJM Region are subject to the same deliverability tests); Proposed Tariff, Part IX, Subpart B, GIA Appendices and Schedules, Schedule O (updating Schedule O to replace "Eligible Load" with "Eligible Generating Facility"); Proposed Tariff, Part XI, Subpart G, Necessary Studies Agreement (updating the Necessary Studies Agreement to reference "Eligible Load" and "Eligible Generating Facility").

[283] Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 700 (updating references to "Co-Located Load" to "Eligible Load"); Proposed Tariff, Part XI, Subpart A, section 701.1 (same); Proposed Tariff, Part XI, Subpart A, section 701.2 (same); Proposed Tariff, Part XI, Subpart A, section 701.3 (same); Proposed Tariff, Part XI, Subpart A, section 702.1 (same); Proposed Tariff, Part XI, Subpart A, section 702.4 (same); Proposed Tariff, Part XI, Subpart A, section 703 (same).

[284] *See* Co-Location Order, 195 FERC ¶ 61,209, at P 284; Attachment A-1, Proposed Tariff, Part VIII, Subpart A, section 401(H)(3).

[285] Co-Location Order, 195 FERC ¶ 61,209, at P 311.

[286] *See supra* note 58 concerning addition of Necessary Study language to Parts I, III, VI, and VII; Attachment A-1, Proposed Tariff, Part VIII, Subpart A, section 401(I). PJM also proposes to cross-reference Tariff, Part VIII, Subpart L, section 439, Provisional Interconnection Service, added in the Thirty-Day Compliance Filing, in Parts VI and VII to clarify that Provisional Interconnection Service is available to

For Interconnection Customers that utilized the Part VI process, because Part VI does not contain discrete definitions, PJM is revising the proposed definition of Co-Located Generating Facility in Part I to include an existing Customer Facility that is physically connected to Co-Located Load to incorporate the relevant terms from Part VI.[287] As explained above, to ensure that existing Interconnection Customers with effective Interconnection Service Agreements ("ISA") do not serve Co-Located Load until all necessary upgrades and equipment are in place,[288] PJM is also adding to the Co-Located Generating Facility definition a requirement to provide advance written notice to the Transmission Provider and Transmission Owner to initiate the Necessary Study process pursuant to Part VIII, Subpart A, section 401(H)(3)(b) to use a Customer Facility to serve Co-Located Load.[289] In addition, PJM is adding language to mirror this Necessary Study process requirement in Part VI, Subpart B, section 212.[290] Finally, PJM has updated the *pro forma* Necessary Studies Agreement to include language for Queue No., reference Part VI for ISAs, incorporate references to Interconnection Customers throughout, and

entities that obtained Interconnection Service under those Parts. *See* Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – O - P - Q) (updating the definition of "Provisional Interconnection Service"); Proposed Tariff, Part VII, Subpart A, section 300, Definitions P (same); Proposed Tariff, Part VIII, Subpart A, section 400, Definitions P (same).

[287] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – C - D) (revising the definition of "Co-Located Generating Facility").

[288] Co-Location Order, 195 FERC ¶ 61,209, at P 285.

[289] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – C - D) (adding to the definition of "Co-Located Generating Facility").

[290] Attachment A-1, Proposed Tariff, Part VI, Subpart B, section 212. PJM also proposes to add new Tariff, Part VIII, Subpart A, section 401(I) to clarify that Interconnection Customers with ISAs under Tariff, Part VI may utilize the Part VIII Necessary Study process and will be referred to as Project Developers or Generation Project Developers and their agreements referred to as GIAs when doing so.

reference Tariff, Attachment O, Appendix 2, section 3 in paragraph 5 concerning the purpose of the Necessary Studies.[291]

For Generation Project Developers that utilized the Part VII Transition Cycle Interconnection Process, PJM is proposing to modify the definition of Co-Located Generating Facility to include both an existing and planned Generating Facility.[292] Consistent with the proposed changes in Part VI, PJM is adding a requirement to provide Transmission Provider and Transmission Owner with advance written notice to initiate the Necessary Study process pursuant to Part VIII, Subpart A, section 401(H)(3)(b) in the event a Generation Project Developer with an effective GIA intends to use a Generation Facility to serve Co-Located Load.[293] PJM is also adding this advance notice requirement for the Necessary Study process to Tariff, Part VII, Subpart A, section 301(A)(7)(c).[294] Finally, PJM is proposing a definition of Co-Located Load that references the relevant terms for Part VII of the Tariff (i.e., Generating Facility and Project Developer).[295]

[291] Attachment A-1, Proposed Tariff, Part IX, Subpart G, Necessary Studies Agreement.

[292] Attachment A-1, Proposed Tariff, Part VII, Subpart A, section 300, Definitions C (definition of Co-Located Generating Facility).

[293] Attachment A-1, Proposed Tariff, Part VII, Subpart A, section 300, Definitions C (definition of Co-Located Generating Facility).

[294] Attachment A-1, Proposed Tariff, Part VII, Subpart A, section 301(A)(7)(c); Proposed Tariff, Subpart A, section 300, Definitions N.

[295] Attachment A-1, Proposed Tariff, Part VII, Subpart A, section 300, Definitions C.

4. Effective date only

In addition, PJM previously proposed compliance changes that were accepted in the Co-Location Order without an effective date.[296] Accordingly, PJM is re-filing the following Tariff records with a proposed effective date of March 16, 2027:

- Part I, section 1, Definitions – A-B (BTMG);[297]
- Part III, section 34.3 (Netting of Non-Retail BTMG);[298]
- Part VII, Subpart A, section 300, Definitions B (BTMG);[299]
- Part VIII, Subpart A, section 400, Definitions B (BTMG);[300] and
- Part VIII, Subpart A, section 400, Definitions N (Necessary Study).[301]

E. Changes to Be Addressed in Future Filings

PJM has identified certain changes to be addressed in future filings. PJM will need to amend Schedule 1 of the Operating Agreement to allocate Auction Revenue Rights to FCD Transmission Service customers and may need to make conforming changes to the RAA regarding Capacity Market and load forecast effects of the new services. If, after further stakeholder engagement or Commission direction, it appears prudent or necessary to further clarify this matter in a filing, PJM will do so.

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[296] *See, e.g.*, Co-Location Order, 195 FERC ¶ 61,209, at P 207 n.519; Sixty-Day Compliance Filing at 35.

[297] Attachment A-1, Proposed Tariff, Part I, section 1 (Definitions – A - B) (updating the definition of "Behind the Meter Generation"); Co-Location Order, 195 FERC ¶ 61,209, at P 207 n.519.

[298] Attachment A-1, Proposed Tariff, Part III, section 34.3.

[299] Attachment A-1, Proposed Tariff, Part VII, Subpart A, section 300, Definitions B.

[300] Attachment A-1, Proposed Tariff, Part VIII, Subpart A, section 400, Definitions B.

[301] Attachment A-1, Proposed Tariff, Part VIII, Subpart A, section 400, Definitions N; Co-Location Order, 195 FERC ¶ 61,209, at P 280 n.670.

Other than the form of Necessary Studies Agreement, initially filed in the August 17 Filing,[302] that PJM is re-filing here because it will be needed in the interim period before the Fast Energization Process begins, PJM is not proposing to revise the forms of interconnection-related service agreements in Tariff, Part IX (e.g., the form of Application and Studies Agreement, the GIA, the Wholesale Market Participation Agreement, and others) in this filing. PJM plans to file revisions to those forms in a later, supplemental filing, once the Commission has ruled on or provided guidance concerning the Tariff revisions to Part VIII proposed herein. In that supplemental filing, PJM also will propose other revisions to the interconnection-related service agreement in Tariff, Part IX to streamline the service agreement negotiation and contracting process, based on lessons learned to date in the Transition Period and in Cycle 01 and on PJM's automation efforts. Finally, depending on the Commission's rulings or guidance on the cost recovery provisions the Transmission Owners are filing concurrently, PJM will need to add to the Tariff a form of agreement for PJM to hold Project Developers' post-commercial operation Security, as required to support the Transmission Owners' fees charged to Project Developers.[303]

PJM is filing separately today a motion for additional abeyance so that it can make these supplemental filings.

[302] August 17 Filing, Attachment A, Tariff, Part IX, Subpart G.

[303] *See* Attachment A-2, Proposed Tariff, Part VIII, Subpart D, section 411(C).

IV. THE COMMISSION SHOULD ACCEPT THE PROPOSED CHANGES AS JUST AND REASONABLE.

A. The Proposed Fast Energization Process Is Just and Reasonable and Advances the Commission's Categories for Reform in the June 2026 Orders

The Fast Energization Process is just and reasonable for four principal reasons. First, it is designed to address and promote meaningful improvement in response to real challenges facing the grid: insufficiently fast interconnection processes for load and generation, parallel and duplicative study processes, speculative requests, limited visibility into the drivers of transmission upgrades, and an ongoing resource adequacy shortfall. Second, it is built on a unifying design that studies generation and load together, shortens the process by half, and moves readiness and financial commitments to the front of the process to promote readiness to build. Third, it preserves the first-ready, first-served principle from recent interconnection study process reforms (consistent with Order No. 2023)[304] and adds greater transparency and cost certainty. Fourth, its core features track the directives of the Large Load Show Cause Order.[305] The Commission need not find that PJM's proposal is the only reasonable approach in order to accept it, only that PJM's proposal is a just and reasonable one.[306]

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[304] *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *limited order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024), *aff'd sub nom.*, *Advanced Energy United v. FERC*, 185 F.4th 186 (D.C. Cir. 2026).

[305] *See* Attachment D, Chart Mapping Order Directives to Tariff Changes, at 17-25.

[306] *Cities of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) ("*Cities of Bethany*"); *see ISO New Eng. Inc.*, 114 FERC ¶ 61,315, at P 33 & n.35 (2006) (citing *Pub. Serv. Co. of N.M. v. FERC*, 832 F.2d 1201, 1211 (10th Cir. 1987); *Cities of Bethany* at 1136); *Oxy USA, Inc. v. FERC*, 64 F.3d 679, 692 (D.C. Cir. 1995) (citing *Cities of Bethany* at 1136); *cf. S. Cal. Edison Co.*, 73 FERC ¶ 61,219, at 61,608 n.73 (1995) ("Having found the Plan to be just and reasonable, there is no need to consider in any detail the alternative plans proposed by the Joint Protesters." (citing *Cities of Bethany* at 1136)).

B. Core Features of the Fast Energization Process That Enhance the Current Cycle Process

1. PJM's current process provides only some visibility into the transmission needs created by Large Loads

Under the current planning processes, transmission service for Large Loads is subsumed within PJM's RTEP. System reinforcements needed to serve Large Loads are identified through separate processes, including the Transmission Owners' processes (e.g., Attachment M-3 and Form 715 planning processes) and PJM's Do No Harm process, and are "trued up" as load interconnection projects are incorporated into the RTEP.[307] PJM's proposal provides more visibility into the transmission build-out driven by Large Loads so that PJM can ensure sufficient transmission capability exists in the timeframe in which a Large Load plans to come online. Studying transmission service together with generation interconnection will allow PJM and the Transmission Owners to be more transparent about the drivers of the reinforcements required to serve Large Loads.[308]

2. Resource Adequacy requires getting new generation online faster.

PJM continues to need additional generating capacity to maintain reliable service for the 67 million people in the PJM Region and to serve new Large Loads. As PJM's Five-Year Strategy recognizes, "in today's environment, reliability is not possible without resource adequacy."[309] The 2028/2029 Base Residual Auction Report shows that the shortfall of capacity supply needed to meet demand, plus an adequate reserve margin, has grown year over year, despite a net increase of 1,294.4 MW of Installed Capacity between

[307] Bielak Decl. ¶ 11.

[308] *Id.*

[309] *Shaping a Power Change: PJM Five-Year Strategy*, PJM Interconnection, L.L.C., 1 (Aug. 2026), https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2026/20260819-shaping-a-… [https://perma.cc/2RBY-MPLH].

the 2027/2028 and 2028/2029 auctions. New supply has not kept pace with rapid Large Load growth.[310]

Although PJM has 47 GW of generation with signed agreements, many of those projects are not being built or are slowed by state permitting and supply chain backlogs. The factor that PJM Planning can influence is the interconnection process.[311] Speeding up that process is therefore the most effective step PJM can take, because faster study results allow developers to shift their focus to more viable projects and may lessen or remove other barriers, such as permitting and siting approvals.[312]

3. Incremental and parallel fixes are not enough – a singular process for generation and transmission service requests yields efficiencies.

To facilitate the interconnection of additional generation capacity, PJM has already adopted the Expedited Interconnection Track, Replacement Generation Interconnection Service, and the Reliability Resource Initiative. These measures are beneficial but were designed largely to manage PJM's transition from the old serial queue process to the Cycle process, and a significant volume of Generation Interconnection Requests remains.[313] PJM seeks to avoid adding separate parallel processes for provisioning transmission service to Eligible Load and Large Load, having experienced the complications that parallel processes can cause. Moreover, Large Loads differ fundamentally from traditional load growth in size, pace, and concentration, and they are the only major source of load growth.[314] Limiting study of transmission service for Large Loads to a separate process

[310] Bielak Decl. ¶ 12.

[311] Bielak Decl. ¶ 13.

[312] Bielak Decl. ¶ 15.

[313] Bielak Decl. ¶ 14.

[314] Bielak Decl. ¶ 15.

from Generation Interconnection Requests would likely lead to a sub-optimal build-out of the Transmission System that would place unnecessary costs on existing loads.[315]

Studying new Generation Interconnection Requests and new Large Load transmission service requests together speeds up interconnection, helps ensure that new generation is deliverable to new Large Loads, allows the costs of needed transmission enhancements to be determined efficiently, and allows those costs to be accurately allocated to the cost causers.[316]

4. The Fast Energization Process is a single, unified process that should be twice as fast as the current process.

PJM proposes to consolidate Generation and Merchant Transmission Interconnection with Long-Term Firm and Large Load Transmission Service studies into a singular 12-month process. The process will take half the time of the Cycle process.[317] It replaces the three complete System Impact Studies of the current process with an accelerated screening window, consisting of two turns of system impact analysis and a single System Impact Study.[318] Each turn of the screening window provides planning-level estimates of the system reinforcements needed for the portfolio of generation projects and transmission service requests, called "Interconnection Reliability Reinforcements" ("IRR").[319] Each turn produces a non-binding good-faith estimate of the cost and the time

[315] Bielak Decl. ¶ 15.

[316] Bielak Decl. ¶ 16.

[317] Bielak Decl. ¶¶ 9, 17.

[318] Bielak Decl. ¶ 21.

[319] Bielak Decl. ¶ 21.

to construct the needed facilities within 60-90 calendar days.[320] Figure 1 illustrates the new process.

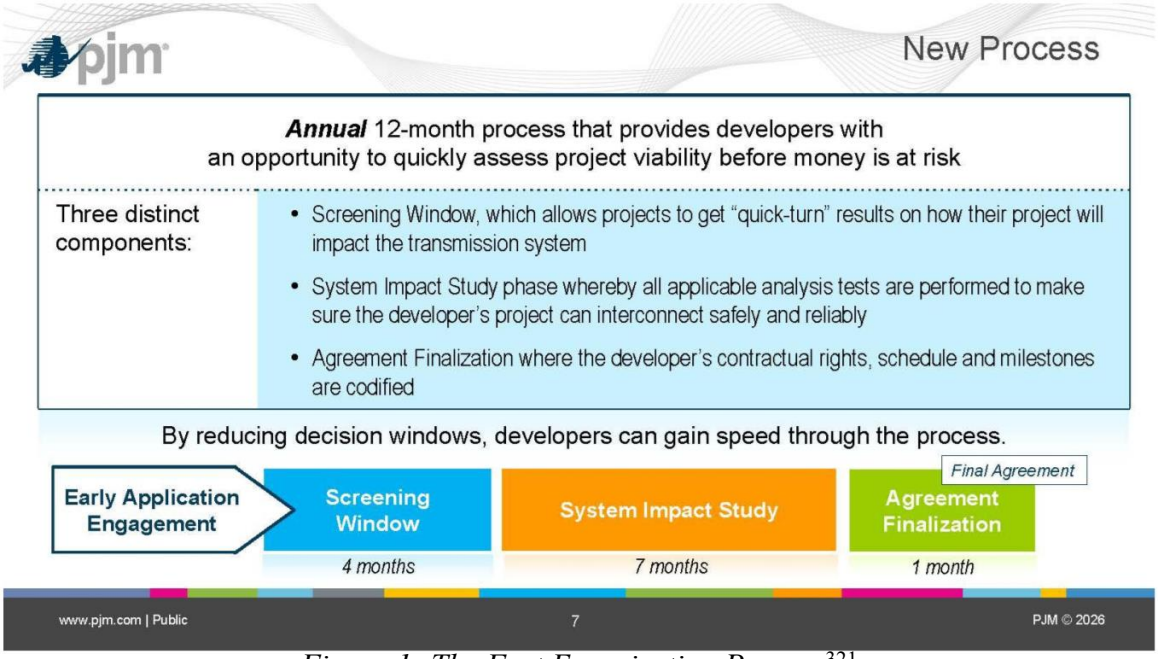


Figure 1: The Fast Energization Process[321]

The expedited screening window gives developers and customers solution feedback very early, while the decision points require a demonstration of readiness to proceed.[322]

5. Technology and early engagement speed the process.

PJM will use technology to speed up project data review, power flow and dynamic studies, and agreement drafting. PJM has been vetting Tapestry, an AI-powered interconnection platform, in its current process and is nearing the point at which it can trust the platform's results without parallel human verification.[323] PJM is also developing a suite of automation, including improvements to its modeling platform, analytics platforms

[320] Bielak Decl. ¶ 21.

[321] Bielak Decl. ¶ 21.

[322] Bielak Decl. ¶ 18.

[323] Bielak Decl. ¶ 19.

to turn around grid studies more quickly, and result interpretation and quality assurance tools to preserve study quality in a shorter period.[324]

The process also includes Early Application Engagement.[325] Between the Soft Close Date and the Application Deadline, PJM will answer Applicants' questions, test and provide feedback on their models, and help them complete their Applications.[326] This engagement should improve the quality of Applications, allow PJM's post-deadline review to be quick, reduce disputes over Application review, deficiency notices, and cure efforts, and produce more Applications for truly viable and ready projects.[327] The improvement is much needed: at present, only five percent of Applications submitted to PJM are correct and complete when first submitted.[328]

6. Study consolidation preserves study rigor

Faster does not mean less rigorous. The System Impact Study is the equivalent of the Phase III System Impact Study in the current Cycle process.[329] PJM will perform load flow, stability, and short circuit analyses across summer, winter, and light load scenarios and will ensure that all reliability issues are addressed and that the correct amount of transmission service has been provisioned.[330] Negotiation of service agreements begins during the System Impact Study Phase, which further reduces the total time needed.[331]

[324] Bielak Decl. ¶¶ 9, 19.

[325] Bielak Decl. ¶ 20.

[326] Bielak Decl. ¶ 20.

[327] Bielak Decl. ¶ 20.

[328] Bielak Decl. ¶ 20.

[329] Bielak Decl. ¶ 22.

[330] Bielak Decl. ¶ 22.

[331] Bielak Decl. ¶ 22.

7. Readiness requirements are moved to the front of the process.

The Fast Energization Process continues the current Cycle process's emphasis on readiness but moves many requirements into the Application rather than spreading them over three phases. The financial commitments are likewise moved up in time. Eligible Customers seeking transmission service on behalf of Large Loads must enter into a Transmission Owner Cost Recovery Agreement to enter the process.[332] Project Developers must submit Readiness Deposits in full with the Application, and those deposits become at risk at decision points in the Screening Phase.[333] Physical changes to projects and load are not allowed after Application, because they would require changes to the dynamic models submitted with the Application and the new process leaves no time to revise individual models and the cluster model. A developer or customer wishing to change its project or load must withdraw and resubmit in the next Cycle.[334]

These requirements screen out speculative projects and help ensure that projects that enter an interconnection-related service agreement are truly ready to start construction, complete construction and commissioning on a timely basis, and enter service.[335] They also preserve the first-ready, first-served paradigm of the current Cycle process.[336]

[332] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A) ("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.").

[333] Bielak Decl. ¶ 23.

[334] *Id.*

[335] Bielak Decl. ¶ 7.

[336] *Id.* ¶ 17.

8. A portfolio approach to system reinforcements provides transparency and certainty.

The Fast Energization Process moves PJM away from identifying specific upgrades and tying them to specific projects. PJM instead will analyze upgrades and reinforcements as enabling the entire Cycle cohort of generation projects and transmission service requests. The resulting IRRs are optimized for the whole Cycle, which eliminates overlapping or duplicative upgrades for generation and load. This approach also allows a fractional amount of generating capacity to become deliverable faster and with greater certainty, rather than only upon completion of all required Network Upgrades.[337]

Transparency. The Transmission Owners hold the filing rights for cost allocation and cost recovery and are addressing those matters in Tariff revisions filed concurrently. PJM will continue to provide transparency as to required system topology, the drivers of the need for the IRRs, and their capital costs. Consistent with the Large Load Show Cause Order, PJM will post this information on pjm.com in a single, accessible, searchable location.[338]

Certainty. Because Project Developers will be responsible for a share of the total cost of the portfolio of IRRs, rather than for specific upgrades, optimization should reduce both total cost and volatility in a developer's cost responsibility. If a Project Developer's cost responsibility nonetheless rises above the amount determined at Decision Point II, the Tariff now includes a certainty framework to limit exposure to the increase.[339] Figure 2 compares the current and new processes.

[337] Bielak Decl. ¶ 24.

[338] Bielak Decl. ¶ 25; Attachment A-2, Proposed Tariff, Part VIII, Subpart L, section 440(A)(2).

[339] Bielak Decl. ¶ 26.

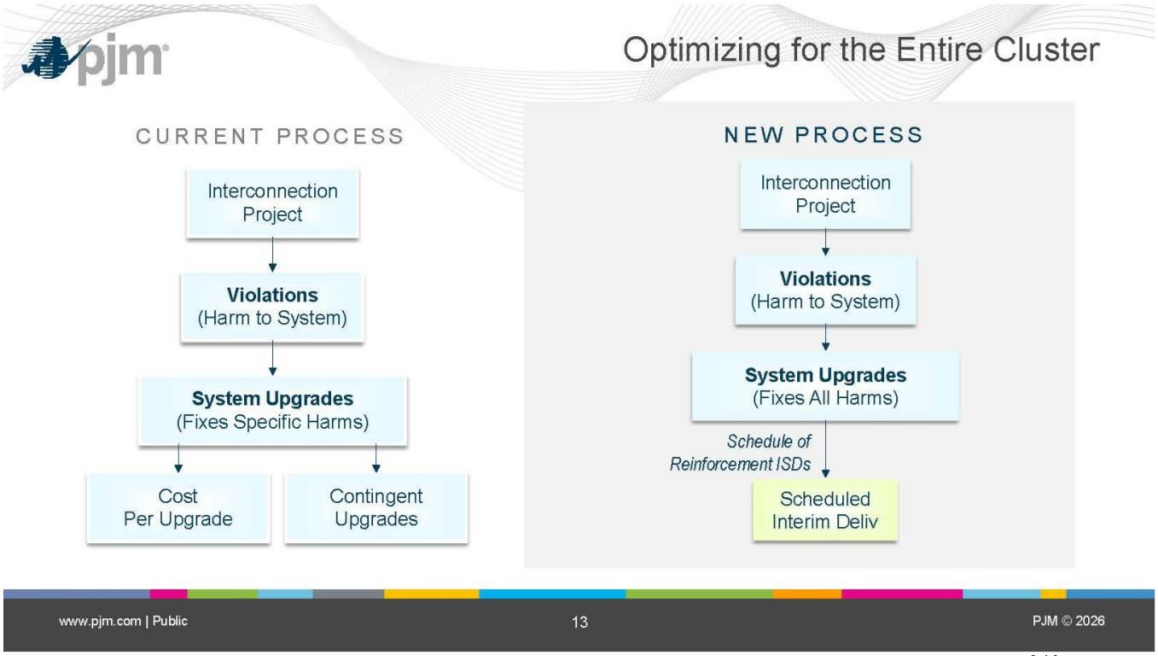


Figure 2: Current process compared with the Fast Energization Process[340]

9. Interim rights allow service to begin sooner.

Because PJM will not tie service to completion of specific "contingent upgrades," the final service agreements will include a schedule of interim deliverability for Project Developers or a schedule of interim withdrawal rights for Eligible Customers, based on the current Transmission System topology.[341] The schedules set a minimum level of injection or withdrawal rights based on the available studies and anticipated Transmission System conditions in future years.[342] PJM will then annually reassess and update the interim rights based on updated system conditions (i.e., as raise the MW value if more IRRs are built or queue projects withdraw).[343]

[340] Bielak Decl. ¶ 26.

[341] Bielak Decl. ¶ 27; Attachment A-2, Proposed Tariff, Part VIII, Subpart L, section 440(A)(1).

[342] Attachment A-2, Proposed Tariff, Part VIII, Subpart L, section 440(A)(1).

[343] Bielak Decl. ¶ 27.

C. The Fast Energization Process Is Consistent with the Large Load Show Cause Order's Directives.

In the Large Load Show Cause Order, the Commission preliminarily found that PJM's Tariff appears unjust and unreasonable without certain provisions and encouraged PJM to address those concerns through a section 205 filing.[344] The Fast Energization Process addresses the opportunities as summarized below and discussed in the following sections.

Large Load Show Cause Order opportunity	Fast Energization Process feature
Study transmission service for Eligible Customers on behalf of large loads clearly and consistently, within 60-90 days[345]	Single Tariff-defined process; two screening turns, each producing a non-binding good-faith estimate of cost and construction time within 60-90 calendar days; a single System Impact Study[346]
Application process with readiness requirements that deter speculative or duplicative requests[347]	Readiness requirements moved to the Application; Readiness Deposits submitted in full and at risk at decision points; Cost Recovery Agreement required to enter; no physical changes after Application; Early Application Engagement[348]
Transparency on Network Upgrade drivers and costs, posted in a single, accessible, searchable location[349]	PJM will post required system topology, the drivers of need, and capital costs on pjm.com in a single, searchable location[350]
Mitigate cost-shifting risk through a cost recovery agreement[351]	Transmission Owner Cost Recovery Agreement required of Eligible Customers for Large Load requests; Transmission Owners are addressing cost allocation and

[344] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 3, 38.

[345] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 41, 63.

[346] Bielak Decl. ¶¶ 17, 21-22; Attachment A-2, Proposed Tariff, Part VIII, Subpart C, section 404.

[347] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 59.

[348] Bielak Decl. ¶¶ 7, 18, 20, 23; Attachment A-2, Proposed Tariff, Part VIII, section 401-404.

[349] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 66-67, 71-76.

[350] Bielak Decl. ¶ 25.

[351] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 77-84.

Large Load Show Cause Order opportunity	Fast Energization Process feature
	recovery in their concurrent filing; Readiness Deposits for Project Developers[352]
Transmission services reflecting flexible large loads[353]	NITS, Interim NITS, NFCD Transmission Service, FCD Transmission Service schedules for Eligible Loads and Large Loads[354]
Generator interconnection that accounts for electrically proximate large load[355]	Generation and load studied together in one Cycle; IRRs optimized for the whole cohort; interim deliverability schedules[356]

1. Timely, clear, and consistent study of transmission service for large loads

One of the Commission's principal concerns was that PJM's Tariff lacked sufficiently clear and consistent provisions on how transmission service to Eligible Customers on behalf of large loads will be studied. The Commission concluded that a study process culminating in a report with a non-binding good-faith estimate of the cost and time to construct needed facilities should take no more than 60-90 calendar days.[357]

The Fast Energization Process addresses this concern by placing Large Load transmission service requests in the same defined, Tariff-based process as generation and long-term firm service. Each screening turn produces a non-binding good-faith estimate of cost and construction time within 60-90 calendar days, and the System Impact Study

[352] Bielak Decl. ¶¶ 23, 25; Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401.

[353] Bielak Decl. ¶ 27.

[354] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 85-87; Attachment A-1 Proposed Tariff, Part XI, Subpart A, section 700; Proposed Tariff, Part XI, Subpart B, section 708.

[355] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 88-101.

[356] Bielak Decl. ¶¶ 6, 10, 16, 24, 27; Attachment A-2, Proposed Tariff, Part VIII, sections 401, 404, 440.

[357] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 41, 50-51, 63.

then confirms that all reliability issues are addressed and that the correct amount of transmission service is provisioned.[358]

The Commission also recognized that the Transmission Owners may be primarily responsible for load studies and stated that it does not seek to alter the allocation of rights and responsibilities among PJM and the Transmission Owners.[359] The Fast Energization Process is consistent with that statement. It enhances PJM's own study process, and the Transmission Owners are submitting their cost allocation and cost recovery revisions separately, because they hold those filing rights.[360]

2. Readiness requirements that deter speculative requests

The Commission expressed concern that the Tariff fails to deter speculative or duplicative requests and observed that clear study procedures with readiness requirements, including meaningful milestones and financial commitments, can help ensure that requests are viable.[361] The Fast Energization Process accomplishes this objective. It moves readiness requirements and financial commitments into the Application,[362] requires a Transmission Owner Cost Recovery Agreement from Eligible Customers seeking service on behalf of Large Loads to enter the process,[363] places Readiness Deposits at risk at

[358] Bielak Decl. ¶¶ 10, 21-22.

[359] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 52.

[360] Bielak Decl. ¶ 25.

[361] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 56, 59.

[362] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(D)(1)(b).

[363] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A).

decision points,[364] and bars physical changes after Application.[365] Early Application Engagement further improves the quality of Applications from the outset.[366]

3. Transparency regarding upgrades and their costs

The Commission preliminarily found that cost transparency measures are needed so that stakeholders, including state regulators, can understand the Network Upgrades, and their costs, needed to serve large loads.[367] It stated that this information should be posted on PJM's website in a single location, in an accessible and searchable format.[368] PJM will post the required system topology, the drivers of the need for the IRRs, and their capital costs on pjm.com in a single, accessible, and searchable location.[369] Studying generation and transmission service together also makes the drivers of reinforcements more visible.[370] Further, the Fast Energization Process will result in changes to the Large Load Adjustment process in PJM's load forecasting procedures, impacting the number of RTEP projects needed because of Large Loads that are then cost allocated to ratepayers generally.[371]

4. Protection against cost shifting

The Commission was concerned that, absent adequate mechanisms, costs incurred to serve large loads that do not materialize could be shifted to other transmission customers, and it preliminarily found that a cost recovery agreement with a minimum contribution and

[364] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(2A).

[365] Attachment A-2, Proposed Tariff, Part VIII, Subpart B, section 403.

[366] Bielak Decl. ¶¶ 18, 20, 23.

[367] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 71-76.

[368] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 66-67, 71-76.

[369] Bielak Decl. ¶ 25.

[370] *Id.* ¶ 11.

[371] Bielak Decl. ¶¶ 15, 24.

financial security appears necessary.[372] The Fast Energization Process requires Eligible Customers seeking service on behalf of Large Loads to enter into a Transmission Owner Cost Recovery Agreement as a condition of entering the process, and it requires Project Developers to post Readiness Deposits in full with their Applications.[373] Because the Transmission Owners hold the filing rights for cost allocation and cost recovery, they address those matters in their concurrent Tariff revisions.[374] The portfolio approach and the certainty framework also reduce the risk of cost swings during the process.[375]

At its core, the Fast Energization Process's cost allocation mechanism will address the cost allocation for incremental system adjustments necessary to meet reliability drivers and needs of the Process's transmission service and generation project clusters. There will no longer be any direct tie between an individual project (generation or transmission service) and specific "upgrade facilities."[376] Instead, what will be identified in the Fast Energization Process is the "percentage cost responsibility" based on a proportional impact method, consistent with Order No. 2023, as to the collective Cycle portfolio. Armed with this information, states pursuant to their retail rate authority may elect to cost allocate IRR among particular loads in each of their particular states. PJM's process therefore offers a means to "give state public utility commissions and other state regulators the information necessary to allow them to understand which transmission costs are caused by which

[372] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 66, 77-84.

[373] Bielak Decl. ¶ 23.

[374] *Id.* ¶ 25.

[375] *Id.* ¶¶ 17, 24, 26.

[376] Bielak Decl. ¶ 23.

transmission customers, so that they can sub-allocate these costs to the appropriate retail customers."[377]

5. Transmission services that reflect flexible use of the system

The Commission preliminarily found that new transmission services should be available to reflect the operational reality that some large loads are willing and able to limit their use of the Transmission System, including an interim service while Network Upgrades are constructed.[378] The Fast Energization Process provides for interim rights in the final service agreements.[379] For interim deliverability, the Transmission Provider will determine a schedule of the minimum injection and withdrawal limits based on anticipated Transmission System conditions that will then be reassessed with an annual study.[380] PJM estimates that it can begin provisioning these rights as proposed in 2029 after commencing Application and study processes later on in 2027.[381] These rights will be revised periodically to increase the minimums as IRRs are completed or projects withdraw.[382]

6. Studying generation and transmission service requests to serve Large Load together leverages technology and innovation.

The Commission recognized that studying new load and new generation together can present system benefits, speed interconnection, and enable more accurate and cost-effective transmission solutions, and it asked PJM to consider how its interconnection

[377] Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 70.

[378] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 85-87.

[379] Attachment A-2, Proposed Tariff, Part VIII, Subpart L, section 440(A).

[380] Attachment A-2, Proposed Tariff, Part VIII, Subpart L, sections 440(A)(1)-(2).

[381] *See supra* Section III.B.3.

[382] Bielak Decl. ¶ 27; Proposed Tariff, Part VIII, Subpart L, section 440(A)(2).

processes should reflect those benefits.[383] The Fast Energization Process is built on that premise. It studies generation, Merchant Transmission, Long-Term Firm, and Large Load Transmission Service requests in one Cycle. It optimizes the IRRs for the whole Cycle and eliminates overlapping or duplicative upgrades for generation and load. PJM identifies leveraging co-location and electrical proximity as one of the innovations of the process.[384] This integrated process will harness synergies in study results that reflect both transmission service and generation impacts, resulting in potentially lower Network Upgrade and IRR needs at early stages of the project life cycle.

Because of the unique characteristics of Large Load, it is essential for PJM to study Generation Interconnection Requests and Large Load Transmission Service requests together through the Fast Energization Process.[385] Large Loads are fundamentally different than traditional categories of load; they have significantly greater energy and capacity demands, these demands grow quickly, and the demand Large Loads are more geographically concentrated than from traditional loads.[386] Given these characteristics, the provision of new transmission service—on a firm basis—to Large Loads generally requires transmission enhancements or expansions. Large Loads are causing much of the load growth in the PJM Region and generation development is struggling to keep up,[387] which

[383] Large Load Show Cause Order, 195 FERC ¶ 61,211, at PP 88-91, 95-101.

[384] Bielak Decl. ¶¶ 6, 10, 16, 24.

[385] Bielak Decl. ¶ 16.

[386] Bielak Decl. ¶ 15; *see also* PJM's concurrently-submitted Section 205 filing relating to ride-through, other operational requirements, and the annual transmission services report and the related exhibits attached thereto, which is incorporated by reference into this filing.

[387] Bielak Decl. ¶¶ 12-13, 15.

poses unique challenges for the Transmission System.[388] PJM's current approach of evaluating interconnecting generation and providing transmission service to Large Load through distinct processes,[389] makes it difficult to optimally build out the Transmission System considering the new challenges posed by Large Load.[390]

Through the Fast Energization Process, PJM will holistically study the Transmission System impacts of generation and Large Load and optimize transmission enhancements that serve both simultaneously.[391] The efficiencies from this combined study process will speed up generation interconnection and ensure that generation is deliverable to new Large Loads, PJM selects Transmission System upgrades efficiently, and the causers of Transmission System upgrades pay for the costs.[392] Ultimately, this is a just and reasonable approach for evaluating how the transmission system needs to be updated to accommodate the transmission service needs of Large Loads in an efficient and cost effective manner.

7. PJM's proposal respects existing commercial arrangements and provides for a clear transition from the existing process to the Fast Energization Process.

In the interim period before the Fast Energization Process commences in full, PJM's proposed revisions to Tariff, Part VIII, Subpart A, section 401 set forth which transmission service requests will proceed under the existing planning regime and which

[388] *See* Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 58 ("[I]ntegrating large loads poses specific challenges to transmission system operation given their size, operational behavior, and unique potential to impact the transmission system.").

[389] Bielak Decl. ¶¶ 11, 13-14.

[390] Bielak Decl. ¶ 15.

[391] Bielak Decl. ¶ 16.

[392] Bielak Decl. ¶ 16.

service requests will proceed under the Fast Energization Process.[393] This framework provides transparency to the market as to what must be done, and by when. It respects existing commercial arrangements and affords a 13-month runway for arrangements in potential development but not yet finalized. Eligible Customers have more than 13-months' notice to "complete[] the applicable . . . retail load interconnection study" to be treated under legacy constructs, or be processed under the new Fast Energization Process.[394]

PJM specifically proposes a January 1, 2028 date for "completion" to accommodate the 2028 load forecast. Setting a January 1, 2028 date ensures that the planning done under the status quo process is included in Large Load Adjustments submitted to PJM and thus properly reflected in the load forecast.[395] The framework is also just and reasonable because "completion" is defined in terms of two objective criteria: one technical (retail load study completion date) and one legal (date of execution of required agreements by all applicable parties). Thus, under this framework, whether something has been "completed" is plainly understood, thus offering parties a path and timeline to develop plans.

PJM's proposal also enhances transparency consistent with the Commission's stated goals.[396] Those customers seeking transmission service on behalf of Large Loads must submit (or have others submit on their behalf) the information necessary to populate the Large Load Registry no later than 30 calendar days after the retail load interconnection

[393] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A).

[394] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A).

[395] Resource Adequacy Planning, *PJM Manual 19: Load Forecasting and Analysis*, PJM Interconnection, L.L.C., § 3 (rev. 39, June 30, 2026), https://www.pjm.com/-/media/DotCom/documents/manuals/m19.pdf [https://perma.cc/4M4A-UD9N]; *id.* § 3.1 ("The forecast is . . . released prior to each Planning Period, typically in January.").

[396] *See, e.g.*, Large Load Show Cause Order, 195 FERC ¶ 61,211, at P 76.

study is deemed "complete."[397] This requirement promotes timely and accurate disclosure to those parties with access to the Registry of all new Large Load requests prior to even coming into service. States, PJM, and other relevant stakeholders can inform decisions based upon these timely data submittals. Further, stakeholders can then follow the study results for such requests, including the costs eventually allocated to them.

Because of the value in ensuring planning under the existing process is reflected in the 2028 load forecast, the framework also provides for a streamlined and expedited dispute resolution framework to drive prompt clarity for Eligible Customers, PJM, and others about which requests will proceed under the Fast Energization Process.[398] If Tariff-established deadlines and information for initiating Alternative Dispute Resolution and seeking Commission relief are not honored, or if litigation is timely commenced and resolved, then Eligible Customers submitting service requests will know that they will proceed under the Fast Energization Process without delay, which will reduce the risk that the 2028 load forecast report is delayed.

D. The New Transmission Services Proposed in Part XI are Just and Reasonable.

PJM has proposed to implement the three new transmission services as directed by the Commission. PJM's proposed implementation of these new services is just and reasonable. PJM is proposing to make Interim NITS, FCD Transmission Service, and NFCD Transmission Service available to any Eligible Customer taking service on behalf

[397] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A). *See also* RAA, Schedule 11,B.1 (accepted in *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 48, filed on compliance in *PJM Interconnection L.L.C.*, Thirty-Day Compliance Filing to the Commission's October 9, 2026 Order on PJM's Large Load Definition and Large Load Registry, Docket No. ER26-3515-002 (Nov. 9, 2026).

[398] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, section 401(A).

of an Eligible Load or Large Load.[399] Because these services require an Eligible Customer to be willing and able to limit withdrawals from the Transmission System, PJM has proposed reasonable terms and conditions specific to these services. To ensure the reliability of the Transmission System, Eligible Customers taking these services will be required to meet technical requirements demonstrating their ability to limit their withdrawals as a condition precedent.[400] As part of these technical requirements, Eligible Customers must have necessary control technologies to limit their withdrawals from the Transmission System as specified in their Transmission Service Agreement, which may include protection schemes where appropriate.[401] The Transmission Service Agreement will also specify any necessary operating procedures.[402] Eligible Customers will also be required to demonstrate operational control to comply with instructions to reduce withdrawals from the system within five minutes when directed to do so.[403] Consistent with the Commission's directive,[404] to the extent an Eligible Customer fails to follow a Curtailment instruction or the necessary control technologies misoperate, PJM is proposing a 120-day pause in service after the first instance, and to terminate the relevant Transmission Service Agreement after the second instance.[405] Finally, PJM will be

[399] *See* Attachment A-1, Proposed Tariff, Part XI, Subpart A, section 700; Proposed Tariff, Part XI, Subpart B, section 708.

[400] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 718.

[401] Attachment A-1, Proposed Tariff, Part XI, Subpart C, sections 717, 718.1.

[402] Attachment A-1, Proposed Tariff, Attachment F-3A, Specifications for Interim Regional NITS, section 5.0; Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, section 5.0.

[403] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 718.1.

[404] Co-Location Order, 195 FERC ¶ 61,209, at PP 515, 519.

[405] Attachment A-1, Proposed Tariff, Part XI, Subpart C, section 719.5.

addressing ride-through requirements for Large Computational Load and other operational requirements for such loads in a separate filing being submitted today.

E. PJM's Proposed Changes to NITS are Just and Reasonable.

Consistent with the Commission's directives, PJM has proposed just and reasonable revisions to the terms and conditions for NITS to ensure that Large Load is appropriately studied for transmission service and accounted for in PJM's transmission planning processes.[406] PJM is proposing to quantify the current level of NITS being provided to Large Loads using the Large Load Registry.[407] When approving the Large Load Registry, the Commission recognized that it would "provide PJM with the information necessary to address the operational impacts of Large Loads on the PJM transmission system."[408] The proposal will therefore allow PJM to establish a baseline regarding the current level of NITS being provided to Network Customers serving Large Loads. PJM would then require an Eligible Customer to submit an application for any increase above the existing level of NITS for Large Loads.[409] To that end, PJM is proposing to strike the language in Tariff, Part III, section 31.6 that suggests an Application would not be required for changes reflected in these annual updates.[410] Striking this

[406] *See supra* Section III.A.

[407] Attachment A-1, Proposed Tariff, Part III, General ("The amount of Regional Network Integration Transmission Service provisioned to Network Customers for serving Large Loads are at levels specified in an effective Service Agreement or, if not specified therein, as reflected on the Large Load Registry per the terms of the Reliability Assurance Agreement, Schedule 11.B.1").

[408] *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 48.

[409] Attachment A-2, Proposed Tariff, Part VIII, Subpart A, sections 400, Definitions E (defining Eligible Customer for Load Request as "a request by an Eligible Customer seeking Network Integration Transmission Service or Transmission Service on behalf of an Eligible Load or Large Load"); Attachment A-2, Proposed Tariff, Part VIII, Subpart C, sections 404(E).

[410] Attachment A-1, Proposed Tariff, Part III, section 31.6.

language clarifies PJM's proposal to require Large Loads that seek to grow above existing service levels to submit an Application to be studied through the Fast Energization Process.

Further, regarding BTMG, the Commission directed PJM to "create a materiality threshold that allows Network Customers to net from their Network Load up to 50 MW of load served by using BTMG at a single electrical location."[411] Consistent with that directive, PJM proposes revisions to Part III, section 34.2 and Schedule 8 of the RAA to implement the 50 MW netting limit effective December 18, 2025, unless an exemption applies.[412] PJM also proposes three exclusions to the 50 MW netting limit, as directed by the Commission.

First, the Commission directed PJM establish a transition period of three years for Network Customers currently using PJM's existing retail BTMG netting rules.[413] PJM therefore proposes to exempt existing Retail BTMG that was used to serve load as of December 18, 2025 (i.e., the date of the December Order) from the BTMG netting limit during a three-year transition period.[414]

Second, the Commission directed PJM to propose Tariff revisions to grant legacy treatment to entities with existing contracts for the specific purpose of effectuating a BTMG arrangement for the current term remaining under the existing contract.[415] PJM therefore proposes to exempt Retail BTMG owned or contracted for as of December 18, 2025 to continue netting without the limit for the remaining term of the contract

[411] Co-Location Order, 195 FERC ¶ 61,209, at P 220.

[412] Attachment A-1, Proposed Tariff, Part III, section 34.2; Proposed Tariff, RAA, Schedule 8.

[413] December Order, 193 FERC ¶ 61,217, at P 223.

[414] Attachment A-1, Proposed Tariff, Part III, section 34.2(C).

[415] December Order, 193 FERC ¶ 61,217, at P 224.

effectuating the BTMG arrangement.[416] The Commission approved a three-year transition period and provisions granting legacy treatment in the Co-Location Order, as applied to PJM's previously proposed BTMG netting proposal.[417]

Third, the Commission directed PJM to include a process to exempt Cogeneration Facilities from its BTMG netting rules "if they demonstrate that they are integrated with load such that, when their generating facility trips offline, the load follows."[418] Consistent with this directive, PJM is proposing to exempt Cogeneration Facilities from its netting rules, subject to certain requirements to ensure the Cogeneration Facility is integrated with the retail load it serves such that if the Cogeneration Facility trips offline the retail load follows,[419] including potential audits for compliance with these requirements.[420]

To be eligible for the existing contractual arrangement or Cogeneration exemptions, PJM is proposing to require that the Large Load be on the Large Load Registry and the Retail BTMG be registered to allow PJM to account for the limit for settlement and billing purposes.[421] To that end, PJM is also proposing revisions to RAA, Schedule 8 to ensure the netting limits are reflected in the Obligation Peak Load calculation.[422] Taken together, these changes enhance PJM visibility into operating Retail BTMG in the region for planning purposes, while respecting existing commercial arrangements.

[416] Attachment A-1, Proposed Tariff, Part III, section 34.2(D).

[417] Co-Location Order, 195 FERC ¶ 61,209, at PP 232-33.

[418] Co-Location Order, 195 FERC ¶ 61,209, at P 240.

[419] Attachment A-1, Proposed Tariff, Part III, sections 34.2(E)(a)-(e).

[420] Attachment A-1, Proposed Tariff, Part III, section 34.2(F).

[421] Attachment A-1, Proposed Tariff, Part III, sections 34.2(D)-(E).

[422] Attachment A-1, Proposed RAA, Schedule 8.

V. EFFECTIVE DATE

PJM requests that the Commission accept the proposed revisions in Parts I, III, VI, VII, IX, XI, Attachment F-3, Attachment F-3A, Attachment F-4, and parts of Part VIII to the Tariff to become effective March 16, 2027, which is not less than 60 days, nor more than 120 days, prior to the submission of this filing.[423] For those Part VIII revisions associated with the Fast Energization Process rather than compliance with the Co-Location Order (for which PJM requests a March 16, 2027 effective date), PJM requests an indefinite effective date of 12/31/9998, to allow PJM to make those provisions effective when the current Cycle, Cycle 01, reaches a sufficiently advanced stage so the next Cycle may begin. That point will be the next Business Day after the close of Decision Point II of Cycle 01, which PJM anticipates will occur in late November 2027.[424] PJM will submit a compliance filing to provide the Commission with the effective date of Part VIII once that date is known.

PJM does not believe any waivers of the Commission's Regulations are needed to permit its filing to become effective as proposed. In addition, to the extent the Commission determines that any other waivers are required, PJM respectfully requests the Commission grant such waivers as are necessary in order that the Tariff and RAA revisions may be made effective as proposed.

VI. CONSENT TO SEVERANCE OF ISSUES

PJM consents to the Commission's exercise of authority to sever the Proposed Tariff and RAA language, as needed and permitted under the FPA and *NRG Power*

[423] 18 C.F.R. § 35.3(a)(1).

[424] *Planning*, PJM Interconnection, L.L.C., Cycle Timeline (Oct. 23, 2026), https://www.pjm.com/planning [https://perma.cc/J283-5CFS].

Marketing.[425] Under FPA section 205, the Commission is in a "passive and reactive role" that requires it to accept or reject a utility's proposed rate scheme.[426] The Commission is prohibited from imposing modifications that "result in an 'entirely different rate design' than the utility's original proposal or the utility's prior rate scheme."[427] However, the Commission has some authority to propose modifications to a utility's proposal if the utility consents to the modifications.[428] The Commission has used this authority to sever discrete portions of a utility's proposed rate scheme, approving certain portions and rejecting others.[429] By contrast, in *NRG Power Marketing*, the United States Court of Appeals for the District of Columbia determined that the Commission improperly modified PJM's proposed rate scheme where the Commission's modifications "went in the opposite direction" and "followed a 'completely different strategy' than PJM's proposal."[430] In that circumstance, the Commission's modifications violated section 205, even with PJM's consent, because the Commission proposed an "entirely different rate design" that market participants did not have adequate notice of or opportunity to comment on.[431]

If it deems necessary, PJM consents to the Commission exercising authority to sever each element of the Tariff and RAA revisions proposed herein. PJM's Proposed Tariff and RAA revisions are not an integrated package that must be viewed as a whole

[425] *See NRG Power Mktg., LLC*, 862 F.3d 108.

[426] *Hecate Energy LLC v. FERC*, 126 F.4th 660, 667 (D.C. Cir. 2025) (quoting *Advanced Energy Mgmt. All. v. FERC*, 860 F.3d 656, 662 (D.C. Cir. 2017)).

[427] *NRG Power Mktg.*, 862 F.3d at 115 (quoting *W. Res., Inc. v. FERC*, 9 F.3d 1568, 1578 (D.C. Cir. 1993)).

[428] *NRG Power Mktg.*, 862 F.3d at 115-16.

[429] *See, e.g.*, *PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at PP 13-15; *Pub. Serv. Co. of Colo.*, 94 FERC ¶ 61,135, at PP 28, 56 (2026).

[430] *NRG Power Mktg.*, 862 F.3d at 116 (quoting *W. Res., Inc.*, 9 F.3d at 1579).

[431] *NRG Power Mktg.*, 862 F.3d at 116 (quoting *W. Res., Inc.*, 9 F.3d at 1578).

and accepted together;[432] instead, each element of PJM's proposal individually advances PJM's overarching objective to comply with the June 2026 Orders and to safely and reliably integrate Large Loads and Co-Located Loads with the Transmission System. Therefore, the Commission will not go "in the opposite direction" or deploy "a completely different strategy" by severing certain elements of PJM's proposal.[433] Stakeholders will have the opportunity to comment in this proceeding on all individual elements of PJM's proposal that could be severed, eliminating any prior notice concerns. Further, through this pre-emptive grant of authority pursuant to which the Commission may sever each element of the proposal, stakeholders are on notice of potential changes to the proposal as filed and will have the opportunity to comment as they feel necessary and appropriate.

Although PJM consents to make each element of the proposed revisions to the Tariff and RAA severable, PJM has demonstrated that each element of its proposal is just and reasonable. Notwithstanding PJM's grant of authority to sever, PJM urges the Commission to accept all revisions as proposed so that PJM may commence compliance with the directives of the June 2026 Orders and begin preparations for the Fast Energization Process as quickly as possible.

VII. DOCUMENTS ENCLOSED

In addition to this transmittal letter, PJM encloses the following:

1. Attachment A-1: Marked March 16, 2027 Effective Date Proposed Tariff Revisions;

[432] *See PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 15 (refusing to sever certain elements of PJM's proposal, despite PJM providing consent to sever, because those elements "represent an integrated package that must be viewed as a whole").

[433] *NRG Power Mktg.*, 862 F.3d at 116.

2. Attachment B-1: Marked Indefinite Effective Date Proposed Tariff Revisions;

3. Attachment A-2: Clean March 16, 2027 Effective Date Proposed Tariff Revisions;

4. Attachment B-2: Clean Indefinite Effective Date Proposed Tariff Revisions;

5. Attachment C: Declaration of Donald Bielak, P.E.; and

6. Attachment D: Chart Mapping Order Directives to Tariff Changes.

VIII. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to, and PJM requests the Secretary to include on the official service list, the following:[434]

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IX. SERVICE

PJM has served a copy of this filing on all PJM Members and on the affected state utility regulatory commissions in the PJM Region by posting this filing electronically. In

[434] To the extent necessary, PJM requests waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit all of the persons listed to be placed on the official service list for this proceeding.

accordance with the Commission's regulations,[435] PJM will post a copy of this filing to the Commission filings section on its internet site, https://pjm.com/library/filing-order, and will send an email on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region,[436] alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing.

[435] *See* 18 C.F.R. §§ 35.2(e) & 385.2010(f)(3).

[436] PJM already maintains, updates, and regularly uses email lists for all PJM Members and affected state commissions.

X. CONCLUSION

PJM respectfully requests that the Commission: (i) accept the proposed revisions to its Tariff and the RAA to effectuate PJM's new Fast Energization Process to study generation and load together in a one-year process and offer new transmission services to Co-Located Load, BTMG, and flexible Large Load; and (ii) deem the Large Load Show Cause Order's FPA section 206 aspect closed.

Respectfully submitted,

/s/ *Wendy B. Warren*

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November 16, 2026

Attachment A-1

Revisions to the
PJM Open Access Transmission Tariff
with Proposed Effective Date
3/16/2027

(Marked/Redline Format)

Definitions – A - B

30-minute Reserve:

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

30-minute Reserve Requirement:

"30-minute Reserve Requirement" shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone, as Secondary Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty. The 30-minute Reserve Requirement is calculated in accordance with the PJM Manuals. The requirement can be satisfied by any combination of Synchronized Reserve, Non Synchronized Reserve or Secondary Reserve resources.

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.

Acceleration Request:

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

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 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.

Affiliate:

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

Agreements:

"Agreements" shall mean the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., the PJM Open Access Transmission Tariff, the Reliability Assurance Agreement, and/or other agreements between PJM Interconnection, L.L.C. and its Members.

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.

Annual Demand Resource:

"Annual Demand Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Annual Energy Efficiency Resource:

"Annual Energy Efficiency Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Annual Resource:

"Annual Resource" shall mean a Generation Capacity Resource, an Annual Energy Efficiency Resource or an Annual Demand Resource.

Annual Revenue Rate:

"Annual Revenue Rate" shall mean the rate employed to assess a compliance penalty charge on a Curtailment Service Provider under Tariff, Attachment DD, section 11.

Annual Transmission Costs:

"Annual Transmission Costs" shall mean the total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H for each Zone until amended by the applicable Transmission Owner or modified by the Commission.

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, or 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, New Service Customer, or Transmission Owner operates.

Applicable Standards:

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

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 an Interconnected 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 provided, however, that, with respect to any generation facilities with maximum generating capacity of 2 MW or less (synchronous) or 5 MW or less (inverter-based) for which the Interconnection Customer executes a Construction Service Agreement or Interconnection Service Agreement on or after March 19, 2005, "Applicable Technical Requirements and Standards" shall refer to the "PJM Small Generator Interconnection Applicable Technical Requirements and Standards." All Applicable Technical Requirements and Standards shall be publicly available through postings on Transmission Provider's internet website.

Applicant:

“Applicant” shall mean an entity desiring to become a PJM Member, become a Market Participant, engage in market activities, or to take Transmission Service that has submitted the PJMSettlement credit application, PJMSettlement credit agreement and other required submittals as set forth in Tariff, Attachment Q.

Application:

“Application” shall mean a request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

Attachment Facilities:

“Attachment Facilities” shall mean the facilities necessary to physically connect a Customer Facility to the Transmission System or interconnected distribution facilities.

Attachment H:

“Attachment H” shall refer collectively to the Attachments to the PJM Tariff with the prefix “H” that set forth, among other things, the Annual Transmission Rates for Network Integration Transmission Service in the PJM Zones.

Auction Revenue Rights:

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

Auction Revenue Rights Credits:

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

Authorized Government Agency:

“Authorized Government Agency” means a regulatory body or government agency, with jurisdiction over PJM, the PJM Market, or any entity doing business in the PJM Market, including, but not limited to, the Commission, State Commissions, and state and federal attorneys general.

Avoidable Cost Rate:

“Avoidable Cost Rate” shall mean a component of the Market Seller Offer Cap calculated in accordance with Tariff, Attachment DD, section 6.

Balancing Congestion Charges:

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

Balancing Ratio:

"Balancing Ratio" shall have the meaning provided in Tariff, Attachment DD, section 10A.

Base Load Generation Resource

"Base Load Generation Resource" shall mean a Generation Capacity Resource that operates at least 90 percent of the hours that it is available to operate, as determined by the Office of the Interconnection in accordance with the PJM Manuals.

Base Offer Segment:

"Base Offer Segment" shall mean a component of a Sell Offer based on an existing Generation Capacity Resource, equal to the Unforced Capacity of such resource, as determined in accordance with the PJM Manuals. If the Sell Offers of multiple Market Sellers are based on a single Existing Generation Capacity Resource, the Base Offer Segments of such Market Sellers shall be determined pro rata based on their entitlements to Unforced Capacity from such resource.

Base Residual Auction:

"Base Residual Auction" shall mean the auction conducted three years prior to the start of the Delivery Year to secure commitments from Capacity Resources as necessary to satisfy any portion of the Unforced Capacity Obligation of the PJM Region not satisfied through Self-Supply.

Batch Load Economic Load Response Participant Resource:

"Batch Load Economic Load Response Participant Resource" shall mean an Economic Load Response Participant Resource that has a cyclical production process such that at most times during the process it is consuming energy, but at consistent regular intervals, ordinarily for

periods of less than ten minutes, it reduces its consumption of energy for its production processes to minimal or zero megawatts.

Behind The Meter Generation:

"Behind The Meter Generation" shall mean either Retail Behind the Meter Generation or Non-Retail Behind The Meter Generation and refers 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.

Black Start Service:

"Black Start Service" shall mean the capability of generating units to start without an outside electrical supply or the demonstrated ability of a generating unit with a high operating factor (subject to Transmission Provider concurrence) to automatically remain operating at reduced levels when disconnected from the grid.

Border Yearly Charge:

"Border Yearly Charge" shall mean the yearly charge determined in accordance with Tariff, Schedule 7.

Breach:

"Breach" shall mean the failure of a party to perform or observe any material term or condition of Tariff, Part IV or Tariff, Part VI, 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 Tariff, Part IV or Tariff, Part VI and/or an agreement entered into thereunder.

Business Day:

"Business Day" shall mean a day in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

Buy Bid:

“Buy Bid” shall mean a bid to buy Capacity Resources in any Incremental Auction.

Buyer-Side Market Power:

“Buyer-Side Market Power” shall mean the ability of Capacity Market Sellers with a Load Interest to suppress RPM Auction clearing prices for the overall benefit of their (and/or affiliates) portfolio of generation and load.

Definitions – C - D

Canadian Guaranty:

"Canadian Guaranty" shall mean a Corporate Guaranty provided by an Affiliate of a Participant that is domiciled in Canada, and meets all of the provisions of Tariff, Attachment Q.

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 Attachment Facilities, Direct Assignment Facilities and/or Customer-Funded Upgrades, and/or (b) completion of some or all of the required Attachment Facilities, Direct Assignment 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 Tariff, Part IV and/or Tariff, Part VI.

Capacity:

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

Capacity Emergency Transfer Limit:

"Capacity Emergency Transfer Limit" or "CETL" shall have the meaning provided in the Reliability Assurance Agreement.

Capacity Emergency Transfer Objective:

"Capacity Emergency Transfer Objective" or "CETO" shall have the meaning provided in the Reliability Assurance Agreement.

Capacity Export Transmission Customer:

"Capacity Export Transmission Customer" shall mean a customer taking point to point transmission service under Tariff, Part II to export capacity from a generation resource located in the PJM Region that has qualified for an exception to the RPM must-offer requirement as described in Tariff, Attachment DD, section 6.6(g).

Capacity Import Limit:

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

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 where the generating facilities connect to the Transmission System.

Capacity Market Buyer:

"Capacity Market Buyer" shall mean a Member that submits bids to buy Capacity Resources in any Incremental Auction.

Capacity Market Seller:

"Capacity Market Seller" shall mean a Member that owns, or has the contractual authority to control the output or load reduction capability of, a Capacity Resource, that has not transferred such authority to another entity, and that offers such resource in the Base Residual Auction or an Incremental Auction.

Capacity Performance Resource:

"Capacity Performance Resource" shall mean a Capacity Resource as described in Tariff, Attachment DD, section 5.5A(a).

Capacity Performance Transition Incremental Auction:

"Capacity Performance Transition Incremental Auction" shall have the meaning specified in Tariff, Attachment DD, section 5.14D.

Capacity Resource:

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

Capacity Resource with State Subsidy:

"Capacity Resource with State Subsidy" shall mean (1) a Capacity Resource that is offered into an RPM Auction or otherwise assumes an RPM commitment for which the Capacity Market Seller receives or is entitled to receive one or more State Subsidies for the applicable Delivery Year; (2) a Capacity Resource that has not cleared an RPM Auction for the Delivery Year for which the Capacity Market Seller last received a State Subsidy (or any subsequent Delivery Year) shall still be considered a Capacity Resource with State Subsidy upon the expiration of such State Subsidy until the resource clears an RPM Auction; (3) a Capacity Resource that is the subject of a bilateral transaction (including but not limited to those reported pursuant to Tariff, Attachment DD, section 4.6) shall be deemed a Capacity Resource with State Subsidy to the extent an owner of the facility supporting the Capacity Resource is entitled to a State Subsidy associated with such facility even if the Capacity Market Seller is not entitled to a State Subsidy; and (4) any Jointly Owned Cross-Subsidized Capacity Resource.

Capacity Resource Clearing Price:

"Capacity Resource Clearing Price" shall mean the price calculated for a Capacity Resource that offered and cleared in a Base Residual Auction or Incremental Auction, in accordance with Tariff, Attachment DD, section 5.

Capacity Storage Resource:

"Capacity Storage Resource" shall mean any Energy Storage Resource that participates in the Reliability Pricing Model or is otherwise treated as capacity in PJM's markets such as through a Fixed Resource Requirement Capacity Plan.

Capacity Transfer Right:

"Capacity Transfer Right" shall mean a right, allocated to LSEs serving load in a Locational Deliverability Area, to receive payments, based on the transmission import capability into such Locational Deliverability Area, that offset, in whole or in part, the charges attributable to the Locational Price Adder, if any, included in the Zonal Capacity Price calculated for a Locational Delivery Area.

Capacity Transmission Injection Rights:

"Capacity Transmission Injection Rights" shall mean the rights to schedule energy and capacity deliveries at a Point of Interconnection of a Merchant Transmission Facility with the Transmission System. Capacity Transmission Injection Rights may be awarded only to a Merchant D.C. Transmission Facility and/or Controllable A.C. Merchant Transmission Facilities that connects the Transmission System to another control area. Deliveries scheduled using Capacity Transmission Injection Rights have rights similar to those under Firm Point-to-Point Transmission Service or, if coupled with a generating unit external to the PJM Region that satisfies all applicable criteria specified in the PJM Manuals, similar to Capacity Interconnection Rights.

Charge Economic Maximum Megawatts:

"Charge Economic Maximum Megawatts" shall mean the greatest magnitude of megawatt power consumption available for charging in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Continuous Mode or in Charge Mode. Charge Economic Maximum Megawatts shall be the Economic Minimum for an Energy Storage Resource or Open-Loop Hybrid Resource in Charge Mode or in Continuous Mode.

Charge Economic Minimum Megawatts:

"Charge Economic Minimum Megawatts" shall mean the smallest magnitude of megawatt power consumption available for charging in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Charge Mode. Charge Economic Minimum

Megawatts shall be the Economic Maximum for an Energy Storage Resource or Open-Loop Hybrid Resource in Charge Mode.

Charge Mode:

"Charge Mode" shall mean the mode of operation of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource that only includes negative megawatt quantities (i.e., the Energy Storage Resource Model Participant or Open-Loop Hybrid Resource is only withdrawing megawatts from the grid).

Charge Ramp Rate:

"Charge Ramp Rate" shall mean the Ramping Capability of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Charge Mode.

Cleared Capacity Resource with State Subsidy:

"Cleared Capacity Resource with State Subsidy" shall mean a Capacity Resource with State Subsidy that has cleared in an RPM Auction for a Delivery Year that is prior to the 2022/2023 Delivery Year or, starting with 2022/2023 Delivery Year, the MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that have cleared an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price and since then, any of those MWs (in installed capacity) comprising a Capacity Resource with State Subsidy have been, the subject of a Sell Offer into the Base Residual Auction or included in an FRR Capacity Plan at the time of the Base Residual Auction for the relevant Delivery Year.

Closed-Loop Hybrid Resource:

"Closed-Loop Hybrid Resource" shall mean a Hybrid Resource that does not operate by charging its storage component from the grid.

Cogeneration Facility:

"Cogeneration Facility" shall mean equipment used to produce electric energy and forms of useful thermal energy (such as heat or steam), used for industrial, commercial, heating, or cooling purposes, through the sequential use of energy.

Cold/Warm/Hot Notification Time:

"Cold/Warm/Hot Notification Time" shall mean the time interval between PJM notification and the beginning of the start sequence for a generating unit that is currently in its cold/warm/hot temperature state. The start sequence may include steps such as any valve operation, starting feed water pumps, startup of auxiliary equipment, etc.

Cold/Warm/Hot Start-up Time:

For all generating units that are not combined cycle units, "Cold/Warm/Hot Start-up Time" shall mean the time interval, measured in hours, from the beginning of the start sequence to the point after generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero for a generating unit in its cold/warm/hot temperature state. For combined cycle units, "Cold/Warm/Hot Start-up Time" shall mean the time interval from the beginning of the start sequence to the point after first combustion turbine generator breaker closure in its cold/warm/hot temperature state, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero. For all generating units, the start sequence may include steps such as any valve operation, starting feed water pumps, startup of auxiliary equipment, etc. Other more detailed actions that could signal the beginning of the start sequence could include, but are not limited to, the operation of pumps, condensers, fans, water chemistry evaluations, checklists, valves, fuel systems, combustion turbines, starting engines or systems, maintaining stable fuel/air ratios, and other auxiliary equipment necessary for startup.

Cold Weather Alert:

"Cold Weather Alert" shall mean the notice that PJM provides to PJM Members, Transmission Owners, resource owners and operators, customers, and regulators to prepare personnel and facilities for expected extreme cold weather conditions.

Collateral:

"Collateral" shall be a cash deposit, including any interest thereon, or a Letter of Credit issued for the benefit of PJM or PJMSettlement, in an amount and form determined by and acceptable to PJM or PJMSettlement, provided by a Participant to PJM or PJMSettlement as credit support in order to participate in the PJM Markets or take Transmission Service. "Collateral" shall also include surety bonds, except for the purpose of satisfying the FTR Credit Requirement, in which case only a cash deposit or Letter of Credit will be acceptable.

Collateral Call:

"Collateral Call" shall mean a notice to a Participant that additional Collateral, or possibly early payment, is required in order to remain in, or to regain, compliance with Tariff, Attachment Q.

Co-Located Generating Facility:

"Co-Located Generating Facility" shall mean an existing Customer Facility that is physically connected to a Co-Located Load. Any Interconnection Customer with an effective Interconnection Service Agreement that plans to use a Customer Facility to serve Co-Located Load must provide Transmission Provider and Interconnected Transmission Owner with advance written notice to begin the Necessary Studies process provided in ISA, Appendix 2, section 3.1 and 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 Customer Facility on the Interconnection Customer's side of the Point of Interconnection to the Transmission Provider's Transmission System.

Co-Located Resource:

"Co-Located Resource" shall mean a component of a Mixed Technology Facility that operates in the capacity, energy, and/or ancillary services market(s) as a separate resource from the other components of such facility.

Commencement Date:

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

Committed Offer:

The "Committed Offer" shall mean 1) for pool-scheduled resources, an offer on which a resource was scheduled by the Office of the Interconnection for a particular clock hour for an Operating Day, and 2) for self-scheduled resources, either the offer on which the Market Seller has elected to schedule the resource or the applicable offer for the resource determined pursuant to Operating Agreement, Schedule 1, section 6.4, and the parallel provisions of Tariff, Attachment K-Appendix, section 6.4, or Operating Agreement, Schedule 1, section 6.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 6.6, for a particular clock hour for an Operating Day.

Completed Application:

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

Compliance Aggregation Area (CAA):

"Compliance Aggregation Area" or "CAA" shall mean a geographic area of Zones or sub-Zones that are electrically-contiguous and experience for the relevant Delivery Year, based on Resource Clearing Prices of, for Delivery Years through May 31, 2018, Annual Resources and for the 2018/2019 Delivery Year and subsequent Delivery Years, Capacity Performance Resources, the same locational price separation in the Base Residual Auction, the same locational price separation in the First Incremental Auction, the same locational price separation in the Second Incremental Auction, the same locational price separation in the Third Incremental Auction.

Component DER:

"Component DER" shall mean any resource, within the PJM Region, that is located on a distribution system, any subsystem thereof, or behind a customer meter, and is used in a DER Aggregation Resource by a DER Aggregator to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A Component DER may not exceed 5 MW.

Composite Energy Offer:

"Composite Energy Offer" for generation resources shall mean the sum (in $/MWh) of the Incremental Energy Offer and amortized Start-Up Costs and amortized No-load Costs, and for Economic Load Response Participant resources the sum (in $/MWh) of the Incremental Energy Offer and amortized shutdown costs, as determined in accordance with Tariff, Attachment K-Appendix, section 2.4 and Tariff, Attachment K-Appendix, section 2.4A and the PJM Manuals.

Conditional Incremental Auction:

"Conditional Incremental Auction" shall mean an Incremental Auction conducted for a Delivery Year if and when necessary to secure commitments of additional capacity to address reliability criteria violations arising from the delay in a Backbone Transmission upgrade that was modeled in the Base Residual Auction for such Delivery Year.

Conditioned State Support:

"Conditioned State Support" shall mean any financial benefit required or incentivized by a state, or political subdivision of a state acting in its sovereign capacity, that is provided outside of PJM Markets and in exchange for the sale of a FERC-jurisdictional product conditioned on clearing in any RPM Auction, where "conditioned on clearing in any RPM Auction" refers to specific directives as to the level of the offer that must be entered for the relevant Generation Capacity Resource in the RPM Auction or directives that the Generation Capacity Resource is required to clear in any RPM Auction. Conditioned State Support shall not include any Legacy Policy.

CONE Area:

"CONE Area" shall mean the areas listed in Tariff, Attachment DD, section 5.10(a)(iv)(A) and any LDAs established as CONE Areas pursuant to Tariff, Attachment DD, section 5.10(a)(iv)(B).

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 New Service Customer, 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 New Service Customer, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Interconnection Service Agreement or a Construction Service Agreement.

Congestion Price:

"Congestion Price" shall mean the congestion component of the Locational Marginal Price, which is the effect on transmission congestion costs (whether positive or negative) associated with increasing the output of a generation resource or decreasing the consumption by a Demand Resource, based on the effect of increased generation from or consumption by the resource on transmission line loadings, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

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.

Constraint Relaxation Logic:

"Constraint Relaxation Logic" shall mean the logic applied in the market clearing software where the transmission limit is increased to prevent the Transmission Constraint Penalty Factor from setting the Marginal Value of a transmission constraint.

Constructing Entity:

"Constructing Entity" shall mean either the Transmission Owner or the New Services Customer, depending on which entity has the construction responsibility pursuant to Tariff, Part VI and the applicable Construction Service Agreement; this term shall also be used to refer to an Interconnection Customer with respect to the construction of the Customer Interconnection Facilities.

Construction Party:

"Construction Party" shall mean a party to a Construction Service Agreement. "Construction Parties" shall mean all of the Parties to a Construction Service Agreement.

Construction Service Agreement:

"Construction Service Agreement" shall mean either an Interconnection Construction Service Agreement or an Upgrade Construction Service Agreement.

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.

Continuous Mode:

"Continuous Mode" shall mean the mode of operation of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource that includes both negative and positive megawatt quantities (i.e., the Energy Storage Resource Model Participant or Open-Loop Hybrid Resource is capable of continually and immediately transitioning from withdrawing megawatt quantities from the grid to injecting megawatt quantities onto the grid or injecting megawatts to withdrawing megawatts). Energy Storage Resource Model Participants or Open-Loop Hybrid Resource operating in Continuous Mode are considered to have an unlimited ramp rate. Continuous Mode requires Discharge Economic Maximum Megawatts to be zero or correspond to an injection, and Charge Economic Maximum Megawatts to be zero or correspond to a withdrawal.

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.

Control Zone:

"Control Zone" shall have the meaning given in the Operating Agreement.

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 Tariff, Part IV and Tariff, Part VI.

Coordinated External Transaction:

"Coordinated External Transaction" shall mean a transaction to simultaneously purchase and sell energy on either side of a CTS Enabled Interface in accordance with the procedures of Operating Agreement, Schedule 1, section 1.13, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.13.

Coordinated Transaction Scheduling:

"Coordinated Transaction Scheduling" or "CTS" shall mean the scheduling of Coordinated External Transactions at a CTS Enabled Interface in accordance with the procedures of Operating Agreement, Schedule 1, section 1.13, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.13.

Corporate Guaranty:

"Corporate Guaranty" shall mean a legal document, in a form acceptable to PJM and/or PJMSettlement, used by a Credit Affiliate of an entity to guaranty the obligations of another entity.

Cost of New Entry:

"Cost of New Entry" or "CONE" shall mean the nominal levelized cost of a Reference Resource, as determined in accordance with Tariff, Attachment DD, section 5.

Costs:

As used in Tariff, Part IV, Tariff, Part VI and related 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.

Counterparty:

"Counterparty" shall mean PJMSettlement as the contracting party, in its name and own right and not as an agent, to an agreement or transaction with a Market Participant or other entities,

including the agreements and transactions with customers regarding transmission service and other transactions under the PJM Tariff and the Operating Agreement. PJMSettlement shall not be a counterparty to (i) any bilateral transactions between Members, or (ii) any Member's self-supply of energy to serve its load, or (iii) any Member's self-schedule of energy reported to the Office of the Interconnection to the extent that energy serves that Member's own load.

Credit Affiliate:

"Credit Affiliate" shall mean Principals, corporations, partnerships, firms, joint ventures, associations, joint stock companies, trusts, unincorporated organizations or entities, one of which directly or indirectly controls the other or that are both 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 a person or an entity.

Credit Available for Export Transactions:

"Credit Available for Export Transactions" shall mean a designation of credit to be used for Export Transactions that is allocated by each Market Participant from its Credit Available for Virtual Transactions, and which reduces the Market Participant's Credit Available for Virtual Transactions accordingly.

Credit Available for Virtual Transactions:

"Credit Available for Virtual Transactions" shall mean the Market Participant's Working Credit Limit for Virtual Transactions calculated on its credit provided in compliance with its Peak Market Activity requirement plus available credit submitted above that amount, less any unpaid billed and unbilled amounts owed to PJMSettlement, plus any unpaid unbilled amounts owed by PJMSettlement to the Market Participant, less any applicable credit required for Minimum Participation Requirements, FTRs, RPM activity, or other credit requirement determinants as defined in Tariff, Attachment Q.

Credit Breach:

"Credit Breach" shall mean (a) the failure of a Participant to perform, observe, meet or comply with any requirements of Tariff, Attachment Q or other provisions of the Agreements, other than a Financial Default, or (b) a determination by PJM and notice to the Participant that a Participant represents an unreasonable credit risk to the PJM Markets; that, in either event, has not been cured or remedied after any required notice has been given and any cure period has elapsed.

Credit-Limited Offer:

"Credit-Limited Offer" shall mean a Sell Offer that is submitted by a Market Participant in an RPM Auction subject to a maximum credit requirement specified by such Market Participant.

Credit Support Default:

"Credit Support Default," shall mean (a) the failure of any Guarantor of a Market Participant to make any payment, or to perform, observe, meet or comply with any provisions of the applicable Guaranty or Credit Support Document that has not been cured or remedied, after any required notice has been given and an opportunity to cure (if any) has elapsed, (b) a representation made or deemed made by a Guarantor in any Credit Support Document that proves to be false, incorrect or misleading in any material respect when made or deemed made, (c) the failure of a Guaranty or other Credit Support Document to be in full force and effect prior to the satisfaction of all obligations of such Participant to PJM, without PJM's consent, or (d) a Guarantor repudiating, disaffirming, disclaiming or rejecting, in whole or in part, its obligations under the Guaranty or challenging the validity of the Guaranty.

Credit Support Document:

"Credit Support Document" shall mean any agreement or instrument in any way guaranteeing or securing any or all of a Participant's obligations under the Agreements (including, without limitation, the provisions of Tariff, Attachment Q), any agreement entered into under, pursuant to, or in connection with the Agreements or any agreement entered into under, pursuant to, or in connection with the Agreements and/or any other agreement to which PJM, PJMSettlement and the Participant are parties, including, without limitation, any Corporate Guaranty, Letter of Credit, or agreement granting PJM and PJMSettlement a security interest.

Critical Natural Gas Infrastructure:

"Critical Natural Gas Infrastructure" shall mean locations with electrical loads that are involved in natural gas production, processing, intrastate and interstate transmission and distribution pipeline facility as defined by NERC/FERC standard(s); and until such NERC/FERC standard(s) is developed, is defined as electric loads that are involved in natural gas production, processing, intrastate and interstate transmission and distribution pipeline facility, which if curtailed, will impact the delivery of natural gas to bulk-power system natural gas-fired generation.

Cross-Border:

When used to describe Network Integration Transmission Service, Network External Designated Transmission Service or Point-to-Point Transmission Service, "Cross-Border" shall mean transmission service where the capacity and/or energy is delivered from a resource that is not part of the PJM Transmission System and/or to load that is not part of the PJM Transmission System.

CTS Enabled Interface:

"CTS Enabled Interface" shall mean an interface between the PJM Control Area and an adjacent Control Area at which the Office of the Interconnection has authorized the use of Coordinated Transaction Scheduling ("CTS"). The CTS Enabled Interfaces between the PJM Control Area and the New York Independent System Operator, Inc. Control Area shall be designated in the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C., Schedule A (PJM Rate Schedule FERC No. 45). The CTS

Enabled Interfaces between the PJM Control Area and the Midcontinent Independent System Operator, Inc. shall be designated consistent with Attachment 3, section 2 of the Joint Operating Agreement between Midcontinent Independent System Operator, Inc. and PJM Interconnection, L.L.C.

CTS Interface Bid:

"CTS Interface Bid" shall mean a unified real-time bid to simultaneously purchase and sell energy on either side of a CTS Enabled Interface in accordance with the procedures of Operating Agreement, Schedule 1, section 1.13, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.13.

Curtailment:

"Curtailment" shall mean a reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions. For purposes of Tariff, Part XI, Transmission Provider's authority to curtail shall also include the authority to curtail Interim NITS for capacity or reserve shortages as further set forth in the PJM Manuals.

Curtailment Service Provider:

"Curtailment Service Provider" or "CSP" shall mean a Member or a Special Member, which action on behalf of itself or one or more other Members or non-Members, participates in the PJM Interchange Energy Market, Ancillary Services markets, and/or Reliability Pricing Model by causing a reduction in demand.

Customer Facility:

"Customer Facility" shall mean Generation Facilities or Merchant Transmission Facilities interconnected with or added to the Transmission System pursuant to an Interconnection Request under Tariff, Part IV.

Customer-Funded Upgrade:

"Customer-Funded Upgrade" shall mean any Network Upgrade, Local Upgrade, or Merchant Network Upgrade for which cost responsibility (i) is imposed on an Interconnection Customer or an Eligible Customer pursuant to Tariff, Part VI, section 217, or (ii) is voluntarily undertaken by a New Service Customer in fulfillment of an Upgrade Request. No Network Upgrade, Local 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.

Customer Interconnection Facilities:

"Customer Interconnection Facilities" shall mean all facilities and equipment owned and/or controlled, operated and maintained by Interconnection Customer on Interconnection Customer's

side of the Point of Interconnection identified in the appropriate appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System.

Daily Deficiency Rate:

"Daily Deficiency Rate" shall mean the rate employed to assess certain deficiency charges under Tariff, Attachment DD, section 7, Tariff, Attachment DD, section 8, Tariff, Attachment DD, section 9, or Tariff, Attachment DD, section 13.

Daily Unforced Capacity Obligation:

"Daily Unforced Capacity Obligation" shall mean the capacity obligation of a Load Serving Entity during the Delivery Year, determined in accordance with Reliability Assurance Agreement, Schedule 8, or, as to an FRR entity, in Reliability Assurance Agreement, Schedule 8.1.

Day-ahead Congestion Price:

"Day-ahead Congestion Price" shall mean the Congestion Price resulting from the Day-ahead Energy Market.

Day-ahead Energy Market:

"Day-ahead Energy Market" shall mean the schedule of commitments for the purchase or sale of energy and payment of Transmission Congestion Charges developed by the Office of the Interconnection as a result of the offers and specifications submitted in accordance with Operating Agreement, Schedule 1, section 1.10 and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.

Day-ahead Energy Market Injection Congestion Credits:

"Day-ahead Energy Market Injection Congestion Credits" shall mean those congestion credits paid to Market Participants for supply transactions in the Day-ahead Energy Market including generation schedules, Increment Offers, Up-to Congestion Transactions, import transactions, and Day-Ahead Pseudo-Tie Transactions.

Day-ahead Energy Market Transmission Congestion Charges:

"Day-ahead Energy Market Transmission Congestion Charges" shall be equal to the sum of Day-ahead Energy Market Withdrawal Congestion Charges minus [the sum of Day-ahead Energy Market Injection Congestion Credits plus any congestion charges calculated pursuant to the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C. (PJM Rate Schedule FERC No. 38), plus any congestion

charges calculated pursuant to the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C. (PJM Rate Schedule FERC No. 45), plus any congestion charges calculated pursuant to agreements between the Office of the Interconnection and other entities, as applicable)].

Day-ahead Energy Market Withdrawal Congestion Charges:

"Day-ahead Energy Market Withdrawal Congestion Charges" shall mean those congestion charges collected from Market Participants for withdrawal transactions in the Day-ahead Energy Market from transactions including Demand Bids, Decrement Bids, Up-to Congestion Transactions, Export Transactions, and Day-Ahead Pseudo-Tie Transactions.

Day-ahead Loss Price:

"Day-ahead Loss Price" shall mean the Loss Price resulting from the Day-ahead Energy Market.

Day-ahead Prices:

"Day-ahead Prices" shall mean the Locational Marginal Prices resulting from the Day-ahead Energy Market.

Day-Ahead Pseudo-Tie Transaction:

"Day-Ahead Pseudo-Tie Transaction" shall mean a transaction scheduled in the Day-ahead Energy Market to the PJM-MISO interface from a generator within the PJM balancing authority area that Pseudo-Ties into the MISO balancing authority area.

Day-ahead Settlement Interval:

"Day-ahead Settlement Interval" shall mean the interval used by settlements, which shall be every one clock hour.

Day-ahead System Energy Price:

"Day-ahead System Energy Price" shall mean the System Energy Price resulting from the Day-ahead Energy Market.

Deactivation:

"Deactivation" shall mean the retirement or mothballing of a generating unit governed by Tariff, Part V.

Deactivation Avoidable Cost Credit:

"Deactivation Avoidable Cost Credit" shall mean the credit paid to Generation Owners pursuant to Tariff, Part V, section 114.

Deactivation Avoidable Cost Rate:

"Deactivation Avoidable Cost Rate" shall mean the formula rate established pursuant to Tariff, Part V, section 115.

Deactivation Date:

"Deactivation Date" shall mean the date a generating unit within the PJM Region is either retired or mothballed and ceases to operate.

Decrement Bid:

"Decrement Bid" shall mean a type of Virtual Transaction that is a bid to purchase energy at a specified location in the Day-ahead Energy Market. A cleared Decrement Bid results in scheduled load at the specified location in the Day-ahead Energy Market.

Default:

As used in the Interconnection Service Agreement and Construction Service Agreement, "Default" shall mean the failure of a Breaching Party to cure its Breach in accordance with the applicable provisions of an Interconnection Service Agreement or Construction Service Agreement.

Delivering Party:

"Delivering Party" shall mean the entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

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.

Delivery Year:

"Delivery Year" shall mean the Planning Period for which a Capacity Resource is committed pursuant to the auction procedures specified in Tariff, Attachment DD, or pursuant to an FRR Capacity Plan under Reliability Assurance Agreement, Schedule 8.1.

Demand Bid:

"Demand Bid" shall mean a bid, submitted by a Load Serving Entity in the Day-ahead Energy Market, to purchase energy at its contracted load location, for a specified timeframe and

megawatt quantity, that if cleared will result in energy being scheduled at the specified location in the Day-ahead Energy Market and in the physical transfer of energy during the relevant Operating Day.

Demand Bid Limit:

"Demand Bid Limit" shall mean the largest MW volume of Demand Bids that may be submitted by a Load Serving Entity for any hour of an Operating Day, as determined pursuant to Operating Agreement, Schedule 1, section 1.10.1B, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.1B.

Demand Bid Screening:

"Demand Bid Screening" shall mean the process by which Demand Bids are reviewed against the applicable Demand Bid Limit, and rejected if they would exceed that limit, as determined pursuant to Operating Agreement, Schedule 1, section 1.10.1B, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.1B.

Demand Resource:

"Demand Resource" shall mean a resource with the capability to provide a reduction in demand.

Demand Resource Factor or DR Factor:

"Demand Resource Factor" or ("DR Factor") shall have the meaning specified in the Reliability Assurance Agreement.

DER Aggregation Resource:

"DER Aggregation Resource" shall be comprised of one or more Component DER. A DER Aggregation Resource is used by a DER Aggregator to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A DER Aggregation Resource is capable of satisfying a minimum energy and/or ancillary services market offer of 100 kW. The market participation eligibility of a DER Aggregation Resource shall be determined in accordance with the physical and operational characteristics of the underlying Component DER that comprise the DER Aggregation Resource.

DER Aggregator:

"DER Aggregator" shall mean an entity that is a Market Participant that: (i) uses one or more DER Aggregation Resources to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model; and (ii) has a fully-executed DER Aggregator Participation Service Agreement.

DER Aggregator Participation Model:

"DER Aggregator Participation Model" shall mean the participation model described in Tariff, Attachment K-Appendix, section 1.4B.

DER Capacity Aggregation Resource:

"DER Capacity Aggregation Resource" shall mean one or more DER Aggregation Resource that participates in the Reliability Pricing Model, capable of satisfying a minimum capacity market offer of 100 kW, or is otherwise treated as capacity in PJM's markets, such as through a Fixed Resource Requirement Capacity Plan, for the 2028/2029 Delivery Year and all subsequent Delivery Years.

Designated Agent:

"Designated Agent" shall mean any entity that performs actions or functions on behalf of the Transmission Provider, a Transmission Owner, an Eligible Customer, or the Transmission Customer required under the Tariff.

Designated Entity:

"Designated Entity" shall have the same meaning provided in the Operating Agreement.

Direct Assignment Facilities:

"Direct Assignment Facilities" shall mean facilities or portions of facilities that are constructed for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

Direct Charging Energy:

"Direct Charging Energy" shall mean the energy that an Energy Storage Resource or Open-Loop Hybrid Resource purchases from the PJM Interchange Energy Market and (i) later resells to the PJM Interchange Energy Market; or (ii) is lost to conversion inefficiencies, provided that such inefficiencies are an unavoidable component of the conversion, storage, and discharge process that is used to resell energy back to the PJM Interchange Energy Market.

Direct Load Control:

"Direct Load Control" shall mean load reduction that is controlled directly by the Curtailment Service Provider's market operations center or its agent, in response to PJM instructions.

Discharge Economic Maximum Megawatts:

"Discharge Economic Maximum Megawatts" shall mean the maximum megawatt power output available for discharge in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Continuous Mode or in Discharge Mode. Discharge

Economic Maximum Megawatts shall be the Economic Maximum for an Energy Storage Resource or Open-Loop Hybrid Resource in Discharge Mode or in Continuous Mode.

Discharge Economic Minimum Megawatts:

"Discharge Economic Minimum Megawatts" shall mean the minimum megawatt power output available for discharge in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Discharge Mode. Discharge Economic Minimum Megawatts shall be the Economic Minimum for an Energy Storage Resource or Open-Loop Hybrid Resource in Discharge Mode.

Discharge Mode:

"Discharge Mode" shall mean the mode of operation of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource that only includes positive megawatt quantities (i.e., the Energy Storage Resource Model Participant or Open-Loop Hybrid Resource is only injecting megawatts onto the grid).

Discharge Ramp Rate:

"Discharge Ramp Rate" shall mean the Ramping Capability of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Discharge Mode.

Dispatch Rate:

"Dispatch Rate" shall mean the control signal, expressed in dollars per megawatt-hour, calculated and transmitted continuously and dynamically to direct the output level of all generation resources dispatched by the Office of the Interconnection in accordance with the Offer Data.

Dispatched Charging Energy:

"Dispatched Charging Energy" shall mean Direct Charging Energy that an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource receives from the electric grid pursuant to PJM dispatch while providing one of the following services in the PJM markets: Energy Imbalance Service pursuant to Tariff, Schedule 4; Regulation; Tier 2 Synchronized Reserves; or Reactive Service. Energy Storage Resource Model Participants and Open-Loop Hybrid Resource shall be considered to be providing Energy Imbalance Service when they are dispatchable by PJM in real-time.

Dynamic Schedule:

"Dynamic Schedule" shall have the same meaning provided in the Operating Agreement.

Dynamic Transfer:

“Dynamic Transfer” shall have the same meaning provided in the Operating Agreement.

Definitions – E - F

Economic-based Enhancement or Expansion:

"Economic-based Enhancement or Expansion" shall have the same meaning provided in the Operating Agreement.

Economic Load Response Participant:

"Economic Load Response Participant" shall mean a Member or Special Member that qualifies under Operating Agreement, Schedule 1, section 1.5A, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A, to participate in the PJM Interchange Energy Market and/or Ancillary Services markets through reductions in demand.

Economic Load Response Regulation Only Participant:

"Economic Load Response Regulation Only Participant" shall mean a Member or Special Member that qualifies under Operating Agreement, Schedule 1, section 1.5A, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A, and is only eligible to participate in the PJM Regulation market.

Economic Maximum:

"Economic Maximum" shall mean the highest incremental MW output level, submitted to PJM market systems by a Market Participant, that a unit can achieve while following economic dispatch.

Economic Minimum:

"Economic Minimum" shall mean the lowest incremental MW output level, submitted to PJM market systems by a Market Participant, that a unit can achieve while following economic dispatch.

Effective FTR Holder:

"Effective FTR Holder" shall mean:

(i) For an FTR Holder that is either a (a) privately held company, or (b) a municipality or electric cooperative, as defined in the Federal Power Act, such FTR Holder, together with any Affiliate, subsidiary or parent of the FTR Holder, any other entity that is under common ownership, wholly or partly, directly or indirectly, or has the ability to influence, directly or indirectly, the management or policies of the FTR Holder; or

(ii) For an FTR Holder that is a publicly traded company including a wholly owned subsidiary of a publicly traded company, such FTR Holder, together with any Affiliate, subsidiary or parent of the FTR Holder, any other PJM Member has over 10% common

ownership with the FTR Holder, wholly or partly, directly or indirectly, or has the ability to influence, directly or indirectly, the management or policies of the FTR Holder; or

(iii) an FTR Holder together with any other PJM Member, including also any Affiliate, subsidiary or parent of such other PJM Member, with which it shares common ownership, wholly or partly, directly or indirectly, in any third entity which is a PJM Member (e.g., a joint venture).

EFORd:

"EFORd" shall have the meaning specified in the PJM Reliability Assurance Agreement.

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.

Electrical Distance:

"Electrical Distance" shall mean, for a Generation Capacity Resource geographically located outside the metered boundaries of the PJM Region, the measure of distance, based on impedance and in accordance with the PJM Manuals, from the Generation Capacity Resource to 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 Section 212(h) of the Federal Power Act, 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 VI, Eligible Customer shall mean only those Eligible Customers that have submitted a Completed Application.

Eligible Load:

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

Eligible Fast-Start Resource:

"Eligible Fast-Start Resource" shall mean a Fast-Start Resource that is eligible for the application of Integer Relaxation during the calculation of Locational Marginal Prices as set forth in Tariff, Attachment K-Appendix, section 2.2.

Eligible Generating Facility:

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

Emergency Action:

"Emergency Action" shall mean (1) any megawatt shortage of the Primary Reserve Requirement (as specified in the PJM Manuals) in a Reserve Zone or Reserve Sub-zone, inclusive of any adjustments to such requirement to account for system conditions, as determined by the dispatch run from the security constrained economic dispatch and where, as specified in the PJM Manuals, there is also a Voltage Reduction Warning and reduction of non-critical plant load, Manual Load Dump Warning, Maximum Generation Emergency Action, or the curtailment of non-essential building loads and Voltage Reduction Warning that encompasses such Reserve Zone or Reserve Sub-zone or (2) anytime the Office of Interconnection identifies an emergency and issues a load shed directive, Manual Load Dump Action, Voltage Reduction Action, or deploy all resources action for an entire Reserve Zone or Reserve Sub-zone.

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 Interconnected 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 Interconnection Customer is imminently likely (as determined in a non-discriminatory manner) to cause damage to the Customer Facility or to the Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions, provided that a Generation Interconnection Customer is not obligated by an Interconnection Service 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.

Emergency Load Response Program:

"Emergency Load Response Program" shall mean the program by which Curtailment Service Providers may be compensated by PJM for Demand Resources that will reduce load when dispatched by PJM during emergency conditions, and is described in Operating Agreement, Schedule 1, section 8 and the parallel provisions of Tariff, Attachment K-Appendix, section 8.

Energy Efficiency Resource:

"Energy Efficiency Resource" shall have the meaning specified in the PJM Reliability Assurance Agreement.

Energy Market Opportunity Cost:

"Energy Market Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has an operational limitation due to limitations imposed on the unit by Applicable Laws and Regulations, and (b) the forecasted future Locational Marginal Price at which the generating unit could run while not violating such limitations. Energy Market Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same compliance period, which compliance period is determined by the applicable regulatory authority and is reflected in the rules set forth in PJM Manual 15. Energy Market Opportunity Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.

Energy Resource:

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

Energy Settlement Area:

"Energy Settlement Area" shall mean the bus or distribution of busses that represents the physical location of Network Load and by which the obligations of the Network Customer to PJM are settled.

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.

Energy Storage Resource Model Participant:

"Energy Storage Resource Model Participant" shall mean an Energy Storage Resource utilizing the Energy Storage Resource Participation Model.

Energy Storage Resource Participation Model:

"Energy Storage Resource Participation Model" shall mean the participation model accepted by the Commission in Docket No. ER19-469-000.

Energy Transmission Injection Rights:

"Energy Transmission Injection Rights" shall mean the rights to schedule energy deliveries at a specified point on the Transmission System. Energy Transmission Injection Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System to another control area. Deliveries scheduled using Energy Transmission Injection Rights have rights similar to those under Non-Firm Point-to-Point Transmission Service.

Entity Providing Supply Services to Default Retail Service Provider:

"Entity Providing Supply Services to Default Retail Service Provider" shall mean any entity, including but not limited to a load aggregator or power marketer, providing supply services to an electric distribution company when that electric distribution company is serving as the default retail service provider, and that enters into a contract or similar obligation with such electric distribution company to serve retail customers who have not selected a competitive retail service provider.

Environmental Laws:

"Environmental Laws" shall mean applicable Laws or Regulations relating to pollution or protection of the environment, natural resources or human health and safety.

Environmentally-Limited Resource:

"Environmentally-Limited Resource" shall mean a resource which has a limit on its run hours imposed by a federal, state, or other governmental agency that will significantly limit its availability, on either a temporary or long-term basis. This includes a resource that is limited by a governmental authority to operating only during declared PJM capacity emergencies.

Equivalent Load:

"Equivalent Load" shall mean the sum of a Market Participant's net system requirements to serve its customer load in the PJM Region, if any, plus its net bilateral transactions.

Event of Default:

"Event of Default," as that term is used in Tariff, Attachment Q, shall mean a Financial Default, Credit Breach, or Credit Support Default.

Exercise of Buyer-Side Market Power:

"Exercise of Buyer-Side Market Power" shall mean anti-competitive behavior of a Capacity Market Seller with a Load Interest, or directed by an entity with a Load Interest, to uneconomically lower RPM Auction Sell Offer(s) in order to suppress RPM Auction clearing prices for the overall benefit of the Capacity Market Seller's (and/or affiliates of Capacity Market Seller) portfolio of generation and load or that of the directing entity with a Load Interest as determined pursuant to Tariff, Attachment DD, section 5.14(h-2)(2)(B). A bilateral contract between the Capacity Market Seller and an entity with a Load Interest with the express purpose of lowering capacity market clearing prices shall be evidence of the Exercise of Buyer-Side Market Power.

Existing Generation Capacity Resource:

"Existing Generation Capacity Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Export Credit Exposure:

"Export Credit Exposure" is determined for each Market Participant for a given Operating Day, and shall mean the sum of credit exposures for the Market Participant's Export Transactions for that Operating Day and for the preceding Operating Day.

Export Nodal Reference Price:

"Export Nodal Reference Price" at each location is the 97th percentile, shall be, the real-time hourly integrated price experienced over the corresponding two-month period in the preceding calendar year, calculated separately for peak and off-peak time periods. The two-month time periods used in this calculation shall be January and February, March and April, May and June, July and August, September and October, and November and December.

Export Transaction:

"Export Transaction" shall be a transaction by a Market Participant that results in the transfer of energy from within the PJM Control Area to outside the PJM Control Area. Coordinated External Transactions that result in the transfer of energy from the PJM Control Area to an adjacent Control Area are one form of Export Transaction.

Export Transaction Price Factor:

"Export Transaction Price Factor" for a prospective time interval shall be the greater of (i) PJM's forecast price for the time interval, if available, or (ii) the Export Nodal Reference Price, but shall not exceed the Export Transaction's dispatch ceiling price cap, if any, for that time interval. The Export Transaction Price Factor for a past time interval shall be calculated in the same manner as for a prospective time interval, except that the Export Transaction Price Factor may use a tentative or final settlement price, as available. If an Export Nodal Reference Price is not available for a particular time interval, PJM may use an Export Transaction Price Factor for that time interval based on an appropriate alternate reference price.

Export Transaction Screening:

"Export Transaction Screening" shall be the process PJM uses to review the Export Credit Exposure of Export Transactions against the Credit Available for Export Transactions, and deny or curtail all or a portion of an Export Transaction, if the credit required for such transactions is greater than the credit available for the transactions.

Export Transactions Net Activity:

"Export Transactions Net Activity" shall mean the aggregate net total, resulting from Export Transactions, of (i) Spot Market Energy charges, (ii) Transmission Congestion Charges, and (iii) Transmission Loss Charges, calculated as set forth in Operating Agreement, Schedule 1 and the parallel provisions of Tariff, Attachment K-Appendix. Export Transactions Net Activity may be positive or negative.

Extended Primary Reserve Requirement:

"Extended Primary Reserve Requirement" shall equal the Primary Reserve Requirement in a Reserve Zone or Reserve Sub-zone, plus 190 MW, plus any additional reserves scheduled under emergency conditions necessary to address operational uncertainty. The Extended Primary Reserve Requirement is calculated in accordance with the PJM Manuals.

Extended Synchronized Reserve Requirement:

"Extended Synchronized Reserve Requirement" shall equal the Synchronized Reserve Requirement in a Reserve Zone or Reserve Sub-zone, plus 190 MW, plus any additional reserves scheduled under emergency conditions necessary to address operational uncertainty. The Extended Synchronized Reserve Requirement is calculated in accordance with the PJM Manuals.

Extended 30-minute Reserve Requirement:

"Extended 30-minute Reserve Requirement" shall equal the 30-minute Reserve Requirement in a Reserve Zone or Reserve Sub-zone, plus 190 MW, plus any additional reserves scheduled under emergency conditions necessary to address operational uncertainty. The Extended 30-minute Reserve Requirement is calculated in accordance with the PJM Manuals.

External Market Buyer:

"External Market Buyer" shall mean a Market Buyer making purchases of energy from the PJM Interchange Energy Market for consumption by end-users outside the PJM Region, or for load in the PJM Region that is not served by Network Transmission Service.

External Resource:

"External Resource" shall mean a generation resource located outside the metered boundaries of the PJM Region.

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 Study; and (2) complete any additional studies or analyses documented in the System Impact Study 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. The Facilities Study shall include the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or to accommodate a New Service Request. As used in the Interconnection Service Agreement or Construction Service Agreement, Facilities Study shall mean that certain Facilities Study conducted by Transmission Provider (or at its direction) to determine the design and specification of the Customer Funded Upgrades necessary to accommodate the New Service Customer's New Service Request in accordance with Tariff, Part VI, section 207.

Fast-Start Resource:

"Fast-Start Resource" shall have the meaning set forth in Tariff, Attachment K-Appendix, section 2.2A

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.

FERC Market Rules:

"FERC Market Rules" mean the market behavior rules and the prohibition against electric energy market manipulation codified by the Commission in its Rules and Regulations at 18 CFR §§ 1c.2 and 35.37, respectively; the Commission-approved PJM Market Rules and any related proscriptions or any successor rules that the Commission from time to time may issue, approve or otherwise establish.

Final Offer:

"Final Offer" shall mean the offer on which a resource was dispatched by the Office of the Interconnection for a particular clock hour for the Operating Day.

Final RTO Unforced Capacity Obligation:

"Final RTO Unforced Capacity Obligation" shall mean the capacity obligation for the PJM Region, determined in accordance with RAA, Schedule 8.

Financial Close:

"Financial Close" shall mean the Capacity Market Seller has demonstrated that the Capacity Market Seller or its agent has completed the act of executing the material contracts and/or other documents necessary to (1) authorize construction of the project and (2) establish the necessary funding for the project under the control of an independent third-party entity. A sworn, notarized certification of an independent engineer certifying to such facts, and that the engineer has personal knowledge of, or has engaged in a diligent inquiry to determine, such facts, shall be sufficient to make such demonstration. For resources that do not have external financing, Financial Close shall mean the project has full funding available, and that the project has been duly authorized to proceed with full construction of the material portions of the project by the appropriate governing body of the company funding such project. A sworn, notarized certification by an officer of such company certifying to such facts, and that the officer has personal knowledge of, or has engaged in a diligent inquiry to determine, such facts, shall be sufficient to make such demonstration.

Financial Default:

"Financial Default" shall mean (a) the failure of a Member or Transmission Customer to make any payment for obligations under the Agreements when due, including but not limited to an invoice payment that has not been cured or remedied after notice has been given and any cure period has elapsed, (b) a bankruptcy proceeding filed by a Member, Transmission Customer or its Guarantor, or filed against a Member, Transmission Customer or its Guarantor and to which the Member, Transmission Customer or Guarantor, as applicable, acquiesces or that is not dismissed within 60 days, (c) a Member, Transmission Customer or its Guarantor, if any, is unable to meet its financial obligations as they become due, or (d) a Merger Without Assumption occurs in respect of the Member, Transmission Customer or any Guarantor of such Member or Transmission Customer.

Financial Transmission Right:

"Financial Transmission Right" or "FTR" shall mean a right to receive Transmission Congestion Credits as specified in Operating Agreement, Schedule 1, section 5.2.2 and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.2.

Financial Transmission Right Obligation:

"Financial Transmission Right Obligation" shall mean a right to receive Transmission Congestion Credits as specified in Operating Agreement, Schedule 1, section 5.2.2(b), and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.2(b).

Financial Transmission Right Option:

"Financial Transmission Right Option" shall mean a right to receive Transmission Congestion Credits as specified in Operating Agreement, Schedule 1, section 5.2.2(c), and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.2(c).

Firm Contract Demand Transmission Service:

"Firm Contract Demand Transmission Service" shall mean Transmission Service under the Tariff, Part XI, Subpart B, for the transfer of capacity and energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider.

Firm Point-To-Point Transmission Service:

"Firm Point-To-Point Transmission Service" shall mean Transmission Service under the Tariff, Part II, section 13 that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Tariff, Part II.

Firm Transmission Feasibility Study:

"Firm Transmission Feasibility Study" shall mean a study conducted by the Transmission Provider in accordance with Tariff, Part II, section 19.3 and Tariff, Part III, section 32.3.

Firm Transmission Withdrawal Rights:

"Firm Transmission Withdrawal Rights" shall mean the rights to schedule energy and capacity withdrawals from a Point of Interconnection of a Merchant Transmission Facility with the Transmission System. Firm Transmission Withdrawal Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System with another control area. Withdrawals scheduled using Firm Transmission Withdrawal Rights have rights similar to those under Firm Point-to-Point Transmission Service.

First Incremental Auction:

"First Incremental Auction" shall mean an Incremental Auction conducted 20 months prior to the start of the Delivery Year to which it relates.

Flexible Resource:

"Flexible Resource" shall mean a generating resource that must have a combined Start-up Time and Notification Time of less than or equal to two hours; and a Minimum Run Time of less than or equal to two hours.

Forecast Pool Requirement:

"Forecast Pool Requirement" shall have the meaning specified in the Reliability Assurance Agreement.

Foreign Guaranty:

"Foreign Guaranty" shall mean a Corporate Guaranty provided by an Affiliate of a Participant that is domiciled in a foreign country, and meets all of the provisions of Tariff, Attachment Q.

Form 715 Planning Criteria:

"Form 715 Planning Criteria" shall have the same meaning provided in the Operating Agreement.

Forward Daily Natural Gas Prices:

"Forward Daily Natural Gas Prices" shall have the meaning provided in Tariff, Attachment DD, section 5.10(a)(v-1)(E).

Forward Hourly Ancillary Services Prices:

"Forward Hourly Ancillary Services Prices" shall have the meaning provided in Tariff, Attachment DD, section 5.10(a)(v-1)(D).

Forward Hourly LMPs:

"Forward Hourly LMPs" shall have the meaning provided in Tariff, Attachment DD, section 5.10(a)(v-1)(C).

FTR Credit Limit:

"FTR Credit Limit" shall mean the amount of credit established with PJMSettlement that an FTR Participant has specifically designated to be used for FTR activity in a specific customer account. Any such credit so set aside shall not be considered available to satisfy any other credit requirement the FTR Participant may have with PJMSettlement.

FTR Credit Requirement:

"FTR Credit Requirement" shall mean the amount of credit that a Participant must provide in order to support the FTR positions that it holds and/or for which it is bidding. The FTR Credit Requirement shall not include months for which the invoicing has already been completed, provided that PJMSettlement shall have up to two Business Days following the date of the invoice completion to make such adjustments in its credit systems. FTR Credit Requirements are calculated and applied separately for each separate customer account.

FTR Flow Undiversified:

"FTR Flow Undiversified" shall have the meaning established in Tariff, Attachment Q, section VI.C.6.

FTR Historical Value:

For each FTR for each month, "FTR Historical Value" shall mean the weighted average of historical values over three years for the FTR path using the following weightings: 50% - most recent year; 30% - second year; 20% - third year.

FTR Holder:

"FTR Holder" shall mean the PJM Member that has acquired and possesses an FTR.

FTR Monthly Credit Requirement Contribution:

For each FTR, for each month, "FTR Monthly Credit Requirement Contribution" shall mean the total FTR cost for the month, prorated on a daily basis, less the FTR Historical Value for the month. For cleared FTRs, this contribution may be negative; prior to clearing, FTRs with negative contribution shall be deemed to have zero contribution.

FTR Net Activity:

"FTR Net Activity" shall mean the aggregate net value of the billing line items for auction revenue rights credits, FTR auction charges, FTR auction credits, and FTR congestion credits, and shall also include day-ahead and balancing/real-time congestion charges up to a maximum net value of the sum of the foregoing auction revenue rights credits, FTR auction charges, FTR auction credits and FTR congestion credits.

FTR Participant:

"FTR Participant" shall mean any Market Participant that provides or is required to provide Collateral in order to participate in PJM's FTR market.

FTR Portfolio Auction Value:

"FTR Portfolio Auction Value" shall mean for each customer account of a Market Participant, the sum, calculated on a monthly basis, across all FTRs, of the FTR price times the FTR volume in MW.

Fuel Cost Policy:

"Fuel Cost Policy" shall mean the document provided by a Market Seller to PJM and the Market Monitoring Unit in accordance with PJM Manual 15 and Operating Agreement, Schedule 2, which documents the Market Seller's method used to price fuel for calculation of the Market Seller's cost-based offers for a generation resource.

Full Notice to Proceed:

"Full Notice to Proceed" shall mean that all material third party contractors have been given the notice to proceed with construction by the Capacity Market Seller or its agent, with a guaranteed completion date backed by liquidated damages.

Definitions – I – J - K

IDR Transfer Agreement:

"IDR Transfer Agreement" shall mean an agreement to transfer, subject to the terms of Tariff, Part VI, section 237, Incremental Deliverability Rights to a party for the purpose of eliminating or reducing the need for Local or Network Upgrades that would otherwise have been the responsibility of the party receiving such rights.

Immediate-need Reliability Project:

"Immediate-need Reliability Project" shall have the same meaning provided in the Operating Agreement.

Inadvertent Interchange:

"Inadvertent Interchange" shall mean the difference between net actual energy flow and net scheduled energy flow into or out of the individual Control Areas operated by PJM.

Incidental Expenses:

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

Incremental Auction:

"Incremental Auction" shall mean any of several auctions conducted for a Delivery Year after the Base Residual Auction for such Delivery Year and before the first day of such Delivery Year, including the First Incremental Auction, Second Incremental Auction, Third Incremental Auction or Conditional Incremental Auction. Incremental Auctions (other than the Conditional Incremental Auction shall be held for the purposes of:

(i) allowing Market Sellers that committed Capacity Resources in the Base Residual Auction for a Delivery Year, which subsequently are determined to be unavailable to deliver the committed Unforced Capacity in such Delivery Year (due to resource retirement, resource cancellation or construction delay, resource derating, EFORd increase, a decrease in the Nominated Demand Resource Value of a Planned Demand Resource, delay or cancellation of a Qualifying Transmission Upgrade, or similar occurrences) to submit Buy Bids for replacement Capacity Resources; and

(ii) allowing the Office of the Interconnection to reduce or increase the amount of committed capacity secured in prior auctions for such Delivery Year if, as a result of changed

circumstances or expectations since the prior auction(s), there is, respectively, a significant excess or significant deficit of committed capacity for such Delivery Year, for the PJM Region or for an LDA.

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 Available Transfer Capability Revenue Rights:

"Incremental Available Transfer Capability Revenue Rights" shall mean the rights to revenues that are derived from incremental Available Transfer Capability created by the addition of Merchant Transmission Facilities or of one of more Customer-Funded Upgrades.

Incremental Capacity Transfer Right:

"Incremental Capacity Transfer Right" shall mean a Capacity Transfer Right allocated to a Generation Interconnection Customer or Transmission Interconnection Customer 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" or "IDRs" 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 Interconnection Customer, pursuant to an IDR Transfer Agreement, to satisfy, in part, the deliverability requirements necessary to obtain Capacity Interconnection Rights.

Incremental Energy Offer:

"Incremental Energy Offer" shall mean the cost in dollars per MWh of providing an additional MWh from a synchronized unit. It consists primarily of the cost of fuel, as determined by the unit's incremental heat rate (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, emissions allowances, tax credits, and energy market opportunity costs.

Incremental Multi-Driver Project:

"Incremental Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Incremental Rights-Eligible Required Transmission Enhancements:

"Incremental Rights-Eligible Required Transmission Enhancements" shall mean Regional Facilities and Necessary Lower Voltage Facilities or Lower Voltage Facilities (as defined in Tariff, Schedule 12) and meet one of the following criteria: (1) cost responsibility is assigned to non-contiguous Zones that are not directly electrically connected; or (2) cost responsibility is assigned to Merchant Transmission Providers that are Responsible Customers.

Increment Offer:

"Increment Offer" shall mean a type of Virtual Transaction that is an offer to sell energy at a specified location in the Day-ahead Energy Market. A cleared Increment Offer results in scheduled generation at the specified location in the Day-ahead Energy Market.

Independent Auditor:

"Independent Auditor" shall mean an external accountant or external accounting firm who is not an employee of, not otherwise related to, not obligated to, has no interest in, and is independent in the performance of professional services for, the entity he/she/it is auditing, its management and/or its owners.

Initial Operation:

"Initial Operation" shall mean the commencement of operation of the Customer Facility and Customer Interconnection Facilities after satisfaction of the conditions of Tariff, Attachment O-Appendix 2, section 1.4 (an Interconnection Service Agreement).

Integer Relaxation:

"Integer Relaxation" shall mean the process by which the commitment status variable for an Eligible Fast-Start Resource is allowed to vary between zero and one, inclusive of zero and one, as further described in Tariff, Attachment K-Appendix, section 2.2.

Interconnected Entity:

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

Interconnected Transmission Owner:

"Interconnected Transmission Owner" shall mean the Transmission Owner to whose transmission facilities or distribution facilities Customer Interconnection Facilities are, or as the case may be, a Customer Facility is, being directly connected. When used in an Interconnection

Construction Service Agreement, the term may refer to a Transmission Owner whose facilities must be upgraded pursuant to the Facilities Study, but whose facilities are not directly interconnected with those of the Interconnection Customer.

Interconnection Construction Service Agreement:

"Interconnection Construction Service Agreement" shall mean the agreement entered into by an Interconnection Customer, Interconnected Transmission Owner and the Transmission Provider pursuant to Tariff, Part VI, Subpart B and in the form set forth in Tariff, Attachment P, relating to construction of Attachment Facilities, Network Upgrades, and/or Local Upgrades and coordination of the construction and interconnection of an associated Customer Facility. A separate Interconnection Construction Service Agreement will be executed with each Transmission Owner that is responsible for construction of any Attachment Facilities, Network Upgrades, or Local Upgrades associated with interconnection of a Customer Facility.

Interconnection Customer:

"Interconnection Customer" shall mean a Generation Interconnection Customer and/or a Transmission Interconnection Customer.

Interconnection Facilities:

"Interconnection Facilities" shall mean the Transmission Owner Interconnection Facilities and the Customer Interconnection Facilities.

Interconnection Feasibility Study:

"Interconnection Feasibility Study" shall mean either a Generation Interconnection Feasibility Study or Transmission Interconnection Feasibility Study.

Interconnection Party:

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

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 Customer Facility with the Transmission System pursuant to the terms of Tariff, Part IV and Tariff, Part VI and the Interconnection Service Agreement entered into pursuant thereto by Interconnection Customer, the Interconnected Transmission Owner and Transmission Provider.

Interconnection Service Agreement:

"Interconnection Service Agreement" shall mean an agreement among the Transmission Provider, an Interconnection Customer and an Interconnected Transmission Owner regarding interconnection under Tariff, Part IV and Tariff, Part VI.

Interconnection Studies:

"Interconnection Studies" shall mean the Interconnection Feasibility Study, the System Impact Study, and the Facilities Study described in Tariff, Part IV and Tariff, Part VI.

Interface Pricing Point:

"Interface Pricing Point" shall have the meaning specified in Operating Agreement, Schedule 1, section 2.6A, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.6A.

Interim Network Integration Transmission Service:

"Interim Network Integration Transmission Service" shall mean the transmission service provided under Tariff, Part XI, Subpart A that allows an Eligible Customer taking service on behalf of a designated Eligible Load or Large Load that has requested Network Integration Transmission Service pursuant to Tariff, Part III, to receive, at a specified Delivery Point, transmission service on behalf of a designated Eligible Load or Large Load on a non-firm, interruptible basis for the period until the transmission upgrades required to provide the requested level of Network Integration Transmission Service are completed and placed in service.

Intermittent Resource:

"Intermittent Resource" shall mean a Generation Capacity Resource with output that can vary as a function of its energy source, such as wind, solar, run of river hydroelectric power and other renewable resources.

Internal Credit Score:

"Internal Credit Score" shall mean a composite numerical score determined by PJMSettlement using quantitative and qualitative metrics to estimate various predictors of a credit event happening to a Market Participant that may trigger a credit event.

Internal Market Buyer:

"Internal Market Buyer" shall mean a Market Buyer making purchases of energy from the PJM Interchange Energy Market for ultimate consumption by end-users inside the PJM Region that are served by Network Transmission Service.

Interregional Transmission Project:

"Interregional Transmission Project" shall mean transmission facilities that would be located within two or more neighboring transmission planning regions and are determined by each of those regions to be a more efficient or cost effective solution to regional transmission needs.

Interruption:

"Interruption" shall mean a reduction in non-firm transmission service due to economic reasons pursuant to Tariff, Part II, section 14.7.

IROL Critical Resource:

"IROL Critical Resource" shall mean a generation resource that the Office of the Interconnection designates, pursuant to NERC Reliability Standards, as having an interconnection reliability operating limit that, if violated, could lead to instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the bulk electric system.

Jointly Owned Cross-Subsidized Capacity Resource:

"Jointly Owned Cross-Subsidized Capacity Resource" shall mean a Capacity Resource that is supported by a facility that is jointly owned, where at least one owner is entitled to or receives a State Subsidy associated with such Capacity Resource, and therefore shall be considered a Capacity Resource with State Subsidy; provided however, in the event that the material rights and obligations of such generating facility are in pari passu, meaning that such rights and obligations are allocated among the owners pro rata based on ownership share, only Capacity Resources of those owners entitled to receive or receiving a State Subsidy shall have their share of such resource considered a Capacity Resource with a State Subsidy and Capacity Resources of owners not entitled to a State Subsidy shall not be considered a Capacity Resource with a State Subsidy. Each of these designations may be overcome by either Capacity Market Seller demonstrating to the Office of Interconnection, with advice and input from the Market Monitoring Unit, that there is no cross-subsidization or the Office of the Interconnection, with review and input from the Market Monitor, finds based on sufficient evidence, that there is cross-subsidization.

Definitions – L – M – N

Legacy Policy:

"Legacy Policy" shall mean any legislative, executive, or regulatory action that specifically directs a payment outside of PJM Markets to a designated or prospective Generation Capacity Resource and the enactment of such action predates October 1, 2021, regardless of when any implementing governmental action to effectuate the action to direct payment outside of PJM Markets occurs.

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 have the meaning specified in Tariff, Part VIII, Subpart A, section 400, Definitions L.

Load Interest:

"Load Interest" shall mean, for the purposes of the minimum offer price rule, responsibility for serving load within the PJM Region, whether by the Capacity Market Seller, an affiliate of the Capacity Market Seller, or by an entity with which the Capacity Market Seller is in contractual privity with respect to the subject Generation Capacity Resource.

Load Management:

"Load Management" shall mean a Demand Resource ("DR") as defined in the Reliability Assurance Agreement.

Load Management Event:

"Load Management Event" shall mean a) a single temporally contiguous dispatch of Demand Resources in a Compliance Aggregation Area during an Operating Day, or b) multiple dispatches of Demand Resources in a Compliance Aggregation Area during an Operating Day that are temporally contiguous.

Load Ratio Share:

"Load Ratio Share" shall mean the ratio of a Transmission Customer's Network Load to the Transmission Provider's total load.

Load Reduction Event:

"Load Reduction Event" shall mean a reduction in demand by a Member or Special Member for the purpose of participating in the PJM Interchange Energy Market.

Load Serving Charging Energy:

"Load Serving Charging Energy" shall mean energy that is purchased from the PJM Interchange Energy Market and stored in an Energy Storage Resource for later resale to end-use load.

Load Serving Entity (LSE):

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

Load Shedding:

"Load Shedding" shall mean the systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Tariff, Part II or Part III.

Local Upgrades:

"Local Upgrades" shall mean modifications or additions of facilities to abate any local thermal loading, voltage, short circuit, stability or similar engineering problem caused by the interconnection and delivery of generation to the Transmission System. Local Upgrades shall include:

(i) Direct Connection Local Upgrades which are Local Upgrades that only serve the Customer Interconnection Facility and have no impact or potential impact on the Transmission System until the final tie-in is complete; and

(ii) Non-Direct Connection Local Upgrades which are parallel flow Local Upgrades that are not Direct Connection Local Upgrades.

Location:

"Location" as used in the Economic Load Response rules shall mean an end-use customer site as defined by the relevant electric distribution company account number.

LOC Deviation:

"LOC Deviation," shall mean, for units other than wind or solar units, Hybrid Resources, or Energy Storage Resource Model Participants, the LOC Deviation shall equal the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval real-time Locational Marginal Price at the resource's bus and adjusted for any reduction in megawatts due to Regulation, Synchronized Reserve, or Secondary Reserve assignments and limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit. For wind or solar units, Hybrid Resources, or Energy Storage Resource Model Participants, the LOC Deviation shall mean the deviation of the generating unit's output equal to the lesser of the PJM forecasted output, inclusive of state of charge, for the unit or the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval integrated real-time Locational Marginal Price at the resource's bus and adjusted for any reduction in megawatts due to Regulation, Synchronized Reserve, or Secondary Reserve assignments, and shall be limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit, where the actual output of the unit is floored at 0.

Locational Deliverability Area (LDA):

"Locational Deliverability Area" or "LDA" shall mean a geographic area within the PJM Region that has limited transmission capability to import capacity to satisfy such area's reliability requirement, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, and as specified in Reliability Assurance Agreement, Schedule 10.1.

Locational Deliverability Area Reliability Requirement:

Locational Deliverability Area Reliability Requirement" shall mean the projected internal capacity in the Locational Deliverability Area plus the Capacity Emergency Transfer Objective for the Delivery Year, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, less the minimum internal resources required for all FRR Entities in such Locational Deliverability Area. Notwithstanding the foregoing, for the 2024/2025 Delivery Year, during the auction process, the Office of Interconnection shall exclude from the Locational Deliverability Area Reliability Requirement any Planned Generation Capacity Resource in an LDA that does not participate in the relevant RPM Auction as projected internal capacity and in the Capacity Emergency Transfer Objective model where the Locational Deliverability Area Reliability Requirement for the Base Residual Auction increases by more than one percent over the reliability requirement used from the prior Delivery Year's Base Residual Auction (for Incremental Auctions the Locational Deliverability Area Reliability Requirement would be compared with the reliability requirement used in the

prior relevant RPM Auction associated with the same Delivery Year) for that LDA due to the cumulative addition of such Planned Generation Capacity Resources.

Locational Price Adder:

"Locational Price Adder" shall mean an addition to the marginal value of Unforced Capacity within an LDA as necessary to reflect the price of Capacity Resources required to relieve applicable binding locational constraints.

Locational Reliability Charge:

"Locational Reliability Charge" shall have the meaning specified in the Reliability Assurance Agreement.

Locational UCAP:

"Locational UCAP" shall mean unforced capacity that a Member with available uncommitted capacity sells in a bilateral transaction to a Member that previously committed capacity through an RPM Auction but now requires replacement capacity to fulfill its RPM Auction commitment. The Locational UCAP Seller retains responsibility for performance of the resource providing such replacement capacity.

Locational UCAP Seller:

"Locational UCAP Seller" shall mean a Member that sells Locational UCAP.

Long-lead Project:

"Long-lead Project" shall have the same meaning provided in the Operating Agreement.

Long-Term Firm Point-To-Point Transmission Service:

"Long-Term Firm Point-To-Point Transmission Service" shall mean firm Point-To-Point Transmission Service under Tariff, Part II with a term of one year or more.

Loss Price:

"Loss Price" shall mean the loss component of the Locational Marginal Price, which is the effect on transmission loss costs (whether positive or negative) associated with increasing the output of a generation resource or decreasing the consumption by a Demand Resource based on the effect of increased generation from or consumption by the resource on transmission losses, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

M2M Flowgate:

"M2M Flowgate" shall have the meaning provided in the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.

Maintenance Adder:

"Maintenance Adder" shall mean an adder that may be included to account for variable operation and maintenance expenses in a Market Seller's Fuel Cost Policy. The Maintenance Adder is calculated in accordance with the applicable provisions of PJM Manual 15, and may only include expenses incurred as a result of electric production.

Manual Load Dump Action:

"Manual Load Dump Action" shall mean an Operating Instruction, as defined by NERC, from PJM to shed firm load when the PJM Region cannot provide adequate capacity to meet the PJM Region's load and tie schedules, or to alleviate critically overloaded transmission lines or other equipment.

Manual Load Dump Warning:

"Manual Load Dump Warning" shall mean a notification from PJM to warn Members of an increasingly critical condition of present operations that may require manually shedding load.

Marginal Value:

"Marginal Value" shall mean the incremental change in system dispatch costs, measured as a $/MW value incurred by providing one additional MW of relief to the transmission constraint.

Market Monitor:

"Market Monitor**"** means the head of the Market Monitoring Unit.

Market Monitoring Unit or MMU:

"Market Monitoring Unit" or "MMU" means the independent Market Monitoring Unit defined in 18 CFR § 35.28(a)(7) and established under the PJM Market Monitoring Plan (Attachment M) to the PJM Tariff that is responsible for implementing the Market Monitoring Plan, including the Market Monitor. The Market Monitoring Unit may also be referred to as the IMM or Independent Market Monitor for PJM

Market Monitoring Unit Advisory Committee or MMU Advisory Committee:

"Market Monitoring Unit Advisory Committee" or "MMU Advisory Committee" shall mean the committee established under Tariff, Attachment M, section III.H.

Market Operations Center:

"Market Operations Center" shall mean the equipment, facilities and personnel used by or on behalf of a Market Participant to communicate and coordinate with the Office of the Interconnection in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

Market Participant:

"Market Participant" shall mean a Market Buyer, a Market Seller, and/or an Economic Load Response Participant, or all three, except when that term is used in or pertaining to Tariff, Attachment M, Tariff, Attachment Q, Operating Agreement, section 15, Tariff, Attachment K-Appendix, section 1.4 and Operating Agreement, Schedule 1, section 1.4. "Market Participant," when such term is used in Tariff, Attachment M, shall mean an entity that generates, transmits, distributes, purchases, or sells electricity, ancillary services, or any other product or service provided under the PJM Tariff or Operating Agreement within, into, out of, or through the PJM Region, but it shall not include an Authorized Government Agency that consumes energy for its own use but does not purchase or sell energy at wholesale. "Market Participant," when such term is used in or pertaining to Tariff, Attachment Q, Operating Agreement, section 15, Tariff, Attachment K-Appendix, section 1.4 and Operating Agreement, Schedule 1, section 1.4, shall mean a Market Buyer, a Market Seller, an Economic Load Response Participant, an FTR Participant, a Capacity Market Buyer, or a Capacity Market Seller.

Market Participant Energy Injection:

"Market Participant Energy Injection" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Day-ahead generation schedules, real-time generation output, Increment Offers, internal bilateral transactions and import transactions, as further described in the PJM Manuals.

Market Participant Energy Withdrawal:

"Market Participant Energy Withdrawal" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Demand Bids, Decrement Bids, real-time load (net of Behind The Meter Generation expected to be operating, but not to be less than zero), internal bilateral transactions and Export Transactions, as further described in the PJM Manuals.

Market Revenue Neutrality Offset:

"Market Revenue Neutrality Offset" shall mean the revenue in excess of the cost for a resource from the energy, Synchronized Reserve, Non-Synchronized Reserve, and Secondary Reserve markets realized from an increase in real-time market megawatt assignment from a day-ahead market megawatt assignment in any of these markets due to the decrease in the real-time reserve market megawatt assignment from a day-ahead reserve market megawatt assignment in any of the reserve markets.

Market Seller Offer Cap:

"Market Seller Offer Cap" shall mean a maximum offer price applicable to certain Market Sellers under certain conditions, as determined in accordance with Tariff, Attachment DD. section 6 and Tariff, Attachment M-Appendix, section II.E.

Market Suspension:

"Market Suspension" shall mean the inability of the Office of the Interconnection to clear the Day-ahead Energy Market prior to 11:59 p.m. on the day before the affected Operating Day due to extraordinary circumstances, as further described in Operating Agreement, Schedule 1, section 1.10.8(d) and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.8(d), or the inability of the Office of the Interconnection to produce Zonal Dispatch Rates for a total of seven (7) or more Real-time Settlement Intervals within a clock hour, for the purposes of the Real-time Energy Market, as further described in Operating Agreement, Schedule 1, section 1.11.6 and the parallel provisions of Tariff, Attachment K-Appendix, section 1.11.6.

Market Violation:

"Market Violation" shall mean a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies, as defined in 18 C.F.R. § 35.28(b)(8).

Material Modification:

"Material Modification" shall mean any modification to an Interconnection Request that has a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any Interconnection Request with a later Queue Position.

Maximum Daily Starts:

"Maximum Daily Starts" shall mean the maximum number of times that a generating unit can be started in an Operating Day under normal operating conditions.

Maximum Down Time:

"Maximum Down Time" shall mean the maximum number of continuous hours for which an Economic Load Response Participant's load curtailment offer can be committed in the energy market.

Maximum Emergency:

"Maximum Emergency" shall mean the designation of all or part of the output of a generating unit for which the designated output levels may require extraordinary procedures and therefore are available to the Office of the Interconnection only when the Office of the Interconnection declares a Maximum Generation Emergency and requests generation designated as Maximum Emergency to run. The Office of the Interconnection shall post on the PJM website the aggregate amount of megawatts that are classified as Maximum Emergency.

Maximum Facility Output:

"Maximum Facility Output" shall mean the maximum (not nominal) net electrical power output in megawatts, specified in the Interconnection Service Agreement, after supply of any parasitic or host facility loads, that a Generation Interconnection Customer's Customer Facility is expected to produce, provided that the specified Maximum Facility Output shall not exceed the output of the proposed Customer Facility that Transmission Provider utilized in the System Impact Study.

Maximum Generation Emergency:

"Maximum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection to address either a generation or transmission emergency in which the Office of the Interconnection anticipates requesting one or more Generation Capacity Resources, or Non-Retail Behind The Meter Generation resources to operate at its maximum net or gross electrical power output, subject to the equipment stress limits for such Generation Capacity Resource or Non-Retail Behind The Meter resource in order to manage, alleviate, or end the Emergency.

Maximum Generation Emergency Alert:

"Maximum Generation Emergency Alert" shall mean an alert issued by the Office of the Interconnection to notify PJM Members, Transmission Owners, resource owners and operators, customers, and regulators that a Maximum Generation Emergency may be declared, for any Operating Day in either, as applicable, the Day-ahead Energy Market or the Real-time Energy Market, for all or any part of such Operating Day.

Maximum Run Time:

"Maximum Run Time" shall mean the maximum number of hours a generating unit can run over the course of an Operating Day, as measured by PJM's State Estimator.

Maximum Weekly Starts:

"Maximum Weekly Starts" shall mean the maximum number of times that a generating unit can be started in one week, defined as the 168 hour period starting Monday 0001 hour, under normal operating conditions.

Member:

"Member" shall have the meaning provided in the Operating Agreement.

Merchant A.C. Transmission Facilities:

"Merchant A.C. Transmission Facility" shall mean Merchant Transmission Facilities that are alternating current (A.C.) transmission facilities, other than those that are Controllable A.C. Merchant Transmission Facilities.

Merchant D.C. Transmission Facilities:

"Merchant D.C. Transmission Facilities" shall mean direct current (D.C.) transmission facilities that are interconnected with the Transmission System pursuant to Tariff, Part IV and Part VI.

Merchant Network Upgrades:

"Merchant Network Upgrades" shall mean additions to, or modifications or replacements of, physical facilities of the Interconnected Transmission Owner that, on the date of the pertinent Transmission Interconnection Customer's Upgrade Request, are part of the Transmission System or are included in the Regional Transmission Expansion Plan.

Merchant Transmission Facilities:

"Merchant Transmission Facilities" shall mean A.C. or D.C. transmission facilities that are interconnected with or added to the Transmission System pursuant to Tariff, Part IV and Part VI and that are so identified in Tariff, Attachment T, provided, however, that Merchant Transmission Facilities shall not include (i) any Customer Interconnection Facilities, (ii) any physical facilities of the Transmission System that were in existence on or before March 20, 2003 ; (iii) any expansions or enhancements of the Transmission System that are not identified as Merchant Transmission Facilities in the Regional Transmission Expansion Plan and Attachment T to the Tariff, or (iv) any transmission facilities that are included in the rate base of a public utility and on which a regulated return is earned.

Merchant Transmission Provider:

"Merchant Transmission Provider" shall mean an Interconnection Customer that (1) owns, controls, or controls the rights to use the transmission capability of, Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area, (2) has elected to receive Transmission Injection Rights and Transmission Withdrawal Rights associated with such facility pursuant to Tariff, Part IV, section 36, and (3) makes (or will make) the transmission capability of such facilities available for use by third parties under terms and conditions approved by the Commission and stated in the Tariff, consistent with Tariff, section 38.

Metering Equipment:

"Metering Equipment" shall mean all metering equipment installed at the metering points designated in the appropriate appendix to an Interconnection Service Agreement.

Minimum Down Time:

For all generating units that are not combined cycle units, "Minimum Down Time" shall mean the minimum number of hours under normal operating conditions between unit shutdown and unit startup, calculated as the shortest time difference between the unit's generator breaker opening and after the unit's generator breaker closure, which is typically indicated by

telemetered or aggregated State Estimator megawatts greater than zero. For combined cycle units, "Minimum Down Time" shall mean the minimum number of hours between the last generator breaker opening and after first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero.

Minimum Exposure:

"Minimum Exposure" shall mean the greater of: (a) $3,000 and (b) one percent (1%) of the greatest amount invoiced for the Participant's transaction activity for all PJM Markets and services in any rolling one, two, or three-week period in the prior 52 weeks, rounded up to the nearest multiple of $100; provided, however, that the Minimum Exposure shall be capped at a maximum of $100,000.

Minimum Generation Emergency:

"Minimum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection in which the Office of the Interconnection anticipates requesting one or more generating resources to operate at or below Normal Minimum Generation, in order to manage, alleviate, or end the Emergency.

Minimum Participation Requirements:

"Minimum Participation Requirements" shall mean a set of minimum training, risk management, communication and capital or collateral requirements required for Participants in the PJM Markets, as set forth herein and in the Form of Annual Certification set forth as Tariff, Attachment Q, Appendix 1. Participants transacting in FTRs in certain circumstances will be required to demonstrate additional risk management procedures and controls as further set forth in the Annual Certification found in Tariff, Attachment Q, Appendix 1.

Minimum Release Time:

"Minimum Release Time" shall mean the minimum number of continuous hours that must elapse between the end of an Economic Load Response Participant's load curtailment commitment and the start of its next load curtailment commitment in the energy market.

Minimum Run Time:

For all generating units that are not combined cycle units, "Minimum Run Time" shall mean the minimum number of hours a unit must run, in real-time operations, from the time after generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero, to the time of generator breaker opening, as measured by PJM's State Estimator. For combined cycle units, "Minimum Run Time" shall mean the time period after the first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero to the time of the last generator breaker opening as measured by PJM's State Estimator.

Minimum Transfer Amount:

"Minimum Transfer Amount" shall mean the greater of: (a) $20,000 and (b) five percent (5%) of the greatest amount invoiced for the Participant's transaction activity for all PJM Markets and services in any rolling one, two, or three-week period in the prior 52 weeks, rounded up to the nearest multiple of $100; provided, however, that the Minimum Transfer Amount shall be capped at a maximum of $500,000.

MISO:

"MISO" shall mean the Midcontinent Independent System Operator, Inc. or any successor thereto.

Mixed Technology Facility:

"Mixed Technology Facility" shall mean a facility composed of distinct generation and/or electric storage technology types behind the same Point of Interconnection. Co-Located Resources and Hybrid Resources form all or part of Mixed Technology Facilities.

MOPR Floor Offer Price:

"MOPR Floor Offer Price" shall mean a minimum offer price applicable to certain Market Seller's Capacity Resources under certain conditions, as determined in accordance with Tariff, Attachment DD, section 5.14(h-2).

Multi-Driver Project:

"Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Native Load Customers:

"Native Load Customers" shall mean the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Owner's system to meet the reliable electric needs of such customers.

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 ISA, 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.

NERC:

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

NERC Interchange Distribution Calculator:

"NERC Interchange Distribution Calculator" shall mean the NERC mechanism that is in effect and being used to calculate the distribution of energy, over specific transmission interfaces, from energy transactions.

Net Benefits Test:

"Net Benefits Test" shall mean a calculation to determine whether the benefits of a reduction in price resulting from the dispatch of Economic Load Response exceeds the cost to other loads resulting from the billing unit effects of the load reduction, as specified in Operating Agreement, Schedule 1, section 3.3A.4 and the parallel provisions of Tariff, Attachment K-Appendix, section 3.3A.4.

Net Cost of New Entry:

"Net Cost of New Entry" shall mean the Cost of New Entry minus the Net Energy and Ancillary Service Revenue Offset.

Net Obligation:

"Net Obligation" shall mean the amount owed to PJMSettlement and PJM for purchases from the PJM Markets, Transmission Service, (under Tariff, Parts II and III , and other services pursuant to the Agreements, after applying a deduction for amounts owed to a Participant by PJMSettlement as it pertains to monthly market activity and services. Should other markets be formed such that Participants may incur future Obligations in those markets, then the aggregate amount of those Obligations will also be added to the Net Obligation.

Net Sell Position:

"Net Sell Position" shall mean the amount of Net Obligation when Net Obligation is negative.

Network Customer:

"Network Customer" shall mean an entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Tariff, Part III.

Network External Designated Transmission Service:

"Network External Designated Transmission Service" shall have the meaning set forth in Reliability Assurance Agreement, Article I.

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 Tariff, Part XI.

Network Load:

"Network Load" shall mean the load that a Network Customer designates for Network Integration Transmission Service under Tariff, Part III. The Network Customer's Network Load shall include all load (including losses, Non-Dispatched Charging Energy, and Load Serving Charging Energy) served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Tariff, Part II for any Point-To-Point Transmission Service that may be necessary for such non-designated load. Network Load shall not include Dispatched Charging Energy.

Network Operating Agreement:

"Network Operating Agreement" shall mean an executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Tariff, Part III.

Network Operating Committee:

"Network Operating Committee" shall mean a group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Tariff, Part III.

Network Resource:

"Network Resource" shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

Network Service User:

"Network Service User" shall mean an entity using Network Transmission Service.

Network Transmission Service:

"Network Transmission Service" shall mean transmission service provided pursuant to the rates, terms and conditions set forth in Tariff, Part III, or transmission service comparable to such service that is provided to a Load Serving Entity that is also a Transmission Owner.

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:

(i) **Direct Connection Network Upgrades** which are Network Upgrades that are not part of an Affected System; only serve the Customer Interconnection Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify them in the Interconnection Construction Service Agreement, Schedule D. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direct Connection Network Upgrade within 15 days of its determination.

(ii) **Non-Direct Connection Network Upgrades** which are parallel flow Network Upgrades that are not Direct Connection Network Upgrades.

Neutral Party:

"Neutral Party" shall have the meaning provided in Tariff, Part I, section 9.3(v).

New Entry Capacity Resource with State Subsidy:

"New Entry Capacity Resource with State Subsidy" shall mean (1) starting with the 2022/2023 Delivery Year, the MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that have not cleared in an RPM Auction pursuant to its Sell Offer at or above its

resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price or (2) starting with the Base Residual Auction for the 2022/2023 Delivery Year, any of those MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that was not included in an FRR Capacity Plan at the time of the Base Residual Auction or the subject of a Sell Offer in a Base Residual Auction occurring for a Delivery Year after it last cleared an RPM Auction and since then has yet to clear an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price. Notwithstanding the foregoing, any Capacity Resource that previously cleared an RPM Auction before it became entitled to receive a State Subsidy shall not be deemed a New Entry Capacity Resource, unless, starting with the Base Residual Auction for the 2022/2023 Delivery Year, the Capacity Resource with State Subsidy was not the subject of a Sell Offer in a Base Residual Auction or included in an FRR Capacity Plan at the time of the Base Residual Auction for a Delivery Year after it last cleared an RPM Auction.

New PJM Zone(s):

"New PJM Zone(s)" shall mean the Zone included in the Tariff, along with applicable Schedules and Attachments, for Commonwealth Edison Company, The Dayton Power and Light Company and the AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company).

New Service Customers:

"New Service Customers" shall mean all customers that submit an Interconnection Request, a Completed Application, or an Upgrade Request that is pending in the New Services Queue.

New Service Request:

"New Service Request" shall mean an Interconnection Request, a Completed Application, or an Upgrade Request.

New Services Queue:

"New Services Queue" shall mean all Interconnection Requests, Completed Applications, and Upgrade Requests that are received within each six-month period ending on March 31 and September 30 of each year shall collectively comprise a New Services Queue.

New York ISO or NYISO:

"New York ISO" or "NYISO" shall mean the New York Independent System Operator, Inc. or any successor thereto.

Nodal Reference Price:

The "Nodal Reference Price" at each location shall mean the 97th percentile price differential between day-ahead and real-time prices experienced over the corresponding two-month reference period in the prior calendar year. Reference periods will be Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sept-Oct, Nov-Dec. For any given current-year month, the reference period months will be the set of two months in the prior calendar year that include the month corresponding to the current month. For example, July and August 2003 would each use July-August 2002 as their reference period.

No-load Cost:

"No-load Cost" shall mean the hourly cost required to theoretically operate a synchronized unit at zero MW. It consists primarily of the cost of fuel, as determined by the unit's no load heat (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, and emissions allowances.

Nominal Rated Capability:

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

Nominated Demand Resource Value:

"Nominated Demand Resource Value" shall mean the amount of load reduction that a Demand Resource commits to provide either through direct load control, firm service level or guaranteed load drop programs. For existing Demand Resources, the maximum Nominated Demand Resource Value is limited, in accordance with the PJM Manuals, to the value appropriate for the method by which the load reduction would be accomplished, at the time the Base Residual Auction or Incremental Auction is being conducted.

Nominated Energy Efficiency Value:

"Nominated Energy Efficiency Value" shall mean the amount of load reduction that an Energy Efficiency Resource commits to provide through installation of more efficient devices or equipment or implementation of more efficient processes or systems.

Non-Dispatched Charging Energy:

"Non-Dispatched Charging Energy" shall mean all Direct Charging Energy that an Energy Storage Resource Model Participant receives from the electric grid that is not otherwise Dispatched Charging Energy.

Non-Firm Contract Demand Transmission Service

"Non-Firm Contract Demand Transmission Service" shall mean Transmission Service under the Tariff, Part XI, Subpart B, for the transmission of energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, on an as-available basis, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider.

Non-Firm Point-To-Point Transmission Service:

"Non-Firm Point-To-Point Transmission Service" shall mean Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Tariff, Part II, section 14.7. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

Non-Firm Sale:

"Non-Firm Sale" shall mean an energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

Non-Firm Transmission Withdrawal Rights:

"No-Firm Transmission Withdrawal Rights" shall mean the rights to schedule energy withdrawals from a specified point on the Transmission System. Non-Firm Transmission Withdrawal Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System to another control area. Withdrawals scheduled using Non-Firm Transmission Withdrawal Rights have rights similar to those under Non-Firm Point-to-Point Transmission Service.

Non-Performance Charge:

"Non-Performance Charge" shall mean the charge applicable to Capacity Performance Resources as defined in Tariff, Attachment DD, section 10A(e).

Nonincumbent Developer:

"Nonincumbent Developer" shall have the same meaning provided in the Operating Agreement.

Non-Regulatory Opportunity Cost:

"Non-Regulatory Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has a limited number of starts or available run hours resulting from (i) the physical equipment limitations of the unit, for up to one year, due to original equipment manufacturer recommendations or insurance carrier restrictions, (ii) a fuel supply limitation, for up to one year, resulting from an event of Catastrophic Force Majeure; and, (b) the forecasted future Locational Marginal Price at which the generating unit could run while

not violating such limitations. Non-Regulatory Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same period of time in which the unit is bound by the referenced restrictions, and is reflected in the rules set forth in PJM Manual 15. Non-Regulatory Opportunity Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.

Non-Retail Behind The Meter Generation:

"Non-Retail Behind The Meter Generation" shall mean Behind the Meter Generation that is used by municipal electric systems, electric cooperatives, or electric distribution companies to serve load.

Non-Synchronized Reserve:

"Non-Synchronized Reserve" shall mean the reserve capability of non-emergency generation resources that can be converted fully into energy within ten minutes of a request from the Office of the Interconnection dispatcher, and is provided by equipment that is not electrically synchronized to the Transmission System.

Non-Synchronized Reserve Event:

"Non-Synchronized Reserve Event" shall mean a request from the Office of the Interconnection to generation resources able and assigned to provide Non-Synchronized Reserve in one or more specified Reserve Zones or Reserve Sub-zones, within ten minutes to increase the energy output by the amount of assigned Non-Synchronized Reserve capability.

Non-Variable Loads:

"Non-Variable Loads" shall have the meaning specified in Operating Agreement, Schedule 1, section 1.5A.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.6.

Non-Zone Network Load:

"Non-Zone Network Load shall mean Network Load that is located outside of the PJM Region.

Normal Maximum Generation:

"Normal Maximum Generation" shall mean the highest output level of a generating resource under normal operating conditions.

Normal Minimum Generation:

"Normal Minimum Generation" shall mean the lowest output level of a generating resource under normal operating conditions.

Definitions – O – P - Q

Obligation:

"Obligation" shall mean all amounts owed to PJMSettlement for purchases from the PJM Markets, Transmission Service, (under both Tariff, Part II and Tariff, Part III), and other services or obligations pursuant to the Agreements. In addition, aggregate amounts that will be owed to PJMSettlement in the future for capacity purchases within the PJM capacity markets will be added to this figure. Should other markets be formed such that Participants may incur future Obligations in those markets, then the aggregate amount of those Obligations will also be added to the Net Obligation.

Offer Data:

"Offer Data" shall mean the scheduling, operations planning, dispatch, new resource, and other data and information necessary to schedule and dispatch generation resources and Demand Resource(s) for the provision of energy and other services and the maintenance of the reliability and security of the Transmission System in the PJM Region, and specified for submission to the PJM Interchange Energy Market for such purposes by the Office of the Interconnection.

Office of the Interconnection:

"Office of the Interconnection" shall mean the employees and agents of PJM Interconnection, L.L.C. subject to the supervision and oversight of the PJM Board, acting pursuant to the Operating Agreement.

Office of the Interconnection Control Center:

"Office of the Interconnection Control Center" shall mean the equipment, facilities and personnel used by the Office of the Interconnection to coordinate and direct the operation of the PJM Region and to administer the PJM Interchange Energy Market, including facilities and equipment used to communicate and coordinate with the Market Participants in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

On-Site Generators:

"On-Site Generators" shall mean generation facilities or portions of a generation facility (including Behind The Meter Generation) that (i) are not Generation Capacity Resources, (ii) are not injecting into the grid for the portion of a generation facility that participates as a Demand Resource or as an Economic Load Response Participant unless permitted as an Economic Load Response Regulation Only Participant, (iii) are either synchronized or non-synchronized to the Transmission System, and (iv) can be used to reduce demand for the purpose of participating in the PJM Interchange Energy Market.

Open Access Same-Time Information System (OASIS) or PJM Open Access Same-Time Information System:

"Open Access Same-Time Information System," "PJM Open Access Same-Time Information System" or "OASIS" shall mean the electronic communication and information system and standards of conduct contained in Part 37 and Part 38 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS for the collection and dissemination of information about transmission services in the PJM Region, established and operated by the Office of the Interconnection in accordance with FERC standards and requirements.

Open-Loop Hybrid Resource:

"Open-Loop Hybrid Resource" shall mean a Hybrid Resource with a storage component that operates by charging its storage component from the grid.

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

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

Operating Day:

"Operating Day" shall mean the daily 24 hour period beginning at midnight for which transactions on the PJM Interchange Energy Market are scheduled.

Operating Margin:

"Operating Margin" shall mean the incremental adjustments, measured in megawatts, required in PJM Region operations in order to accommodate, on a first contingency basis, an operating contingency in the PJM Region resulting from operations in an interconnected Control Area. Such adjustments may result in constraints causing Transmission Congestion Charges, or may result in Ancillary Services charges pursuant to the PJM Tariff.

Operating Margin Customer:

"Operating Margin Customer" shall mean a Control Area purchasing Operating Margin pursuant to an agreement between such other Control Area and the LLC.

Operating Reserve Demand Curve:

"Operating Reserve Demand Curve" shall mean a curve with prices on the y-axis and megawatts on the x-axis, which defines the relationship between each incremental megawatt of reserves that

can be used to meet a given reserve requirement.

Operationally Deliverable:

"Operationally Deliverable" shall mean, as determined by the Office of the Interconnection, that there are no operational conditions, arrangements or limitations experienced or required that threaten, impair or degrade effectuation or maintenance of deliverability of capacity or energy from the external Generation Capacity Resource to loads in the PJM Region in a manner comparable to the deliverability of capacity or energy to such loads from Generation Capacity Resources located inside the metered boundaries of the PJM Region, including, without limitation, an identified need by an external Balancing Authority Area for a remedial action scheme or manual generation trip protocol, transmission facility switching arrangements that would have the effect of radializing load, or excessive or unacceptable frequency of regional reliability limit violations or (outside an interregional agreed congestion management process) of local reliability dispatch instructions and commitments.

Opportunity Cost:

"Opportunity Cost" shall mean a component of the Market Seller Offer Cap calculated in accordance with Tariff, Attachment DD, section 6.

OPSI Advisory Committee:

"OPSI Advisory Committee" shall mean the committee established under Tariff, Attachment M, section III.G.

Option to Build:

"Option to Build" shall mean the option of the New Service Customer to build certain Customer-Funded Upgrades, as set forth in, and subject to the terms of, the Construction Service Agreement.

Optional Interconnection Study:

"Optional Interconnection Study" shall mean a sensitivity analysis of an Interconnection Request based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement:

"Optional Interconnection Study Agreement" shall mean the form of agreement for preparation of an Optional Interconnection Study, as set forth in Tariff, Attachment N-3.

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 V:

"Part V" shall mean Tariff, Part V, sections 113 through 122 pertaining to the deactivation of generating units 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.

Participant:

"Participant" shall mean a Market Participant and/or Transmission Customer and/or Applicant requesting to be an active Market Participant and/or Transmission Customer**.**

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer receiving service under the Tariff. PJMSettlement shall be the Counterparty to Transmission Customers.

Peak-Hour Dispatch:

"Peak-Hour Dispatch" shall mean, for purposes of calculating the Energy and Ancillary Services Revenue Offset under Tariff, Attachment DD, section 5, an assumption, as more fully set forth in the PJM Manuals, that the Reference Resource is committed in the Day-ahead Energy Market in four distinct blocks of four hours of continuous output for each block from the peak-hour period beginning with the hour ending 0800 EPT through to the hour ending 2300 EPT for any day when the average day-ahead LMP for the area for which the Net Cost of New Entry is being determined is greater than, or equal to, the cost to generate (including the cost for a complete start and shutdown cycle), plus 10% of such costs only for the 2022/2023 Delivery Year, for at least two hours during each four-hour block, where such blocks shall be assumed to be committed independently; provided that, if there are not at least two economic hours in any given four-hour block, then the Reference Resource shall be assumed not to be committed for such block; and to the extent not committed in any such block in the Day-ahead Energy Market under the above conditions based on Day-Ahead LMPs, is dispatched in the Real-time Energy Market for such block if the Real-Time LMP is greater than or equal to the cost to generate, plus 10% of such costs only for the 2022/2023 Delivery Year, under the same conditions as described above for the Day-ahead Energy Market.

Peak Market Activity:

"Peak Market Activity" shall mean a measure of exposure for which credit is required, calculated in accordance with Tariff, Attachment Q, section VII.A.

Peak Market Activity Shortfall:

"Peak Market Activity Shortfall" shall mean, for any given week, the amount by which a Participant's current Peak Market Activity exceeds such Participant's Peak Market Activity credit requirement from the prior week.

Peak Market Activity Surplus:

"Peak Market Activity Surplus" shall mean, for any given week, the amount by which a Participant's Peak Market Activity credit requirement from the prior week exceeds such Participant's current Peak Market Activity.

Peak Season:

"Peak Season" shall mean the weeks containing the 24th through 36th Wednesdays of the calendar year. Each such week shall begin on a Monday and end on the following Sunday, except for the week containing the 36th Wednesday, which shall end on the following Friday.

Percentage Internal Resources Required:

"Percentage Internal Resources Required" shall have the meaning specified in the Reliability Assurance Agreement.

Performance Assessment Interval:

"Performance Assessment Interval" shall mean each Real-time Settlement Interval for which an Emergency Action has been declared by the Office of the Interconnection, provided, however, that Performance Assessment Intervals for a Base Capacity Resource shall not include any intervals outside the calendar months of June through September.

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 return of an executed Facilities Study Agreement (or, if a Facilities Study is not required, prior to the return of an executed Interconnection Service Agreement). Provided such change may not: (i) increase the capability of the Generating 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.

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 Administrative Service:

"PJM Administrative Service" shall mean the services provided by PJM pursuant to Tariff, Schedule 9.

PJM Board:

"PJM Board" shall mean the Board of Managers of the LLC, acting pursuant to the Operating Agreement except when such term is being used in Tariff, Attachment M, in which case PJM Board shall mean the Board of Managers of PJM or its designated representative, exclusive of any members of PJM Management.

PJM Control Area:

"PJM Control Area" shall mean the Control Area recognized by NERC as the PJM Control Area.

PJM Entities:

"PJM Entities" shall mean PJM, including the Market Monitoring Unit, the PJM Board, and PJM's officers, employees, representatives, advisors, contractors, and consultants.

PJM Interchange:

"PJM Interchange" shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds, or is exceeded by, the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller; or (e) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (f) the inteval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Interchange Energy Market:

"PJM Interchange Energy Market" shall mean the regional competitive market administered by the Office of the Interconnection for the purchase and sale of spot electric energy at wholesale in interstate commerce and related services established pursuant to Operating Agreement, Schedule 1, and the parallel provisions of Tariff, Attachment K – Appendix.

PJM Interchange Export:

"PJM Interchange Export" shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load is exceeded by the sum of the inteval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup sales; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller.

PJM Interchange Import:

"PJM Interchange Import" shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup purchases; or (c) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (d) the interval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Liaison:

"PJM Liaison" shall mean the liaison established under Tariff, Attachment M, section III.I.

PJM Management:

"PJM Management" shall mean the officers, executives, supervisors and employee managers of PJM.

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 Markets:

"PJM Markets" shall mean the PJM Interchange Energy Market, capacity markets, including the RPM auctions, and any other market operated by PJM, together with all bilateral or other wholesale electric power and energy transactions, capacity transactions, ancillary services transactions (including black start service), transmission transactions, Financial Transmission Rights transactions, or transactions in any other market operated under the Agreements within the PJM Region, wherein Market Participants may incur Obligations to PJM and/or PJMSettlement.

PJM Market Rules:

"PJM Market Rules" shall mean the rules, standards, procedures, and practices of the PJM Markets set forth in the PJM Tariff, the PJM Operating Agreement, the PJM Reliability Assurance Agreement, the PJM Consolidated Transmission Owners Agreement, the PJM Manuals, the PJM Regional Practices Document, the PJM-Midwest Independent Transmission System Operator Joint Operating Agreement or any other document setting forth market rules.

PJM Net Assets:

"PJM Net Assets**"** shall mean the total assets per PJM's consolidated quarterly or year-end financial statements most recently issued as of the date of the receipt of written notice of a claim less amounts for which PJM is acting as a temporary custodian on behalf of its Members, transmission developers/Designated Entities, and generation developers, including, but not limited to, cash deposits related to credit requirement compliance, study and/or interconnection receivables, member prepayments, invoiced amounts collected from Net Buyers but have not yet been paid to Net Sellers, and excess congestion (as described in Operating Agreement, Schedule 1, section 5.2.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.6).

PJM Region:

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

PJM Regional Practices Document:

"PJM Regional Practices Document" shall mean the document of that title that compiles and describes the practices in the PJM Markets and that is made available in hard copy and on the Internet.

PJM Region Installed Reserve Margin:

"PJM Region Installed Reserve Margin" shall mean the percent installed reserve margin for the PJM Region required pursuant to RAA, Schedule 4.1, as approved by the PJM Board.

PJM Region Peak Load Forecast:

"PJM Region Peak Load Forecast" shall mean the peak load forecast used by the Office of the Interconnection in determining the PJM Region Reliability Requirement, and shall be determined on both a preliminary and final basis as set forth in Tariff, Attachment DD, section 5.

PJM Region Reliability Requirement:

"PJM Region Reliability Requirement" shall mean, for purposes of the Base Residual Auction, the Forecast Pool Requirement multiplied by the Preliminary PJM Region Peak Load Forecast, less the sum of all Preliminary Unforced Capacity Obligations of FRR Entities in the PJM Region; and, for purposes of the Incremental Auctions, the Forecast Pool Requirement multiplied by the updated PJM Region Peak Load Forecast, less the sum of all updated Unforced Capacity Obligations of FRR Entities in the PJM Region.

PJMSettlement:

"PJM Settlement" or "PJM Settlement, Inc." shall mean PJM Settlement, Inc. (or its successor), established by PJM as set forth in Operaitng Agreement, section 3.3.

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.

Plan:

"Plan" shall mean the PJM market monitoring plan set forth in Tariff, Attachment M.

Planned Demand Resource:

"Planned Demand Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Planned External Generation Capacity Resource:

"Planned External Generation Capacity Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Planned Generation Capacity Resource:

"Planned Generation Capacity Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Planning Period:

"Planning Period" shall mean the 12 moths beginning June 1 and extending through May 31 of the following year, or such other period approved by the Members Committee.

Planning Period Balance:

"Planning Period Balance" shall mean the entire period of time remaining in the Planning Period following the month that a monthly auction is conducted.

Planning Period Quarter:

"Planning Period Quarter" shall mean any of the following three month periods in the Planning Period: June, July and August; September, October and November; December, January and February; or March, April and May.

Point(s) of Delivery:

"Point(s) of Delivery" shall mean the point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Tariff, Part II. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

Point of Interconnection:

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

Point(s) of Receipt:

"Point(s) of Receipt" shall mean point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Tariff, Part II. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

Point-To-Point Transmission Service:

"Point-To-Point Transmission Service shall mean the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Tariff, Part II.

Power Purchaser:

"Power Purchaser" shall mean the entity that is purchasing the capacity and energy to be transmitted under the Tariff.

PRD Curve:

"PRD Curve" shall have the meaning provided in the Reliability Assurance Agreement.

PRD Provider:

"PRD Provider" shall have the meaning provided in the Reliability Assurance Agreement.

PRD Reservation Price:

"PRD Reservation" Price shall have the meaning provided in the Reliability Assurance Agreement.

PRD Substation:

"PRD Substation" shall have the meaning provided in the Reliability Assurance Agreement.

Pre-Confirmed Application:

"Pre-Confirmed Application" shall be an Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

Pre-Emergency Load Response Program:

"Pre-Emergency Load Response Program" shall be the program by which Curtailment Service Providers may be compensated by PJM for Demand Resources that will reduce load when dispatched by PJM during pre-emergency conditions, and is described in Operating Agreement, Schedule 1, section 8 and the parallel provisions of Tariff, Attachment K-Appendix, section 8.

Pre-Expansion PJM Zones:

"Pre-Expansion PJM Zones" shall be zones included in the Tariff, along with applicable Schedules and Attachments, for certain Transmission Owners – Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power and Light Company, Jersey Central Power and Light Company, Mid-Atlantic Interstate Transmission, LLC ("MAIT") (MAIT owns and operates the transmission facilities in the Metropolitan Edison Company Zone and the

Pennsylvania Electric Company Zone), PECO Energy Company, Pennsylvania Power & Light Group, Potomac Electric Power Company, Public Service Electric and Gas Company, Allegheny Power, and Rockland Electric Company.

Price Responsive Demand:

"Price Responsive Demand" shall have the meaning provided in the Reliability Assurance Agreement.

Primary Reserve:

"Primary Reserve" shall mean the total reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within ten minutes of a request from the Office of the Interconnection dispatcher, and is comprised of both Synchronized Reserve and Non-Synchronized Reserve.

Primary Reserve Alert

"Primary Reserve Alert" shall mean a notification from PJM to alert Members of an anticipated shortage of Operating Reserve capacity for a future critical period.

Primary Reserve Requirement:

"Primary Reserve Requirement" shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone as Primary Reserve absent any increase to account for additional reserves scheduled to address operational uncertainty. The Primary Reserve Requirement is calculated in accordance with the PJM Manuals. The requirement can be satisfied by any combination of Synchronized Reserve or Non-Synchronized Reserve resources.

Principal:

"Principal" shall mean (i) all natural persons who Control Corporate Level Strategy for the Participant, which shall include a chief executive officer, managing member (or equivalent positions regardless of title) and members of a board of directors or board of managers; (ii) the chief legal officer or general counsel (or equivalent position regardless of title); (iii) the natural person who Controls the financial affairs and investments of the Participant, which shall include a chief financial officer (or equivalent position regardless of title); (iv) the natural person who Controls the Participant's management of commodity and derivatives market risks, which shall include a chief risk officer (or equivalent position regardless of title); (v) the natural person who Controls the Participant's transactions in the applicable PJM Markets (regardless of title); and (vi) all Beneficial Owners.

"Control," as that term is used in this definition, refers to possession of the power to direct the management or policies of an entity.

"Corporate Level Strategy," as that term is used in this definition, refers to the highest-level strategy of an entity, focused on the entity's overall direction rather than the day-to-day operations of the entity.

"Beneficial Owner," as that term is used in this definition, means a natural person who, directly or indirectly, alone or together with such person's Family Members, owns, controls, or holds with power to vote 10 percent or more of the outstanding securities of the Participant.

"Family Member," as that term is used in this definition of "Beneficial Owner," means a spouse, domestic partner, parent, child, or sibling.

For purposes of trusts with, directly or indirectly, 10 percent or more of the outstanding securities of the Participant as described above, the following are Beneficial Owners: (a) a natural person trustee; (b) a natural person with the authority to dispose of the trust assets; (c) a natural person grantor or settlor who has the right to revoke the trust or otherwise withdraw the assets of the trust; and (d) a natural person beneficiary who is the sole permissible recipient of income and principal from the trust or has the right to demand a distribution of or withdraw substantially all of the assets from the trust.

If, due to the Participant's business enterprise, structure or otherwise, a function described in clauses (i) through (v) above is performed by a natural person or entity separate from the Participant (such as a risk management department in an affiliate, or a director or manager at an entity that controls or invests in the Participant), then for that Participant the term Principal shall mean that natural person, or the senior officer or manager of that entity, that performs such function.

Prior CIL Exception External Resource:

"Prior CIL Exception External Resource" shall mean an external Generation Capacity Resource for which (1) a Capacity Market Seller had, prior to May 9, 2017, cleared a Sell Offer in an RPM Auction under the exception provided to the definition of Capacity Import Limit as set forth in RAA, Article I or (2) an FRR Entity committed, prior to May 9, 2017, in an FRR Capacity Plan under the exception provided in the definition of Capacity Import Limit. In the event only a portion (in MW) of an external Generation Capacity Resource has a Pseudo-Tie into the PJM Region, that portion of the external Generation Capacity Resource, which can include up to the maximum megawatt amount cleared in any prior RPM auction or committed in an FRR Capacity Plan (and no other portion thereof) is eligible for treatment as a Prior CIL Exception External Resource if such portion satisfies the requirements of the first sentence of this definition.

Project Financing:

"Project Financing" shall mean: (a) one or more loans, leases, equity and/or debt financings, together with all modifications, renewals, supplements, substitutions and replacements thereof, the proceeds of which are used to finance or refinance the costs of the Customer Facility, any alteration, expansion or improvement to the Customer Facility, the purchase and sale of the Customer Facility or the operation of the Customer Facility; (b) a power purchase agreement

pursuant to which Interconnection Customer's obligations are secured by a mortgage or other lien on the Customer Facility; or (c) loans and/or debt issues secured by the Customer Facility.

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 Customer Facility to which Interconnection Customer has granted a mortgage or other lien as security for some or all of Interconnection Customer's obligations under the corresponding power purchase agreement.

Projected EAS Dispatch:

"Projected EAS Dispatch" shall mean, for purposes of calculating the Net Energy and Ancillary Services Revenue Offset, a simulated dispatch with the objective of committing and dispatching a resource for the purpose of maximizing its net revenues. The calculation shall take inputs including Forward Hourly LMPs, Forward Hourly Ancillary Service Prices, and Forward Daily Natural Gas Prices or forecasted fuel prices, as applicable, in addition to the operating parameters and costs of the specific resource, including the cost emission allowances. Using operating parameters, forward or forecasted fuel prices, as applicable and other cost pricing inputs, a composite, cost-based energy offer is created for the resource such that its commitment and dispatch is co-optimized between energy and ancillary services in the Day-Ahead Energy Market and then the Real-Time Energy Market considering the electricity and ancillary service price inputs. In the Real-Time Energy Market co-optimization, the resource is assumed to be operating in the hours it was scheduled in the Day-Ahead Energy Market but is dispatched according to the real-time price inputs. In the hours where the resource was not committed in the Day-Ahead Market, the resource may be committed and dispatched in real-time only subject to the real-time electricity and ancillary service price inputs and the resource's offer and operating parameters. For combustion turbine units only, the cost-based energy offer will include a 10 percent adder only for the 2022/2023 Delivery Year.

Projected PJM Market Revenues:

"Projected PJM Market Revenues" shall mean a component of the Market Seller Offer Cap calculated in accordance with Tariff, Attachment DD, section 6.

Proportional Multi-Driver Project:

"Proportional Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Provisional Interconnection Service:

"Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting ~~the~~ an Interconnection Customer's ~~Generating~~ Customer Facility, including a Customer 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 and, if applicable, the Tariff, Part VIII, Subpart L, section 439.

Pseudo-Tie:

"Pseudo-Tie" shall have the same meaning provided in the Operating Agreement.

Public Policy Objectives:

"Public Policy Objectives" shall have the same meaning provided in the Operating Agreement.

Public Policy Requirements:

"Public Policy Requirements" shall have the same meaning provided in the Operating Agreement.

Qualifying Transmission Upgrade:

"Qualifying Transmission Upgrade" shall mean a proposed enhancement or addition to the Transmission System that: (a) will increase the Capacity Emergency Transfer Limit into an LDA by a megawatt quantity certified by the Office of the Interconnection; (b) the Office of the Interconnection has determined will be in service on or before the commencement of the first Delivery Year for which such upgrade is the subject of a Sell Offer in the Base Residual Auction; (c) is the subject of a Facilities Study Agreement executed before the conduct of the Base Residual Auction for such Delivery Year and (d) a New Service Customer is obligated to fund through a rate or charge specific to such facility or upgrade.

Queue Position:

"Queue Position" shall mean the priority assigned to an Interconnection Request, a Completed Application, or an Upgrade Request pursuant to applicable provisions of Tariff, Part VI.

Definitions – R - S

Ramping Capability:

"Ramping Capability" shall mean the sustained rate of change of generator output, in megawatts per minute.

Rating Agency:

"Rating Agency" shall mean a Nationally Recognized Statistical Rating Organization that assesses the financial condition, strength and stability of companies and governmental entities and their ability to timely make principal and interest payments on their debts and the likelihood of default, and assigns a rating that reflects its assessment of the ability of the company or governmental entity to make the debt payments.

Real-time Congestion Price:

"Real-time Congestion Price" shall mean the Congestion Price resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Real-time Loss Price:

"Real-time Loss Price" shall mean the Loss Price resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Real-time Energy Market:

"Real-time Energy Market" shall mean the purchase or sale of energy and payment of Transmission Congestion Charges for quantity deviations from the Day-ahead Energy Market in the Operating Day.

Real-time Offer:

"Real-time Offer" shall mean a new offer or an update to a Market Seller's existing cost-based or market-based offer for a clock hour, submitted for use after the close of the Day-ahead Energy Market.

Real-time Prices:

"Real-time Prices" shall mean the Locational Marginal Prices resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Real-time Settlement Interval:

"Real-time Settlement Interval" shall mean the interval used by settlements, which shall be every five minutes.

Real-time System Energy Price:

"Real-time System Energy Price" shall mean the System Energy Price resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Reasonable Efforts:

"Reasonable Efforts" shall mean, with respect to any action required to be made, attempted, or taken by an Interconnection Party or by a Construction Party under Tariff, Part IV or Tariff, Part VI, an Interconnection Service 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.

Receiving Party:

"Receiving Party" shall mean the entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

Referral:

"Referral" shall mean a formal report of the Market Monitoring Unit to the Commission for investigation of behavior of a Market Participant, of behavior of PJM, or of a market design flaw, pursuant to Tariff, Attachment M, section IV.I.

Reference Resource:

For Delivery Years up to and including the 2025/2026 Delivery Year, "Reference Resource" shall mean a combustion turbine generating station, configured with a single General Electric Frame 7HA turbine with evaporative cooling, Selective Catalytic Reduction technology, dual fuel capability, and a heat rate of 9.134 Mmbtu/ MWh. For the 2026/2027 Delivery Year and subsequent Delivery Years, "Reference Resource" shall mean, for all CONE Areas, a combustion turbine generating station, configured with a single General Electric Frame 7HA turbine with evaporative cooling, Selective Catalytic Reduction technology, dual fuel capability, and a heat rate of 9.189 Mmbtu/MWh.

Regional Entity:

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

Regional Network Integration Transmission Service:

"Regional Network Integration Transmission Service" shall mean firm transmission service taken by Network Customers that involves the delivery of energy and/or capacity from Network Resources physically interconnected to the Transmission Provider's transmission system to Network Load physically interconnected to the Transmission Provider's transmission system.

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.

Regional Transmission Group (RTG):

"Regional Transmission Group" or "RTG" shall mean a voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

Regulation:

"Regulation" shall mean the capability of a specific generation resource or Demand Resource with appropriate telecommunications, control and response capability to separately increase and decrease its output or adjust load in response to a regulating control signal, in accordance with the specifications in the PJM Manuals.

Regulation Requirement:

"Regulation Requirement" shall mean the required megawatts of performance-adjusted Regulation capability to be maintained in a Regulation Zone. The Regulation Requirement is defined as a set megawatt value by commitment interval and can increase to account for additional operational uncertainty, in accordance with the PJM Manuals.

Regulation Zone:

"Regulation Zone" shall mean any of those one or more geographic areas, each consisting of a combination of one or more Control Zone(s) as designated by the Office of the Interconnection in the PJM Manuals, relevant to provision of, and requirements for, regulation service.

Relevant Electric Retail Regulatory Authority:

"Relevant Electric Retail Regulatory Authority" shall mean an entity that has jurisdiction over and establishes prices and policies for competition for providers of retail electric service to end-customers, such as the city council for a municipal utility, the governing board of a cooperative utility, the state public utility commission or any other such entity.

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.

Reliability Pricing Model Auction:

"Reliability Pricing Model Auction" or "RPM Auction" shall mean the Base Residual Auction or any Incremental Auction.

Required Transmission Enhancements:

"Regional Transmission Enhancements" shall mean enhancements and expansions of the Transmission System that (1) a Regional Transmission Expansion Plan developed pursuant to Operating Agreement, Schedule 6 or (2) any joint planning or coordination agreement between PJM and another region or transmission planning authority set forth in Tariff, Schedule 12-Appendix B ("Appendix B Agreement") designates one or more of the Transmission Owner(s) to construct and own or finance. Required Transmission Enhancements shall also include enhancements and expansions of facilities in another region or planning authority that meet the definition of transmission facilities pursuant to FERC's Uniform System of Accounts or have been classified as transmission facilities in a ruling by FERC addressing such facilities constructed pursuant to an Appendix B Agreement cost responsibility for which has been assigned at least in part to PJM pursuant to such Appendix B Agreement.

Reserved Capacity:

"Reserved Capacity" shall mean the maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Tariff, Part II. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

Reserve Penalty Factor:

"Reserve Penalty Factor" shall mean the cost, in $/MWh, associated with being unable to meet a specific reserve requirement in a Reserve Zone or Reserve Sub-zone. A Reserve Penalty Factor will be defined for each reserve requirement in a Reserve Zone or Reserve Sub-zone.

Reserve Sub-zone:

"Reserve Sub-zone" shall mean any of those geographic areas wholly contained within a Reserve Zone, consisting of a combination of a portion of one or more Control Zone(s) as designated by the Office of the Interconnection in the PJM Manuals, relevant to provision of, and requirements for, reserve service.

Reserve Zone:

"Reserve Zone" shall mean any of those geographic areas consisting of a combination of one or more Control Zone(s), as designated by the Office of the Interconnection in the PJM Manuals, relevant to provision of, and requirements for, reserve service.

Residual Auction Revenue Rights:

"Residual Auction Revenue Rights" shall mean incremental stage 1 Auction Revenue Rights created within a Planning Period by an increase in transmission system capability, including the return to service of existing transmission capability, that was not modeled pursuant to Operating Agreement, Schedule 1, section 7.5 and the parallel provisions of Tariff, Attachment K-Appendix, section 7.5 in compliance with Operating Agreement, Schedule 1, section 7.4.2 (h) and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.2(h), and, if modeled, would have increased the amount of stage 1 Auction Revenue Rights allocated pursuant to Operating Agreement, Schedule 1, section 7.4.2 and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.2; provided that, the foregoing notwithstanding, Residual Auction Revenue Rights shall exclude: 1) Incremental Auction Revenue Rights allocated pursuant to Tariff, Part VI; and 2) Auction Revenue Rights allocated to entities that are assigned cost responsibility pursuant to Operating Agreement, Schedule 6 for transmission upgrades that create such rights.

Residual Metered Load:

"Residual Metered Load" shall mean all load remaining in an electric distribution company's fully metered franchise area(s) or service territory(ies) after all nodally priced load of entities serving load in such area(s) or territory(ies) has been carved out.

Resource Substitution Charge:

"Resource Substitution Charge" shall mean a charge assessed on Capacity Market Buyers in an Incremental Auction to recover the cost of replacement Capacity Resources.

Restricted Collateral:

"Restricted Collateral" shall mean Collateral, held by PJM or PJMSettlement, which cannot be used, netted, credited or spent by the Participant to satisfy any other obligations.

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.

Revenue Data for Settlements:

"Revenue Data for Settlements" shall mean energy quantities used in accounting and billing as determined pursuant to Tariff, Attachment K-Appendix and the corresponding provisions of Operating Agreement, Schedule 1.

RPM Seller Credit:

"RPM Seller Credit" shall mean an additional form of Unsecured Credit defined in Tariff, Attachment Q, section VI.

Scheduled Incremental Auctions:

"Scheduled Incremental Auctions" shall refer to the First, Second, or Third Incremental Auction.

Schedule of Work:

"Schedule of Work" shall mean that schedule attached to the Interconnection Construction Service Agreement setting forth the timing of work to be performed by the Constructing Entity pursuant to the Interconnection Construction Service Agreement, based upon the Facilities Study 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 attached as a schedule to the Interconnection Construction Service Agreement and to be performed by the Constructing Entity(ies) pursuant to the Interconnection Construction Service Agreement, 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.

Seasonal Capacity Performance Resource:

"Seasonal Capacity Performance Resource" shall have the same meaning specified in Tariff, Attachment DD, section 5.5A.

Secondary Reserve:

"Secondary Reserve" shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within 30 minutes (less the capability of such resources to provide Primary Reserve), from the request of the Office of the Interconnection, regardless of whether the equipment providing the reserve is electrically synchronized to the Transmission System or not.

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.

Second Incremental Auction:

"Second Incremental Auction" shall mean an Incremental Auction conducted ten months before the Delivery Year to which it relates**.**

Security:

"Security" shall mean the security provided by the New Service Customer pursuant to Tariff, section 212.4 or Tariff, Part VI, section 213.4 to secure the New Service Customer's responsibility for Costs under the Interconnection Service Agreement or Upgrade Construction Service Agreement and Tariff, Part VI, section 217.

Segment:
"Segment" shall have the same meaning as described in Operating Agreement, Schedule 1, section 3.2.3(e), and the parallel provisions of Tariff, Attachment K-Appendix, section 3.2.3(e).

Self-Supply:

"Self-Supply" shall mean Capacity Resources secured by a Load-Serving Entity, by ownership or contract, outside a Reliability Pricing Model Auction, and used to meet obligations under this Attachment or the Reliability Assurance Agreement through submission in a Base Residual Auction or an Incremental Auction of a Sell Offer indicating such Market Seller's intent that such Capacity Resource be Self-Supply. Self-Supply may be either committed regardless of clearing price or submitted as a Sell Offer with a price bid. A Load Serving Entity's Sell Offer with a price bid for an owned or contracted Capacity Resource shall not be deemed "Self-Supply," unless it is designated as Self-Supply and used by the LSE to meet obligations under this Attachment or the Reliability Assurance Agreement.

Self-Supply Entity:

"Self-Supply Entity" shall mean the following types of Load Serving Entity that operate under long-standing business models: single customer entity, public power entity, or vertically integrated utility, where "vertically integrated utility" means a utility that owns generation, includes such generation in its regulated rates, and earns a regulated return on its investment in such generation or receives any cost recovery for such generation through bilateral contracts; "single customer entity" means a Load Serving Entity that serves at retail only customers that are under common control with such Load Serving Entity, where such control means holding 51% or more of the voting securities or voting interests of the Load Serving Entity and all its retail customers; and "public power entity" means cooperative and municipal utilities, including public power supply entities comprised of either or both of the same and rural electric cooperatives, and joint action agencies.

Self-Supply Seller:

"Self-Supply Seller" shall mean, for purposes of evaluating Buyer-Side Market Power, the following types of Load Serving Entities that operate under long-standing business models:

vertically integrated utility or public power entity, where "vertically integrated utility" means a utility that owns generation, includes such generation in its state-regulated rates, and earns a state-regulated return on its investment in such generation; and "public power entity" means electric cooperatives that are either rate regulated by the state or have their long-term resource plan approved or otherwise reviewed and accepted by a Relevant Electric Retail Regulatory Authority and municipal utilities or joint action agencies that are subject to direct regulation by a Relevant Electric Retail Regulatory Authority.

Sell Offer:

"Sell Offer" shall mean an offer to sell Capacity Resources in a Base Residual Auction, Incremental Auction, or Reliability Backstop Auction.

Service Agreement:

"Service Agreement" shall mean the initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

Service Commencement Date:

"Service Commencement Date" shall mean the date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Tariff, Part II, section 15.3 or Tariff, Part III, section 29.1.

Short-Term Firm Point-To-Point Transmission Service:

"Short-Term Firm Point-To-Point Transmission Service" shall mean Firm Point-To-Point Transmission Service under Tariff, Part II with a term of less than one year.

Short-term Project:

"Short-term Project" shall have the same meaning provided in the Operating Agreement.

Site:

"Site" shall mean all of the real property, including but not limited to any leased real property and easements, on which the Customer Facility is situated and/or on which the Customer Interconnection Facilities are to be located.

Small Commercial Customer:

"Small Commercial Customer," as used in RAA, Schedule 6 and Tariff, Attachment DD-1, shall mean a commercial retail electric end-use customer of an electric distribution company that participates in a mass market demand response program under the jurisdiction of a RERRA and

satisfies the definition of a "small commercial customer" under the terms of the applicable RERRA's program, provided that the customer has an annual peak demand no greater than 100kW.

Small Generation Resource:

"Small Generation Resource" shall mean an Interconnection Customer's device of 20 MW or less for the production and/or storage for later injection of electricity identified in an Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. This term shall include Energy Storage Resources and/or other devices for storage for later injection of energy.

Small Inverter Facility:

"Small Inverter Facility" shall mean an Energy Resource that is a certified small inverter-based facility no larger than 10 kW.

Small Inverter ISA:

"Small Inverter ISA" shall mean an agreement among Transmission Provider, Interconnection Customer, and Interconnected Transmission Owner regarding interconnection of a Small Inverter Facility under Tariff, Part IV, section 112B.

Special Member:

"Special Member" shall mean an entity that satisfies the requirements of Operating Agreement, Schedule 1, section 1.5A.02, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.02, or the special membership provisions established under the Emergency Load Response and Pre-Emergency Load Response Programs.

Spot Market Backup:

"Spot Market Backup" shall mean the purchase of energy from, or the delivery of energy to, the PJM Interchange Energy Market in quantities sufficient to complete the delivery or receipt obligations of a bilateral contract that has been curtailed or interrupted for any reason.

Spot Market Energy:

"Spot Market Energy" shall mean energy bought or sold by Market Participants through the PJM Interchange Energy Market at System Energy Prices determined as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

Start Additional Labor Costs:

"Start Additional Labor Costs" shall mean additional labor costs for startup required above normal station manning levels.

Start Fuel:

For units without a soak process, "Start Fuel" shall consist of fuel consumed from first fire of the start process to first breaker closing, plus any fuel expended from last breaker opening to shutdown.

For units with a soak process, "Start Fuel" is fuel consumed from first fire of the start process (initial reactor criticality for nuclear units) to dispatchable output (including auxiliary boiler fuel), plus any fuel expended from last breaker opening to shutdown, excluding normal plant heating/auxiliary equipment fuel requirements. Start Fuel included for each temperature state from breaker closure to dispatchable output shall not exceed the unit specific soak time period reviewed and approved as part of the unit-specific parameter process detailed in Tariff, Attachment K-Appendix, section 6.6(c) or the defaults below:

- Cold Soak Time = 0.73 * unit specific Minimum Run Time (in hours)
- Intermediate Soak Time = 0.61 * unit specific Minimum Run Time (in hours)
- Hot Soak Time = 0.43 * unit specific Minimum Run Time (in hours)

Start-Up Costs:

"Start-Up Costs" shall consist primarily of the cost of fuel, as determined by the unit's start heat input (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, emissions allowances/adders, and station service cost. Start-Up Costs can vary with the unit offline time being categorized in three unit temperature conditions: hot, intermediate and cold.

For units with a steam turbine and a soak process (nuclear, steam, and combined cycle), "Start Fuel" is fuel consumed from first fire of start process (initial reactor criticality for nuclear units): Start-Up Costs shall mean the net unit costs from PJM's notification to the level at which the unit can follow PJM's dispatch, and from last breaker open to shutdown.

For units without a steam turbine and no soak process (engines, combustion turbines, Intermittent Resources, and Energy Storage Resources): Start-Up Costs shall mean the unit costs from PJM's notification to first breaker close and from last breaker open to shutdown.

State:

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

State Commission:

"State Commission**"** shall mean any state regulatory agency having jurisdiction over retail electricity sales in any State in the PJM Region.

State Estimator:

"State Estimator" shall mean the computer model of power flows specified in Operating Agreement, Schedule 1, section 1.11A~~2.3~~ and the parallel provisions of Tariff, Attachment K-Appendix, section 1.11A~~2.3~~.

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.

State of Charge Management:

"State of Charge Management" shall mean the control of State of Charge of an Energy Storage Resource Market Participant or a storage component of a Hybrid Resource using minimum and maximum discharge (and, as applicable, charge) limits, changes in operating mode (as applicable), discharging (and, as applicable, charging) offer curves, and self-scheduling of non-dispatchable sales (and, as applicable, purchases) of energy in the PJM markets. State of Charge Management shall not interfere with the obligation of a Market Seller of an Energy Storage Resource Model Participant or of a Hybrid Resource to follow PJM dispatch, consistent with all other resources.

State Subsidy:

"State Subsidy" shall mean a direct or indirect payment, concession, rebate, subsidy, non-bypassable consumer charge, or other financial benefit that is as a result of any action, mandated process, or sponsored process of a state government, a political subdivision or agency of a state, or an electric cooperative formed pursuant to state law, and that

(1) is derived from or connected to the procurement of (a) electricity or electric generation capacity sold at wholesale in interstate commerce, or (b) an attribute of the generation process for electricity or electric generation capacity sold at wholesale in interstate commerce; or

(2) will support the construction, development, or operation of a new or existing Capacity Resource; or

(3) could have the effect of allowing the unit to clear in any PJM capacity auction.

Notwithstanding the foregoing, State Subsidy shall not include (a) payments, concessions, rebates, subsidies, or incentives designed to incent, or participation in a program, contract or other arrangement that utilizes criteria designed to incent or promote, general industrial development in an area or designed to incent siting facilities in that county or locality rather than another county or locality; (b) state action that imposes a tax or assesses a charge utilizing the parameters of a regional program on a given set of resources notwithstanding the tax or cost having indirect benefits on resources not subject to the tax or cost (e.g., Regional Greenhouse Gas Initiative); (c) any indirect benefits to a Capacity Resource as a result of any transmission

project approved as part of the Regional Transmission Expansion Plan; (d) any contract, legally enforceable obligation, or rate pursuant to the Public Utility Regulatory Policies Act or any other state-administered federal regulatory program (e.g., the Cross-State Air Pollution Rule); (e) any revenues from the sale or allocation, either direct or indirect, to an Entity Providing Supply Services to Default Retail Service Provider where such entity's obligations was awarded through a state default procurement auction that was subject to independent oversight by a consultant or manager who certifies that the auction was conducted through a non-discriminatory and competitive bidding process, subject to the below condition, and provided further that nothing herein would exempt a Capacity Resource that would otherwise be subject to the minimum offer price rule pursuant to this Tariff; (f) any revenues for providing capacity as part of an FRR Capacity Plan or through bilateral transactions with FRR Entities; or (g) any voluntary and arm's length bilateral transaction (including but not limited to those reported pursuant to Tariff, Attachment DD, section 4.6), such as a power purchase agreement or other similar contract where the buyer is a Self-Supply Entity and the transaction is (1) a short term transaction (one-year or less) or (2) a long-term transaction that is the result of a competitive process that was not fuel-specific and is not used for the purpose of supporting uneconomic construction, development, or operation of the subject Capacity Resource, provided however that if the Self-Supply Entity is responsible for offering the Capacity Resource into an RPM Auction, the specified amount of installed capacity purchased by such Self-Supply Entity shall be considered to receive a State Subsidy in the same manner, under the same conditions, and to the same extent as any other Capacity Resource of a Self-Supply Entity. For purposes of subsection (e) of this definition, a state default procurement auction that has been certified to be a result of a non-discriminatory and competitive bidding process shall:

(i) have no conditions based on the ownership (except supplier diversity requirements or limits), location (except to meet PJM deliverability requirements), affiliation, fuel type, technology, or emissions of any resources or supply (except state-mandated renewable portfolio standards for which Capacity Resources are separately subject to the minimum offer price rule or eligible for an exemption);

(ii) result in contracts between an Entity Providing Supply Services to Default Retail Service Provider and the electric distribution company for a retail default generation supply product and none of those contracts require that the retail obligation be sourced from any specific Capacity Resource or resource type as set forth in subsection (i) above; and

(iii) establish market-based compensation for a retail default generation supply product that retail customers can avoid paying for by obtaining supply from a competitive retail supplier of their choice.

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.

Sub-meter:

"Sub-meter" shall mean a metering point for electricity consumption that does not include all electricity consumption for the end-use customer as defined by the electric distribution company account number. PJM shall only accept sub-meter load data from end-use customers for measurement and verification of Regulation service as set forth in the Economic Load Response rules and PJM Manuals.

Summer-Period Capacity Performance Resource:

"Summer-Period Capacity Performance Resource" shall have the same meaning specified in Tariff, Attachment DD, section 5.5A.

Surplus Interconnection Customer:

"Surplus Interconnection Customer" shall mean either an Interconnection Customer whose Generating Facility is already interconnected 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. A Surplus Interconnection Customer is not a New Service Customer.

Surplus Interconnection Request:

"Surplus Interconnection Request" shall mean a request submitted by a Surplus Interconnection Customer, pursuant to Tariff, Attachment RR, 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, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Switching and Tagging Rules:

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

Synchronized Reserve:

"Synchronized Reserve" shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand

can be reduced within ten minutes from the request of the Office of the Interconnection dispatcher, and is provided by equipment that is electrically synchronized to the Transmission System.

Synchronized Reserve Event:

"Synchronized Reserve Event" shall mean a request from the Office of the Interconnection to generation resources and/or Economic Load Response Participant resources able, assigned or self-scheduled to provide Synchronized Reserve in one or more specified Reserve Zones or Reserve Sub-zones, within ten minutes, to increase the energy output or reduce load by a directed amount of the assigned or self-scheduled Synchronized Reserve.

Synchronized Reserve Requirement:

"Synchronized Reserve Requirement" shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone as Synchronized Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty. The Synchronized Reserve Requirement is calculated in accordance with the PJM Manuals. This requirement can only be satisfied by Synchronized Reserve resources.

System Condition:

"System Condition" shall mean a specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Tariff, Part II, section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

System Energy Price:

"System Energy Price" shall mean the energy component of the Locational Marginal Price, which is the price at which the Market Seller has offered to supply an additional increment of energy from a resource, calculated as specified in Operating Agreement, Schedule 1, section 2 and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

System Impact Study:

"System Impact Study" shall mean an assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a Completed Application, an Interconnection Request or an Upgrade Request, (ii) whether any additional costs may be incurred in order to provide such transmission service or to accommodate an Interconnection Request, and (iii) with respect to an Interconnection Request, an estimated date that an Interconnection Customer's Customer Facility can be interconnected with the Transmission System and an estimate of the Interconnection Customer's cost responsibility for the interconnection; 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 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 Customer Facility, and (ii) the Customer 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 Customer Facility.

Definitions – T – U - V

Tangible Net Worth:

"Tangible Net Worth" shall mean total assets less goodwill and other intangible assets, minus total liabilities.

Target Allocation:

"Target Allocation" shall mean the allocation of Transmission Congestion Credits as set forth in Operating Agreement, Schedule 1, section 5.2.3, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.3, or the allocation of Auction Revenue Rights Credits as set forth in Operating Agreement, Schedule 1, section 7.4.3, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.3.

Third Incremental Auction:

"Third Incremental Auction" shall mean an Incremental Auction conducted three months before the Delivery Year to which it relates.

Third-Party Sale:

"Third-Party Sale" shall mean any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service but not including a sale of energy through the PJM Interchange Energy Market established under the PJM Operating Agreement.

Tie Line:

"Tie Line" shall mean a circuit connecting two balancing authority areas, Control Areas or fully metered electric system regions. Tie Lines may be classified as external or internal as set forth in the PJM Manuals.

Total Lost Opportunity Cost Offer:

"Total Lost Opportunity Cost Offer" shall mean the applicable offer used to calculate lost opportunity cost credits. For pool-scheduled resources specified in PJM Operating Agreement, Schedule 1, section 3.2.3(f-1), and the parallel provisions of Tariff, Attachment K-Appendix, section 3.2.3(f-1), the Total Lost Opportunity Cost Offer shall equal the Real-time Settlement Interval offer integrated under the applicable offer curve for the LOC Deviation, as determined by the greater of the Committed Offer or last Real-Time Offer submitted for the offer on which the resource was committed in the Day-ahead Energy Market for each hour in an Operating Day. For all other pool-scheduled resources, the Total Lost Opportunity Cost Offer shall equal the Real-time Settlement Interval offer integrated under the applicable offer curve for the LOC Deviation, as determined by the offer curve associated with the greater of the Committed Offer or Final Offer for each hour in an Operating Day. For self-scheduled generation resources, the

Total Lost Opportunity Cost Offer shall equal the Real-time Settlement Interval offer integrated under the applicable offer curve for the LOC Deviation, where for self-scheduled generation resources (a) operating pursuant to a cost-based offer, the applicable offer curve shall be the greater of the originally submitted cost-based offer or the cost-based offer that the resource was dispatched on in real-time; or (b) operating pursuant to a market-based offer, the applicable offer curve shall be determined in accordance with the following process: (1) select the greater of the cost-based day-ahead offer and updated cost-based Real-time Offer; (2) for resources with multiple cost-based offers, first, for each cost-based offer select the greater of the day-ahead offer and updated Real-time Offer, and then select the lesser of the resulting cost-based offers; and (3) compare the offer selected in (1), or for resources with multiple cost-based offers the offer selected in (2), with the market-based day-ahead offer and the market-based Real-time Offer and select the highest offer.

Total Net Obligation:

"Total Net Obligation" shall mean all unpaid billed Net Obligations plus any unbilled Net Obligation incurred to date, as determined by PJMSettlement on a daily basis, plus any other Obligations owed to PJMSettlement at the time.

Total Net Sell Position:

"Total Net Sell Position" shall mean all unpaid billed Net Sell Positions plus any unbilled Net Sell Positions accrued to date, as determined by PJMSettlement on a daily basis.

Total Operating Reserve Offer:

"Total Operating Reserve Offer" shall mean the applicable offer used to calculate Operating Reserve credits. The Total Operating Reserve Offer shall equal the sum of all individual Real-time Settlement Interval energy offers, inclusive of Start-Up Costs (shut-down costs for Demand Resources) and No-load Costs, for every Real-time Settlement Interval in a Segment, integrated under the applicable offer curve up to the applicable megawatt output as further described in the PJM Manuals. The applicable offer used to calculate day-ahead Operating Reserve credits shall be the Committed Offer, and the applicable offer used to calculate balancing Operating Reserve credits shall be lesser of the Committed Offer or Final Offer for each hour in an Operating Day.

Trade Reference:

"Trade Reference" shall mean a reference from a contact or firm that had or has a material business relationship with a Participant.

Transmission Congestion Charge:

"Transmission Congestion Charge" shall mean a charge attributable to the increased cost of energy delivered at a given load bus when the transmission system serving that load bus is operating under constrained conditions, or as necessary to provide energy for third-party transmission losses which shall be calculated and allocated as specified in Operating Agreement,

Schedule 1, section 5.1 and the parallel provisions of Tariff, Attachment K-Appendix, section 5.1.

Transmission Congestion Credit:

"Transmission Congestion Credit" shall mean the allocated share of total Transmission Congestion Charges credited to each FTR Holder, calculated and allocated as specified in Operating Agreement, Schedule 1, section 5.2, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.

Transmission Constraint Penalty Factor:

"Transmission Constraint Penalty Factor" shall mean the maximum cost of the re-dispatch incurred to control the flows across a transmission constraint and establishes the maximum limit on the Marginal Value.

Transmission Customer:

"Transmission Customer" shall mean any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission a proposed unexecuted Service Agreement, to receive transmission service under Tariff, Part II. This term is used in Tariff, Part I and Tariff, Part VI to include customers receiving transmission service under Tariff, Part II and Tariff, Part III.

Where used in Tariff, Attachment K-Appendix and the parallel provisions of Operating Agreement, Schedule 1, Transmission Customer shall mean an entity using Point-to-Point Transmission Service.

Transmission Facilities:

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

Transmission Facility Rating:

"Transmission Facility Rating" shall mean the maximum transfer capability, or the maximum or minimum voltage, current, frequency, or real or reactive power flow, through a Transmission Facility that does not violate the applicable rating of relevant transmission equipment. Transmission Facility Ratings are computed in accordance with a written Transmission Facility Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits). Relevant transmission equipment may include, but is not limited to, circuit breakers, line traps, and transformers. Transmission Facility Ratings also encompass AARs, AAR Exceptions, and Temporary Conditional Transmission Facility Ratings.

Transmission Forced Outage:

"Transmission Forced Outage" shall mean an immediate removal from service of a transmission facility by reason of an Emergency or threatened Emergency, unanticipated failure, or other cause beyond the control of the owner or operator of the transmission facility, as specified in the relevant portions of the PJM Manuals. A removal from service of a transmission facility at the request of the Office of the Interconnection to improve transmission capability shall not constitute a Forced Transmission Outage.

Transmission Injection Rights:

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

Transmission Interconnection Customer:

"Transmission Interconnection Customer" shall mean an entity that submits an Interconnection 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 or an entity that submits an Upgrade Request for Merchant Network Upgrades (including accelerating the construction of any transmission enhancement or expansion, other than Merchant Transmission Facilities, that is included in the Regional Transmission Expansion Plan prepared pursuant to Operating Agreement, Schedule 6).

Transmission Interconnection Facilities Study:

"Transmission Interconnection Facilities Study" shall mean a Facilities Study related to a Transmission Interconnection Request.

Transmission Interconnection Feasibility Study:

"Transmission Interconnection Feasibility Study" shall mean a study conducted by the Transmission Provider in accordance with Tariff, Part IV, section 36.2.

Transmission Interconnection Request:

"Transmission Interconnection Request" shall mean a request by a Transmission Interconnection Customer pursuant to Tariff, Part IV 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 Loading Relief:

"Transmission Loading Relief" shall mean NERC's procedures for preventing operating security limit violations, as implemented by PJM as the security coordinator responsible for maintaining transmission security for the PJM Region.

Transmission Loss Charge:

"Transmission Loss Charge" shall mean the charges to each Market Participant, Network Customer, or Transmission Customer for the cost of energy lost in the transmission of electricity from a generation resource to load as specified in Operating Agreement, Schedule 1, section 5, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.

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 Attachment Facilities:

"Transmission Owner Attachment Facilities" shall mean that portion of the Transmission Owner Interconnection Facilities comprised of all Attachment Facilities on the Interconnected Transmission Owner's side of the Point of Interconnection.

Transmission Owner Interconnection Facilities:

"Transmission Owner Interconnection Facilities" shall mean all Interconnection Facilities that are not Customer Interconnection Facilities and that, after the transfer under Tariff, Attachment P, Appendix 2, section 5.5 to the Interconnected Transmission Owner of title to any Transmission Owner Interconnection Facilities that the Interconnection Customer constructed, are owned, controlled, operated and maintained by the Interconnected Transmission Owner on the Interconnected Transmission Owner's side of the Point of Interconnection identified in appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System or interconnected distribution facilities.

Transmission Owner Upgrade:

"Transmission Owner Upgrade" shall have the same meaning provided in the Operating Agreement.

Transmission Planned Outage:

"Transmission Planned Outage" shall mean any transmission outage scheduled in advance for a pre-determined duration and which meets the notification requirements for such outages specified in Operating Agreement, Schedule 1, and the parallel provisions of Tariff, Attachment K-Appendix or the PJM Manuals.

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 Provider's Monthly Transmission System Peak:

"Transmission Provider's Monthly Transmission System Peak" shall mean the maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

Transmission Service:

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

Transmission Service Request:

"Transmission Service Request" shall mean a request for Firm Point-To-Point Transmission Service, ~~or a request for~~ Network Integration Transmission Service, Interim Network Integration 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 T~~t~~ransmission S~~s~~ervice or Network Integration Transmission Service (including Interim Network Integration Service) under Tariff, Parts II, ~~and~~ Part III, and XI.

Transmission Withdrawal Rights:

"Transmission Withdrawal Rights" shall mean Firm Transmission Withdrawal Rights and Non-Firm Transmission Withdrawal Rights.

Turn Down Ratio:

"Turn Down Ratio" shall mean the ratio of a generating unit's economic maximum megawatts to its economic minimum megawatts.

Unconstrained LDA Group:

"Unconstrained LDA Group" shall mean a combined group of LDAs that form an electrically contiguous area and for which a separate Variable Resource Requirement Curve has not been established under Tariff, Attachment DD, section 5.10. Any LDA for which a separate Variable Resource Requirement Curve has not been established under Tariff, Attachment DD, section 5.10 shall be combined with all other such LDAs that form an electrically contiguous area.

Unforced Capacity:

"Unforced Capacity" shall have the meaning specified in the Reliability Assurance Agreement.

Unsecured Credit:

"Unsecured Credit" shall mean any credit granted by PJMSettlement to a Participant that is not secured by Collateral.

Unsecured Credit Allowance:

"Unsecured Credit Allowance" shall mean Unsecured Credit extended by PJMSettlement in an amount determined by PJMSettlement's evaluation of the creditworthiness of a Participant. This is also defined as the amount of credit that a Participant qualifies for based on the strength of its own financial condition without having to provide Collateral. See also: "Working Credit Limit."

Updated VRR Curve:

"Updated VRR Curve" shall mean the Variable Resource Requirement Curve for use in the Base Residual Auction of the relevant Delivery Year, updated to reflect any change in the Reliability Requirement from the Base Residual Auction to such Incremental Auction, and for Delivery Years through May 31, 2018, the Short-term Resource Procurement Target applicable to the relevant Incremental Auction.

Updated VRR Curve Decrement:

"Updated VRR Curve Decrement" shall mean the portion of the Updated VRR Curve to the left of a vertical line at the level of Unforced Capacity on the x-axis of such curve equal to the net Unforced Capacity committed to the PJM Region as a result of all prior auctions conducted for such Delivery Year and adjusted, if applicable, by a change in Unforced Capacity commitments

associated with the transition provision of Tariff, Attachment DD, section 5.14C, Tariff, Attachment DD, section 5.14D (as related to the 2016/2017 Delivery Year), Tariff, Attachment DD, section 5.14E, and Tariff, Attachment DD, section 5.5A(c)(i)(B), and RAA, Schedule 6, section L.9.

Updated VRR Curve Increment:

"Updated VRR Curve Increment" shall mean the portion of the Updated VRR Curve to the right of a vertical line at the level of Unforced Capacity on the x-axis of such curve equal to the net Unforced Capacity committed to the PJM Region as a result of all prior auctions conducted for such Delivery Year and adjusted, if applicable, by a change in Unforced Capacity commitments associated with the transition provision of Tariff, Attachment DD, section 5.14C, Tariff, Attachment DD, section 5.14D (as related to the 2016/2017 Delivery Year), Tariff, Attachment DD, section 5.14E and Tariff, Attachment DD, section 5.5A(c)(i)(B), and RAA, Schedule 6, section L.9.

Upgrade Construction Service Agreement:

"Upgrade Construction Service Agreement" shall mean that agreement entered into by an Eligible Customer, Upgrade Customer or Interconnection Customer proposing Merchant Network Upgrades, a Transmission Owner, and the Transmission Provider, pursuant to Tariff, Part VI, Subpart B, and in the form set forth in Tariff, Attachment GG.

Upgrade Customer:

"Upgrade Customer" shall mean a customer that submits an Upgrade Request pursuant to Operating Agreement, Schedule 1, section 7.8, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.8.

Upgrade Feasibility Study:

"Upgrade Feasibility Study" shall mean a study conducted by the Transmission Provider in accordance with Tariff, Part IV, section 36.3.

Upgrade-Related Rights:

"Upgrade-Related Rights" shall mean Incremental Auction Revenue Rights, Incremental Available Transfer Capability Revenue Rights, Incremental Deliverability Rights, and Incremental Capacity Transfer Rights.

Upgrade Request:

"Upgrade Request" shall mean a request submitted in the form prescribed in Tariff, Attachment EE, for evaluation by the Transmission Provider of the feasibility and estimated costs of (a) a Merchant Network Upgrade or (b) the Customer-Funded Upgrades that would be needed to provide Incremental Auction Revenue Rights specified in a request pursuant to Operating

Agreement, Schedule 1, section 7.8, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.8.

Up-to Congestion Counterflow Transaction:

"Up-to Congestion Counterflow Transaction" shall mean an Up-to Congestion Transaction will be deemed an Up-to Congestion Counterflow Transaction if the following value is negative: (a) when bidding, the lower of the bid price and the prior Up-to Congestion Historical Month's average real-time value for the transaction; or (b) for cleared Virtual Transactions, the cleared day-ahead price of the Virtual Transactions.

Up-to Congestion Historical Month:

"Up-to Congestion Historical Month" shall mean a consistently-defined historical period nominally one month long that is as close to a calendar month as PJM determines is practical.

Up-to Congestion Prevailing Flow Transaction:

An Up-to Congestion Transaction shall mean an "Up-to Congestion Prevailing Flow Transaction" if it is not an Up-to Congestion Counterflow Transaction.

Up-to Congestion Reference Price:

"Up-to Congestion Reference Price" for an Up-to Congestion Transaction, shall be the specified percentile price differential between source and sink (defined as sink price minus source price) for real-time prices experienced over the prior Up-to Congestion Historical Month, averaged with the same percentile value calculated for the second prior Up-to Congestion Historical Month. Up-to Congestion Reference Prices shall be calculated using the following historical percentiles:

For Up-to Congestion Prevailing Flow Transactions: 30^{th} percentile
For Up-to Congestion Counterflow Transactions when bid: 20^{th} percentile
For Up-to Congestion Counterflow Transactions when cleared: 5^{th} percentile

Up-to Congestion Transaction:

"Up-to Congestion Transaction" shall have the meaning specified in Operating Agreement, Schedule 1, section 1.10.1A, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.1A.

Variable Loads:

"Variable Loads" shall have the meaning specified in Operating Agreement, Schedule 1, section 1.5A.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.6.

Variable Resource Requirement Curve:

"Variable Resource Requirement Curve" shall mean a series of maximum prices that can be cleared in a Base Residual Auction for Unforced Capacity, corresponding to a series of varying resource requirements based on varying installed reserve margins, as determined by the Office of the Interconnection for the PJM Region and for certain Locational Deliverability Areas in accordance with the methodology provided in Tariff, Attachment DD, section 5.

Virtual Credit Exposure:
"Virtual Credit Exposure" shall mean the amount of potential credit exposure created by a market participant's bid submitted into the Day-ahead market, as defined in Tariff, Attachment Q.

Virtual Transaction:

"Virtual Transaction" shall mean a Decrement Bid, Increment Offer and/or Up-to Congestion Transaction.

Virtual Transaction Screening:

"Virtual Transaction Screening" shall be the process of reviewing the Virtual Credit Exposure of submitted Virtual Transactions against the Credit Available for Virtual Transactions. If the credit required is greater than credit available, then the Virtual Transactions will not be accepted.

Virtual Transactions Net Activity:

"Virtual Transactions Net Activity" shall mean the aggregate net total, resulting from Virtual Transactions, of (i) Spot Market Energy charges, (ii) Transmission Congestion Charges, and (iii) Transmission Loss Charges, calculated as set forth in Tariff, Attachment K-Appendix, and the parallel provisions of Operating Agreement, Schedule 1. Virtual Transactions Net Activity may be positive or negative.

Voltage Reduction Action:

"Voltage Reduction Action" shall mean a notification during capacity deficient conditions in which PJM notifies Members to reduce voltage on the distribution system in order to reduce demand and therefore provide a sufficient amount of reserves, maintain tie flow schedules and preserve limited energy sources.

Voltage Reduction Alert:

"Voltage Reduction Alert" shall mean a notification from PJM to alert Members that a voltage reduction may be required during a future critical period.

Voltage Reduction Warning:

“Voltage Reduction Warning” shall mean a notification from PJM to warn Members that PJM’s available Synchronized Reserve is less than the Synchronized Reserve Requirement and that present operations have deteriorated such that a voltage reduction may be required.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

References to section numbers in this Part III refer to sections of this Part III, unless otherwise specified.

~~Preamble~~General

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which each Transmission Owner utilizes the Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Tariff, Part II. PJMSettlement shall be the Counterparty to the Network Integration Transmission Service transactions under this Tariff. As set forth in Tariff, Attachment K, section D, Network Integration Transmission Service transactions may give rise to several component charges and credits, which may offset one another, and such component charges and credits are not separate transactions from Network Integration Transmission Service transactions.

Requests for Cross-Border Network Integration Transmission Service must be made through the Transmission Provider. These requests shall (a) require the filing of an Application as set forth in Tariff, Part III, section 29.1 and Tariff, Part III, section 29.2, (b) be submitted on the OASIS, and (c) be submitted in accordance with the applicable terms and conditions in the Tariff.

Requests for Regional Network Integration Transmission Service shall (a) not require the filing of an Application as set forth in Tariff, Part III, section 29.2, (b) not be required to be submitted on the OASIS, and (c) be submitted in accordance with the applicable terms and conditions contained in the Tariff.

The amount of Regional Network Integration Transmission Service provisioned to Network Customers for serving Large Loads are at levels specified in an effective Service Agreement or, if not specified therein, as reflected on the Large Load Registry per the terms of the Reliability Assurance Agreement, Schedule 11.B.1.

An Interconnection Customer or Generation Project Developer with an Interconnection Service Agreement or Generation Interconnection Agreement effective prior to December 18, 2025 that serves or plans to serve Co-Located Load with the Customer Facility or Generating Facility subject to such agreement must submit electronically through PJM's website in accordance with PJM's Manuals notice of that fact and the identity of the Eligible Customer that will take transmission service on behalf of that Co-Located Load. Transmission Provider will post the information concerning the Co-Located Load and Eligible Customer on its website.

Any Interconnection Customer or Generation Project Developer with an effective Interconnection Service Agreement or Generation Interconnection Agreement that plans to use an existing Customer Facility or Generating Facility to serve Eligible 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). An Interconnection Customer or Generation Project Developer with an effective Interconnection Service Agreement or Generation Interconnection Agreement is prohibited from serving Eligible Load from its Customer Facility or Generating Facility until the complete scope of work required in their Interconnection Service Agreement or Generation Interconnection Agreement, as revised following the Necessary Studies, is completed.

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the PJM Region and any additional load that may be designated pursuant to Tariff, Part III, section 31.3. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

Subject to the terms of the Tariff, Part III, Eligible Customers taking service on behalf of Eligible Load or Large Load may also receive Network Integration Transmission Service.

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Tariff, Part III, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer and the Transmission Provider in coordination with the affected Transmission Owners, complete the technical arrangements set forth in Tariff, Part III, section 29.3 and Tariff, Part III, section 29.4; (ii) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Tariff, Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement; and (iii) a party requesting Network Integration Transmission Service and taking Network Integration Transmission Service shall otherwise execute, if necessary, and comply with the PJM Governing Agreements, including but not limited to the "PJM Credit Policy" in Tariff, Attachment Q.

For Firm Cross-Border Network Integration Transmission Service: An Eligible Customer that requests to use interface capability to deliver from a resource not located on the Transmission Provider's Transmission System in accordance with Tariff, Part III, section 30.1 or to deliver to network load not physically interconnected with the Transmission Provider in accordance with Tariff, Part III, section 31.3 must also satisfy the following conditions to receive service.

(i) The Eligible Customer shall enter a request for service on the Transmission Provider's OASIS.

(ii) If requested by the Transmission Provider in the event the Transmission Provider does not already have access to the data or information set forth in Tariff, Part III, section 29.2, the Eligible Customer shall complete an Application for service as provided under Tariff, Part III, section 29.2, and

(iii) If the resource is designated in accordance with Tariff, Part III, section 30.1 or if the designated load is not in the Transmission Provider's Transmission System as described in Tariff, Part III, section 31.3, the Eligible Customer shall execute a Service Agreement pursuant to Tariff, Attachment F for service under Tariff, Part III or request in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission.

For Regional Network Integration Transmission Service: Any Eligible Customer that requests to deliver from a resource located on the Transmission Provider's Transmission System or network load physically interconnected with the Transmission Provider must also satisfy one of the following conditions to receive service.

(i) Execute a Service Agreement pursuant to Tariff, Attachment F-1 for state required retail access program and provide the information required under that Service Agreement; or

(ii) Execute a Service Agreement pursuant to Tariff, Attachment F-3 or Tariff, Attachment F-3A, as applicable.

Any Eligible Customer taking service on behalf of Eligible Load or Large Load must also satisfy the following conditions to receive Network Integration Transmission Service.

(iii) The Eligible Customer has been designated to take transmission service on behalf of an Eligible Load or Large Load in the Application and Study Agreement, the Interconnection Service Agreement, or the Generation Interconnection Agreement for the Eligible Generating Facility, as applicable.

(iv) The Eligible Customer must designate the individual Eligible Load or Large Load on whose behalf the Eligible Customer will take Network Integration Transmission Service. The Eligible Load or Large Load shall be specified in the Service Agreement for Network Integration Transmission Service (Attachment F-3A).

The Network Integration Transmission Service for Eligible Customers taking transmission service on behalf of Eligible Load or Large Load shall be Regional Network Integration Transmission Service, not Cross-Border Network Integration Transmission Service.

29.2 Application Procedures:

An Eligible Customer requesting service under Tariff, Part III, including an Eligible Customer taking service on behalf of Eligible Load or Large Load, must submit an Application to the Transmission Provider as far as possible in advance of the month in which service is to commence.

Unless subject to the procedures in Tariff, Part I, section 2, Completed Applications for Network Integration Transmission Service will be assigned a Project Identifier according to the date and time the Application is received, with the earliest Application receiving the highest priority. For Transmission Service requests that require a Phase I System Impact Study, a Completed Application must be submitted and received by the Transmission Provider by the cycle Application Deadline in order to be assigned a Project Identifier in such cycle.

If requested by Transmission Provider, Applications should be submitted by entering the information listed below (except for applications for Network Integration Transmission Service pursuant to state required retail access programs for which Transmission Customers shall provide the information required under the Service Agreement) on the Transmission Provider's OASIS. For applications pursuant to state required retail access programs, the information required under the Service Agreement should be submitted on the Transmission Provider's specified electronic information system established for such programs. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. If requested by Transmission Provider, a Completed Application (other than applications for Network Integration Transmission Service pursuant to a state required retail access program, which shall be governed by Tariff, Attachment F-1 and the specifications thereto) shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the party requesting service;

(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount

of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource

- VAR capability (both leading and lagging) of all generators

- Operating restrictions

    - Any periods of restricted operations throughout the year

    - Maintenance schedules

    - Minimum loading level of unit

    - Normal operating level of unit

    - Any must-run unit designations required for system reliability or contract reasons

- Approximate variable generating cost ($/MWH) for redispatch computations

- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Areas, where only a portion of unit output is designated as a Network Resource

- For each off-system Network Resource, such description shall include:

    - Identification of the Network Resource as an off-system resource

- Amount of power to which the customer has rights

    - Identification of the control area from which the power will originate

    - Delivery point(s) to the Transmission Provider’s Transmission System

    - Transmission arrangements on the external transmission system(s)

- Operating restrictions, if any

    - Any periods of restricted operations throughout the year

- Maintenance schedules

- Minimum loading level of unit

- Normal operating level of unit

- Any must-run unit designations required for system reliability or contract reasons

- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider

- Operating restrictions needed for reliability

- Operating guides employed by system operators

- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources

- Location of Network Resources described in subsection (v) above

- 10 year projection of system expansions or upgrades

- Transmission System maps that include any proposed expansions or upgrades

- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year except that, for service provided with respect to a state required retail access program, the minimum term is one day;

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Tariff, Part III, section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Tariff, Part III; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-

designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

(ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Operating Agreement, Schedule 6.

In addition, a party requesting Transmission Service shall provide the information specified in, and otherwise comply with, the "PJM Credit Policy" set forth in Tariff, Attachment Q hereto.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new Project Identifier consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

After the next Business Day after the close of Decision Point II of Cycle 01, Transmission Provider shall process the request in accordance with Tariff, Part VIII.

31.6 Annual Load and Resource Information Updates:

~~Even if an Application is no longer required, t~~The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Tariff, Part III or Tariff, Part VIII, as applicable, including, but not limited to, any information provided under Tariff, Part III, section 29.2(ix) pursuant to the Transmission Provider's planning process in Operating Agreement, Schedule 6. ~~Even if an Application is no longer required, t~~The Network Customer also shall provide the Transmission Provider with timely written or electronic notice of material changes in any other information listed in Tariff, Part III, section 29.2 or provided in its Application relating to the Network Customer's Network Load, Eligible Load, Large Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

In addition to this requirement, Eligible Customers taking service on behalf of Eligible Load or Large Load must provide the Transmission Provider with annual updates of (i) the demand characteristics of the Eligible Load or Large Load and (ii) the supply characteristics of the designated Eligible Generating Facility, if applicable, each consistent with the information included in its Application under Tariff, Part III.

34.2 Netting of Retail Behind ~~t~~The Meter Generation.

A. The daily load of a Network Customer does not include load served by operating Behind The Meter Generation. The daily load of a Network Customer shall not be reduced by energy injections into the transmission system by the Network Customer.

B. Beginning on December 18, 2025, unless Retail Behind The Meter Generation qualifies for an exemption from this limit pursuant to one or more of the following subsections, the load excluded from a Network Customer's daily load pursuant to subsection A may not exceed 50 MW at a single electrical site, behind one or more points of interconnection, where for configurations involving multiple affiliated load facilities or multiple points of interconnection with affiliated load facilities behind them, all affiliated load facilities within a one-mile radius will be considered a single electrical site as further described in the PJM Manuals.

C. For Retail Behind The Meter Generation that was used to serve a Network Customer's retail load as of December 18, 2025, the 50 MW limit set forth in subsection B shall not apply for a transition period through December 18, 2028. After December 18, 2028, the 50 MW limit in subsection B shall apply.

D. Retail Behind The Meter Generation that a Network Customer's retail load owns and/or operates or is contracted for as of December 18, 2025, is exempt from subsections B and C above for the current term remaining under any contract set forth in subsection D.b (including any renewal, amendment, or extension per the contract's terms), subject to the following requirements:

a. The retail load that is planned for the Retail Behind The Meter Generation is on the Large Load Registry in accordance with Reliability Assurance Agreement, Schedule 11.

b. The retail load that is planned for the Retail Behind The Meter Generation had a contract (including, but not limited to, a bilateral agreement, interconnection agreement (e.g., Interconnection Service Agreement or Generation Interconnection Agreement or its equivalent), utility service agreement, or engineering, procurement, and construction contract) that was effective as of December 18, 2025, to effectuate the Retail Behind the Meter Generation arrangement.

c. The Retail Behind The Meter Generation is registered with Transmission Provider in accordance with the procedures set forth in the PJM Manuals.

d. Network Customer complies with any Transmission Provider request(s) for additional information to verify eligibility for this subsection.

E. Retail Behind The Meter Generation that is (1) a Cogeneration Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations, and (2) is integrated with the retail load it serves such that if the Cogeneration Facility trips offline the retail load follows, is exempt from subsection

B and C above, subject to the following requirements:

a. The retail load served by the Retail Behind The Meter Generation is on the Large Load Registry in accordance with Reliability Assurance Agreement, Schedule 11.

b. The Retail Behind The Meter Generation is registered with Transmission Provider in accordance with the procedures set forth in the PJM Manuals.

c. Network Customer certifies, pursuant to the procedures set forth in the PJM Manuals, that the retail load being served by the Retail Behind The Meter Generation is (1) a Cogeneration Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations, and (2) is integrated with the retail load it serves such that if the Cogeneration Facility trips offline the retail load follows.

d. Network Customer complies with any Transmission Provider request(s) for additional information to verify eligibility for this subsection.

e. Network Customer updates Transmission Provider pursuant to the procedures in the PJM Manuals if the Retail Behind The Meter Generation no longer qualifies for the exemption in this subsection.

F. Transmission Provider may, but is not required to, periodically audit compliance with this section. Network Customer shall comply with any request for information from Transmission Provider to assess compliance with this section.

34.3 Netting of Non-Retail Behind The Meter Generation.

The daily load of a Network Customer does not include load served by operating Non-Retail Behind The Meter Generation. Netting of Behind The Meter Generation for Network Customers with regard to Non-Retail Behind The Meter Generation shall be subject to the following limitations:

For calendar year 2006, 100 percent of the operating Non-Retail Behind The Meter Generation shall be netted, provided that the total amount of Non-Retail Behind The Meter Generation in the PJM Region does not exceed 1500 megawatts ("Non-Retail Threshold"). For each calendar year thereafter, the Non-Retail Threshold shall be proportionately increased based on load growth in the PJM Region but shall not be greater than 3000 megawatts. Load growth shall be determined by Transmission Provider based on the most recent forecasted weather-adjusted coincident summer peak of the PJM Region divided by the weather-adjusted coincident peak for the previous summer for the same area. After the load growth factor is applied, the Non-Retail Threshold will be rounded up or down to the nearest whole megawatt and the rounded number shall be the Non-Retail Threshold for the current year and shall be the base amount for calculating the Non-Retail Threshold for the succeeding year. If the total amount of Non-Retail Behind The Meter Generation in the PJM Region exceeds the Non-Retail Threshold, the amount of operating Non-Retail Behind The Meter Generation that the Network Customer may net shall be adjusted according to the following formula:

Network CustomerNetting Credit = (NRT / PJM NRBTMG) * Network Customer operating NRBTMG

Where:NRBTMG is Non-Retail Behind The Meter Generation

NRT is the Non-Retail Threshold

PJM NRBTMG is the total amount of Non-Retail Behind The Meter Generation in the PJM Region

The total amount of Non-Retail Behind The Meter Generation that is eligible for netting in the PJM Region is 3000 megawatts. Once this 3000 megawatt limit is reached, any additional Non-Retail Behind The Meter Generation which operates in the PJM Region will be ineligible for netting under this section.

In addition, the Network Customer NRBTMG Netting Credit shall be adjusted pursuant to Tariff, Schedule 15, if applicable.

A Network Customer shall be required to report to the Transmission Provider such information as is required to facilitate the determination of its NRBTMG Netting Credit in accordance with the procedures set forth in the PJM Manuals.

The annual peaks for purposes of the above calculation shall be determined from the twelve month period ending October 31 of the calendar year preceding the calendar year in which the

billing month occurs. For new Network Load that was not connected to the Transmission System during such entire twelve month period, the Transmission Provider in coordination with the affected Transmission Owners and electric distribution companies shall determine the appropriate peak load responsibility to be used until the annual peaks are determined for the next twelve month period ending October 31.

(b) Nothing herein shall entitle any Transmission Owner or Network Customer to establish a zone that is smaller than or a portion of a Zone set forth in Tariff, Attachment J.

212 Interconnection Service Agreement:

Notwithstanding any other provision of the Tariff, this section 212 shall apply only to Interconnection Customers, excluding those that are proposing Merchant Network Upgrades only for which Tariff, Part VI, Subpart B, section 213 shall apply. Upon completion of the Facilities Study (or, if no Facilities Study was required, upon completion of the System Impact Study), the Transmission Provider shall tender to each Interconnection Customer an Interconnection Service Agreement (in the form included in Tariff, Attachment O) to be executed by the Interconnection Customer, the Interconnected Transmission Owner and the Transmission Provider. The Transmission Provider shall provide the Interconnected Transmission Owner with a copy of the Interconnection Service Agreement when this agreement is provided to the Interconnection Customer for execution. In order to exercise Option to Build, as set forth in Interconnection Construction Service Agreement, Tariff, Attachment P, Appendix 2, section 3.2.3.1, Interconnection Customer must provide Transmission Provider and the Interconnected Transmission Owner with written notice of its election to exercise the option no later than thirty (30) days from the date the Interconnection Customer receives the results of the Facilities Study (or, if no Facilities Study was required, completion of the System Impact Study). Interconnection Customer may not elect Option to Build after such date. Any Interconnection Customer with an effective Interconnection Service Agreement may utilize the relevant provisions of Part VIII of the Tariff to request Necessary Studies of planned modifications to its Customer Facility and to request Provisional Interconnection Service. Any Interconnection Customer with an effective Interconnection Service Agreement that plans to use an existing Customer Facility to serve Eligible Load must provide Transmission Provider and Interconnected Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b).

Tariff, Part VII, Subpart A, section 300
Definitions B

Base Project:

"Base Project" shall mean: (1) a Generating Facility, Customer Facility, or Participant Facility with an executed and effective Generation Interconnection Agreement, Interconnection Service Agreement, or Wholesale Market Participation Agreement that has demonstrated commercial operation; (2) a commercially operational generation resource with a form of Commission-jurisdictional interconnection-related service agreement; or (3) a project with a valid Generation Interconnection Request that has been submitted and is subject to an interconnection study in a Cycle prior to Transition Cycle #2.

Behind The Meter Generation:

"Behind The Meter Generation" shall mean either Retail Behind the Meter Generation or Non-Retail Behind The Meter Generation and refers 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 VII, 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 VII 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 VII, Subpart A, section 300
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 Tariff, Part VII. 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.

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 Generation Interconnection 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 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, 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, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Generation Interconnection Agreement or a Construction 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 VII 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 VII.

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 VII 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 VII, Subpart D, section 307(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:

"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.

Tariff, Part VII, Subpart A, section 300
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, Tariff, Part VII, Subpart A, section 301(A)(7)(c), 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 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 Service Request:

"New Service Request" shall mean an Interconnection Request or a Completed Application.

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 VII, Subpart A, section 300
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 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 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.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer 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 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 identified in 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, 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:

"Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting the Project Developer's Generating Facility, including an Eligible 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 Generation Interconnection Agreement and~~, if applicable, the~~ Tariff, Part VIII, Subpart L, section 439.

Tariff, Part VII, Subpart A, section 301
Transition Introduction

A. Introduction

1. Transition Cycle Overview

Tariff, Part VII sets forth the procedures and other terms governing the Transmission Provider's administration of the transition to the new Cycle-process, including: procedures and other terms regarding studies and other processing of New Service Requests within the Transition Cycle; the nature and timing of the agreements required within the Transition Cycle in connection with the studies and construction of required facilities; and the terms and conditions relating to the rights available to Project Developers and Eligible Customers in the Transition Cycle. For purposes of this Tariff, Part VII, the term Project Developer shall include an Interconnection Customer as defined in Tariff, Part I. The Transition Cycle shall be comprised of two separate Transition Cycles (Transition Cycle No. 1; and Transition Cycle No. 2), and shall include the processing of backlogged New Service Requests received up to and including the AH1 queue.

2. Tariff, Part VII applies to: (1) any project for which the Project Developer, Eligible Customer or Upgrade Customer has submitted a New Service Request between April 1, 2018 and September 30, 2021, and for which, as of the Transition Date, Transmission Provider has not tendered for execution an Interconnection Service Agreement, Wholesale Market Participation Agreement or Upgrade Construction Service Agreement; and (2) RRI Projects.

a. As of the Transition Date, valid AE1-AG1 projects that have not either executed or received for execution a final Interconnection Service Agreement or Wholesale Market Participation Agreement will have to demonstrate readiness pursuant to Tariff, Part VII, Subpart A, section 301(A)(3)(b), in order to move forward in the interconnection transition process.

i. As set forth in Tariff, Part VII, those projects that have demonstrated readiness and met additional eligibility may be able to advance using the Expedited Process.

b. Priority for projects in the Transition Cycle process is determined by the specific Transition Cycle in which a project's valid New Service Request was assigned.

i. Transition Cycle No. 1 will include re-queued AE1, AE2, AF1, AF2 and AG1 projects.

(a) Transition Cycle No. 1 will include: Phase I, Decision Point I, Phase II, Decision Point II, Phase III, Decision Point III, and the Final Agreement Negotiation Phase.

(b) Phase III of Transition Cycle #1 will not start until after all valid projects in the Expedited Process have executed their relevant Generator Interconnection Agreement or Wholesale Market Participation Agreement.

ii. Transition Cycle No. 2 will include re-queued AG2 and AH1 projects.

(a) Transition Cycle No. 2 will include: the Application Review Phase, Phase I, Decision Point I, Phase II, Decision Point II, Phase III, Decision Point III, and the Final Agreement Negotiation Phase.

(b) The Phase I Base Case data release of Transition Cycle No. 2 will not start until after all Transition Cycle No. 1 Decision Point No. II activities have been completed.

(c) Phase II of Transition Cycle No. 2 will not start until after all Transition Cycle No. 1 Decision Point No. III activities have been completed.

(d) Phase III of Transition Cycle No. 2 will not start until after all Transition Cycle No. 1 Final Agreement Negotiation Phase activities have been completed.

3. Required Study Deposits and Readiness Deposits.

a. Study Deposits. Pursuant to Tariff, Part VII, Subpart C, section 306(A)(5), each New Service Request must submit with its Application a Study Deposit, the amount of which will be determined based upon the MWs requested in such Application. Ten percent of the Study Deposit is non-refundable. Project Developer and Eligible Customers are responsible for actual study costs, which may exceed the Study Deposit amount.

i. If any Study Deposit monies remain after all System Impact Studies are completed and any outstanding monies owed by Project Developer or Eligible Customer in connection with outstanding invoices related to the present or prior New Service Requests have been paid, such remaining deposit monies shall be returned to the Project Developer or Eligible Customer at the conclusion of the required studies for the New Service Request.

b. Readiness Deposits. Readiness Deposits are funds committed by the Project Developer or Eligible Customer based upon the MW size of the project and, where applicable, the study results.

i. Readiness Deposits are due at the following Phases of a Cycle:

(a) Readiness Deposit No. 1: Application Submission

(b) Readiness Deposit No. 2: Decision Point I; and

(c) Readiness Deposit No. 3: Decision Point II

ii. 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.

iii. Readiness Deposit refunds will be handled as follows:

(a) 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 VII, Subpart D, section 311(B)(3)(c).

(b) When all Cycle New Service Requests have either entered into final agreements and the Decision Point III Site Control requirements have been met, or have been withdrawn, remaining Readiness Deposit funds will be dispositioned as follows:

(i) 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.

(ii) 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.

(iii) 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.

c. Study Deposits and Readiness Deposits are separate financial obligation, and non-transferrable and cannot be commingled. Under no circumstances may refundable or non-refundable Study Deposit or Readiness Deposit monies for a specific New Service Request be applied in whole or in part to a different New Service Request.

4. 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 VII, Subpart D, sections 309 and 312 and Tariff, Part IX, Subpart C.

5. 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.

6. Prior to entering into a final agreement from Tariff, Part IX, a Project Developer or Eligible Customer may assign its New Service Request to another entity only if the acquiring entity:

   a. 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;

   b. and/or as applicable, accepts, as applicable, the same receipt and delivery points or the same source and sink points as stated in the New Service Request for such project.

7. Additional Interconnection-Related Agreements. In connection with interconnection with the Transmission System pursuant to Tariff, Part VII, Project Developer may be required, or may elect, to enter into one or more of the following interconnection-related agreements:

   a. Cost Responsibility Agreement. A Project Developer with an existing generating facility that is not a party to an interconnection agreement with Transmission Provider and the relevant Transmission Owner, that desires to enter into a GIA with Transmission Provider and Transmission Owner, shall be required to enter into a Cost Responsibility Agreement in the form set forth in Tariff, Part IX, Subpart F. The Cost Responsibility Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform certain modeling, studies or analysis to determine whether the Project Developer may enter into a GIA with Transmission Provider and Transmission Owner.

   b. Engineering and Procurement Agreement. A Project Developer that wishes to advance the implementation of its Interconnection Request during Phase III of a Cycle may enter into an Engineering and Procurement Agreement with Transmission Provider and Transmission Owner, in the form set forth in Tariff, Part IX, Subpart D, to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. An Engineering and Procurement Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades. An Engineering and

Procurement Agreement can only be requested by a Project Developer, and can only be requested in Phase III.

c. Necessary Study Agreement. A Project Developer that has entered into a GIA that plans to undertake modifications pursuant to that GIA to its Generating Facility or Merchant Transmission Facility shall be required to enter into a Necessary Study Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. The Necessary Study Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform the Necessary Study(ies) to determine: (a) the type and scope of the permanent material impact, if any, the change will have on the Transmission System; (b) the additions, modifications, or replacements to the Transmission System required to accommodate the change; and (c) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the change. Any Generation Project Developer with an effective Generation Interconnection 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).

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 refers 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 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.

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 Generation Interconnection 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 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, 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, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Generation Interconnection Agreement or a Construction 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:

"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.

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

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 Studies Agreement.

Eligible Generating Facility:

"Eligible Generating Facility" shall mean a Co-Located Generating Facility or 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 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.

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 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 Service Request:

"New Service Request" shall mean an Interconnection Request or a Completed Application.

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 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 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.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer 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 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 identified in 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, 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:

"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 the~~at~~ Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant to the terms of the 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,

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.

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

A. New Cycle Process

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

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

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

Ten percent of the Study Deposit is non-refundable. Project Developer and Eligible Customers are responsible for actual study costs, which may exceed the Study Deposit amount.

a. If any Study Deposit monies remain after all System Impact Studies are completed and any outstanding monies owed by Project Developer or Eligible Customer in connection with outstanding invoices related to the present or prior New Service Requests have been paid, such remaining deposit monies shall be returned to the Project Developer or Eligible Customer at the conclusion of the required studies for the New Service Request.

2. Readiness Deposits. Readiness Deposits are funds committed by the Project Developer or Eligible Customer based upon the MW size of the project and, where applicable, the study results.

a. Readiness Deposits are due at the following Phases of a Cycle:

i. Readiness Deposit No. 1: Application Submission

ii. Readiness Deposit No. 2: Decision Point I; and

iii. Readiness Deposit No. 3: Decision Point II

b. Readiness Deposits No. 2 and/or No. 3 may equal an amount equal to or greater than zero, but may never be a negative dollar amount.

c. Readiness Deposit refunds will be handled as follows:

i. If the project is withdrawn or terminated, the Readiness Deposit refunds for the project will be determined by the study phase at which the project was withdrawn or terminated, and adverse study results tests, as set forth below in Tariff, Part VIII, Subpart C, section 408(B)(3)(c).

ii. When all Cycle New Service Requests have either entered into final agreements and met the Decision Point III Site Control requirements, or have withdrawn, remaining Readiness Deposit funds will be dispositioned as follows:

(a) Transmission Provider will incorporate all project withdraws and retool analysis results to provide a final determination on the Network Upgrades that are required for the Cycle.

(b) Underfunded Network Upgrades will be identified as those where one or more withdrawn New Service Requests that were identified as having a cost allocation in the Phase III analysis results. In the event that there are no underfunded Network Upgrades, all Readiness Deposits will be refunded.

(c) Readiness Deposits will be applied to underfunded Network Upgrades on a pro-rata share of funds missing from the Phase III cost allocation. In the event that all underfunded Network Upgrades are made whole relative to the withdrawn New Service Requests, remaining Readiness Deposits will be refunded on a pro-rata share.

3. Study Deposits and Readiness Deposits are separate financial obligation, and non-transferrable and cannot be commingled. Under no circumstances may refundable or non-refundable Study Deposit or Readiness Deposit monies for a specific New Service Request be applied in whole or in part to a different New Service Request.

E. If Project Developer is proposing a Generating Facility that will physically connect to non-jurisdictional distribution or sub-transmission facilities for the purpose of engaging in wholesale sales in the PJM markets, such Project Developer must provide additional required information and documentation associated with the non-jurisdictional arrangements, as set forth in Tariff, Part VIII, Subpart C, sections 406 and 410 and Tariff, Part IX, Subpart F.

F. A Project Developer or Eligible Customer cannot combine, swap or exchange all or part of a New Service Request with any other New Service Request within the same or a different Cycle.

G. Prior to entering into a final agreement from Tariff, Part IX, a Project Developer or Eligible Customer may assign its New Service Request to another entity only if the acquiring entity:

1. as applicable, accepts and acquires the rights to the same Point of Interconnection and Point of Change of Ownership as identified in the New Service Request for such project; and/or

2. as applicable, accepts, the same receipt and delivery points or the same source and sink points as stated in the New Service Request for such project.

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:

1~~a~~. Cost Responsibility Agreement. A Project Developer with an existing generating facility that is not a party to an interconnection agreement with Transmission Provider and the relevant Transmission Owner, that desires to enter into a GIA with Transmission Provider and Transmission Owner, shall be required to enter into a Cost Responsibility Agreement in the form set forth in Tariff, Part IX, Subpart F. The Cost Responsibility Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform certain modeling, studies or analysis to

determine whether the Project Developer may enter into a GIA with Transmission Provider and Transmission Owner.

2b. Engineering and Procurement Agreement. A Project Developer that wishes to advance the implementation of its Interconnection Request during Phase III of a Cycle may enter into an Engineering and Procurement Agreement with Transmission Provider and Transmission Owner, in the form set forth in Tariff, Part IX, Subpart D, to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. An Engineering and Procurement Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades. An Engineering and Procurement Agreement can only be requested by a Project Developer, and can only be requested in Phase III.

3c. Necessary Studiesy Agreement.

a. A Project Developer that has entered into a Generation Interconnection Agreement GIA that plans to undertake modifications pursuant to that Generation Interconnection AgreementGIA 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 Studyies Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. The Necessary Studyies 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 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 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.

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 B, section 403
Application Rules

A. Application Submission

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

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

1. Generation Interconnection Request Requirements

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

a. Provide all Applicant information required in the Application, including parent company information and banking and wire transfer information.

b. Specify the location of the proposed Point of Interconnection to the Transmission System, including the substation name or the name of the line to be tapped (including the voltage), the estimated distance from the substation endpoints of a line tap, address, and GPS coordinates.

c. Provide information about the Generating Facility project, including whether it is (1) a proposed new Generating Facility, (2) an increase in

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

d. Indicate the type of Interconnection Service requested, whether (1) Energy Resource only or (2) Capacity Resource (includes Energy Resource) with Capacity Interconnection Rights.

e. Specify the project location and provide a detailed site plan.

f. Submit required evidence of Generating Facility Site Control (including the location of the main step-up transformer), including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.

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

h. Submit required information and documentation if the Generating Facility will share Applicant's Interconnection Facilities with another Generating Facility.

i. For a new Generating Facility, specify requested Maximum Facility Output and Capacity Interconnection Rights.

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

k. Provide a detailed description of the equipment configuration and electrical design specifications for the Generating Facility.

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

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

n. If the Generating Facility will include a storage component, provide detailed information about (1) whether and how the storage device(s) will charge using energy from the Transmission System, (2) the primary frequency response operating range for the storage device(s), (3) the MWh stockpile, and (4) the hour class, as applicable.

o. Specify the proposed date that the project or uprate associated with the Application will be in service.

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

q. Indicate the level of Interconnection Service requested, including whether Project Developer requests Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve 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) merchant A.C., (2) Merchant D.C. Transmission Facilities, or (3) Controllable A.C. Merchant Transmission Facilities.

g. If Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities, specify whether Applicant elects to receive (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR) or (2) Incremental Delivery Rights, Incremental Auction Revenue Rights, and/or Incremental Capacity Transfer Rights.

    i. If Applicant elects to receive TIRs or TWRs, specify (1) total project MWs to be evaluated as Firm (capacity) injection for TIR; (2) total project MWs to be evaluated as Non-firm (energy) injection for TIR; (3) total project MWs to be evaluated as Firm (capacity) withdrawal for TWR; and (4) total project MWs to be evaluated as Non-firm (energy) withdrawal for TWR.

    ii. If Applicant elects to receive Incremental Delivery Rights, specify the location on the Transmission System where it proposes to receive Incremental Delivery Rights associated with its proposed facilities.

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

i. Specify the site where Applicant intends to install its major equipment, and provide a detailed site plan.

j. Submit required evidence of Site Control for the major equipment, including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.

k. Provide evidence acceptable to Transmission Provider that Applicant has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting, as applicable. Applicant shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Applicant fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

5. Additional Requirements Applicable to All Applications

a. Study Deposit: For Transmission Provider to consider an Application complete, Transmission Provider must receive from the Applicant the required Study Deposit by wire transfer, the amount of which is based on the size of the project as described below. Applicant's wire transfer must specify the Application reference number to which the Study Deposit corresponds, or Transmission Provider will not review or process the Application.

i. Ten percent of the Study Deposit is non-refundable. If Applicant withdraws its New Service Request, or the New Service Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request;

(b) Any restudies required as a result of the rejection, termination, and/or withdrawal of such New Service Request; and/or

(c) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

ii. Ninety percent of the Study Deposit is refundable, and Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Application review;

(b) The dollar amount of Applicant's cost responsibility for the System Impact Study; and

(c) If the New Service Request is modified, rejected, terminated, and/or withdrawn, refundable deposit money shall be applied to cover all of the costs incurred by Transmission Provider up to the point of the New Service Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification, rejection, termination, and/or withdrawal of the New Service Request;

(ii) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request; and/or

(iii) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to Applicant in accordance with the PJM Manuals.

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

(a) Applicant is responsible for, and must pay, all actual study costs.

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

iv. The Study Deposit shall be calculated as follows, based on the number of MW energy (e.g., Maximum Facility Output) or MW capacity (e.g., Capacity Interconnection Rights), whichever is greater:

(a) Up to 20 MW: $75,000;

(b) Over 20 MW up to 50 MW: $200,000;

(c) Over 50 MW up to 100 MW: $250,000;

(d) Over 100 MW up to 250 MW: $300,000;

(e) Over 250 MW up to 750 MW: $350,000; and

(f) Over 750 MW: $400,000.

b. Readiness Deposit: For Transmission Provider to consider an Application complete, Applicant must submit to Transmission Provider the required Readiness Deposit by wire transfer or letter of credit. Applicant's wire transfer or letter of credit must specify the Application reference number to which the Readiness Deposit corresponds, or Transmission Provider will not review or process the Application. Readiness Deposit No. 1 shall be an amount equal to $4,000 per MW energy (e.g., Maximum Facility Output) or per MW capacity (e.g., Capacity Interconnection Rights), whichever is greater, as specified in the Application.

B. Application Review Phase

1. After the close of the Application Deadline, Transmission Provider will begin the Application Review Phase, wherein Transmission Provider reviews Applications received from Project Developers for completeness and then establishes the validity of such submitted Applications, beginning with a deficiency review, as follows:

a. Transmission Provider will exercise Reasonable Efforts to inform Applicant of Application deficiencies within 15 Business Days after the Application Deadline.

b. Applicant then has 10 Business Days to respond to Transmission Provider's deficiency determination.

c. Transmission Provider then will exercise Reasonable Efforts to review Applicant's response within 15 Business Days, and then will either validate or reject the Application.

2. After the close of the Application Deadline, Transmission Provider will begin the Application Review Phase, wherein Transmission Provider reviews Applications received from Eligible Customers for completeness and then establishes the validity of such submitted Applications.

3. Transmission Provider will only review an Application during the Application Review Phase following the Application Deadline for which the Application was submitted and deemed complete, which will extend for 90 days or the amount of time it takes to complete all Application review activities for the relevant Cycle, whichever is greater.

4. During the Application Review Phase, and at least 30 days prior to initiating Phase I of the Cycle, Transmission Provider will post the Phase I Base Case data for review, subject to CEII protocols.

5. In the case of an Application for a Generating Facility, the Application Review Phase will include a Site Control review for the Generating Facility. Specifically, Applicant shall provide Site Control evidence, as set forth in Tariff, Part VIII, Subpart A, section 402, for at least a one-year term beginning from the Application Deadline, for 100 percent of the Generating Facility Site including the location of the high-voltage side of the Generating Facility's main power transformer(s). In addition, Applicant shall provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further, at Transmission Provider's request, Applicant shall provide copies of landowner attestations or county recordings. The Site Control requirement in the Application includes an acreage requirement for the Generating Facility, as set forth in the PJM Manuals.

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

representative of Applicant, verifying that the Site Control requirement is met. Further, at Transmission Provider's request, Applicant shall provide copies of landowner attestations or county recordings.

C. Scoping Meetings

1. During the Application Review Phase, Transmission Provider may hold a single, or several, scoping meetings for projects in each Transmission Owner zone, which are optional and may be waived by Applicants or Transmission Owner.

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

D. Other Requirements

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

2. When an Application results in a valid New Service Request, Transmission Provider shall confirm the assigned Project Identifier to the New Service Request, in accordance with Tariff, Part VIII, Subpart E, section 412. Applicant and Transmission Provider shall reference the Project Identifier in all correspondence, submissions, wire transfers, documents, and other materials relating to the New Service Request.

Tariff, Part VIII, Subpart C, section 404
Introduction

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

1. Introduction

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

a. Phase I System Impact Study

b. Decision Point I

c. Phase II System Impact Study

d. Decision Point II

e. Phase III System Impact Study

f. Decision Point III.

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

2. Overview of System Impact Studies

a. The Phase I, Phase II and Phase III System Impact Studies are a regional analysis of the effect of adding to the Transmission System the new facilities and services proposed by valid New Service Requests and an evaluation of their impact on deliverability to the aggregate of PJM Network Load.

i. These studies identify the system constraints, identified with specificity by transmission element or flowgate, relating to the New Service Requests included therein and any resulting Interconnection Facilities, Network Upgrades, and/or Contingent Facilities required to accommodate such New Service Requests.

ii. These studies provide estimates of cost responsibility and construction lead times for new facilities required to interconnect the project and system upgrades.

iii. Transmission Provider, in its sole discretion, can aggregate multiple New Service Requests at the same Point of Interconnection for purposes of Phase I, Phase II and Phase III System Impact Studies.

iv. The scope of the studies may include (a) an assessment of sub-area import deliverability, (b) an assessment of sub-area export deliverability, (c) an assessment of project related system stability issues (only occurs in Phase II and Phase III); (d) an assessment of project-related short circuit duty issues (only occurs in Phase II and Phase III), (e) a contingency analysis consistent with NERC's and each Applicable Regional Entity's reliability criteria and the transmission planning criteria, methods and procedures described in the "FERC Form No. 715 - Annual Transmission Planning and Evaluation Report" for each Applicable Regional Entity, (f) an assessment of regional transmission upgrades that most effectively meet identified needs, and (g) an analysis to determine cost allocation responsibility for required facilities and upgrades.

v. For purposes of determining necessary Interconnection Facilities and Network Upgrades, these studies shall consider the level of service requested in the New Service Request, including Project Developer requests for Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve 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 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.

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

A. Requirements

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

1. For a New Service Request to remain in the Cycle, it must either proceed as set forth immediately below, or, if Transmission Provider determines a New Service Request qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX), such New Service Request must meet the requirements set forth below in Tariff, Part VIII, Subpart C, section 406(A)(2).

    a. For a New Service Request that is not otherwise eligible to accelerate to a final interconnection related agreement (from Tariff, Part IX) to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point I:

        i. The applicable Readiness Deposit No. 2

            (a) The Decision Point I Readiness Deposit No. 2 is to be paid cumulatively, i.e., in addition to the Readiness Deposit No. 1 that was submitted with the New Service Request at the Application Phase. The Decision Point I Readiness Deposit No. 2 will be calculated by the Transmission Provider during Phase I, and shall not be reduced or refunded based upon subsequent New Service Request modifications or cost allocation changes.

            (b) At Decision Point I, the Readiness Deposit No. 2 required shall be an amount equal to:

                (i) the greater of (i) 10 percent of the cost allocation for the Network Upgrades as calculated in Phase I or (ii) the Readiness Deposit No. 1 paid by the Project Developer with its New Service Request during the Application Phase; minus
                (ii) the Readiness Deposit No. 1 amount paid by the Project Developer with its New Service Request during the Application Phase

(c) The Readiness Deposit No. 2 amount due can be zero, but cannot be a negative number (i.e., there will not be any refunded amounts associated with Readiness Deposit No. 2).

b. Project Developers must provide evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

i. Generating Facility or Merchant Transmission Facility Site Control evidence for an additional one-year term beginning from last day of the relevant Cycle, Phase I.

(a) Such Site Control evidence shall continue to cover 100 percent of the Generating Facility or Merchant Transmission Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s). Any modifications to Site Control must adhere to Tariff, Part VIII, Subpart C, section 406(B)(5) (Generating Facility or Merchant Transmission Facility Site Changes).

(b) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a one-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 50 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.

(c) If applicable, Interconnection Switchyard Site Control evidence for a one-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 50 percent of the acreage required for the identified required Interconnection Switchyard facilities associated with a New Service Request.

c. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is

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

d. Evidence of air and water permits (if applicable)

e. For state-level, non-jurisdictional interconnection projects, evidence of participation in the state-level interconnection process with the applicable entity.

f. Submission of New Service Request data for Phase II System Impact Study.

g. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 406(A)(1)(a) through (f) above, before the close of the Decision Point I Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.

h. If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 406(A)(1)(a) through (f) above, then, at the close of the Decision Point I, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 406(A)(1)(b) through (e) above, as follows:

    i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

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

    iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or include the New Service Request in Phase II.

iv. Transmission Provider's review of the above required elements may run co-extensively with Phase II.

2. Acceleration at Decision Point I. Only New Service Requests that have no cost allocation for Network Upgrades and do not require further studies are eligible for acceleration. New Service Requests eligible for acceleration include a request from a Project Developer seeking to build a new Generating Facility or to increase the generation capability of an existing Generating Facility to serve 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 agreement with respect to its New Service Request

iii. Project Developer must provide evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

(a) Generating Facility or Merchant Transmission Facility Site Control evidence for an additional three-year term beginning from last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall be identical to the Generating Facility or Merchant Transmission Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

(b) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 100 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.

(c) If applicable, Interconnection Switchyard Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 100 percent of the acreage required identified required Interconnection Switchyard associated with a New Service Request.

iv. If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above, then Project Developer must provide evidence acceptable to Transmission Provider demonstrating that Project Developer is in negotiations with appropriate entities to meet the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above.

(a) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.

(1) Such condition precedent shall not be extended under any circumstances for any reason.

b. Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.

c. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle.

d. For a non-jurisdictional project, evidence of a fully executed state level interconnection agreement with the applicable entity.

e. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above (noting the exception provided for Site Control), before the close of the Decision Point I Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.

f. If Project Developer or Eligible Customer subject to Acceleration at Decision Point I submits all elements in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above, then, at the close of the Decision Point I, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above, as follows:

    i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

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

iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or proceed to a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.

3. For a New Service Request for a non-jurisdictional project that qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX) but which has not yet secured a fully executed state level interconnection agreement with the applicable entity before the close of Decision Point I to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements, before the close of Decision Point III:

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

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

c. Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402 and is also in accordance with the following additional specifications:

i. Generating Facility Site Control evidence is required to be maintained for an additional term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(a) Such Site Control evidence shall be identical to the Generating Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

ii. Interconnection Facilities (to the Point of Interconnection) Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(a) Such Site Control evidence shall cover 100 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.

iii. If applicable, Interconnection Switchyard Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(a) Such Site Control evidence shall cover 100 percent of the acreage required for the identified required Interconnection Switchyard associated with a New Service Request.

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

(i) Such condition precedent shall not be extended under any circumstances for any reason.

d. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle

e. Evidence of a fully executed state level Interconnection Agreement with the applicable entity

f. Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.

g. If Project Developer fails to submit all of the criteria in Tariff, Part VIII, section 406(A)(3)(a) through (f) above (noting the exception provided for Site Control), before the close of the Decision Point III Phase, Project Developer's New Service Request shall be deemed terminated and withdrawn.

h. When Project Developer meets all of the requirements above, then, at the point at which the last required piece of evidence as set forth in Tariff, Part VIII, section 406(A)(3)(a) through (f) above was submitted, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, section 406(A)(3)(a) through (f) above, as follows:

i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer of deficiencies within 10 Business Days after the close of Decision Point I.

ii. Project Developer then has five Business Days to respond to Transmission Provider's deficiency determination.

iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or proceed to a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.

4. New Service Request Withdraw or Termination at Decision Point I

a. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point I. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point I, the Transmission Provider must receive before the close of the Decision Point I Phase written notification from the Project Developer or Eligible Customer of Project Developer's or Eligible Customer's decision to withdraw its New Service Request.

b. Transmission Provider may deem a New Service Request terminated and withdrawn for failing to meet any of the Decision Point I requirements, as set forth in this Tariff, Part VIII, Subpart C, section 406.

c. If a New Service Request is either withdrawn or deemed terminated and withdrawn, it will be removed from the relevant Cycle, and Readiness Deposits and Study Deposits will be disbursed as follows:

i. For Readiness Deposits:

(a) At the conclusion of Transmission Provider's deficiency review for Decision Point I or upon voluntary withdrawal of a New Service Request, refund to the Project Developer

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

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

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

B. New Service Request Modification Requests at Decision Point I

1. Project Developer or Eligible Customer may not request a modification that is not expressly allowed. To the extent Project Developer or Eligible Customer desires a modification that is not expressly allowed, Project Developer or Eligible Customer must withdraw its New Service Request and resubmit the New Service Request with the proposed modification in a subsequent Cycle.

2. Reductions in Maximum Facility Output and/or Capacity Interconnection Rights. Project Developer may reduce the previously requested New Service Request Maximum Facility Output and/or Capacity Interconnection Rights values, up to 100 percent of the requested amount

3. Fuel Changes. The fuel type specified in the New Service Request may not be changed or modified in any way for any reason, except that for New Service Requests that involve multiple fuel types, removal of a fuel type through these reduction rules will not constitute a fuel type change.

4. Point of Interconnection.

a. The Point of Interconnection must be finalized before the close of the Decision Point I Phase.

i. Project Developer may only move the location of the Point of Interconnection 1) along the same segment of transmission line, as defined by the two electrical nodes located on the transmission line as modeled in the Phase I Base Case Data, or 2) move the location of the Point of Interconnection to a different breaker position

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

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

5. Generating Facility or Merchant Transmission Facility Site Changes

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

a. The initial Site and the proposed Site are adjacent parcels or evidence of easements between locations is provided; and

b. Such Site Control is subject to the verification procedures set forth in Tariff, Subpart C, sections 406(A)(1) and 406(A)(3).

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

6. Equipment Changes

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

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

A. Requirements

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

1. For a New Service Request to remain in the Cycle, it must either proceed as set forth immediately below, or, if Transmission Provider determines a New Service Request qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX), such new Service Request must meet the requirements set forth below in Tariff, Part VIII, Subpart C, section 408(A)(2)(d).

    a. For a New Service Request that is not otherwise eligible to accelerate to a final interconnection related agreement (from Tariff, Part IX) to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point II:

    b. The applicable Readiness Deposit No. 3

        i. The Decision Point II Readiness Deposit No. 3 to be paid cumulatively, i.e., in addition to the Readiness Deposit No. 1 that was submitted with the New Service Request at the Application Phase, and the Readiness Deposit No. 2 that was submitted at Decision Point I. The Decision Point II Readiness Deposit No. 3 will be calculated by the Transmission Provider during Phase II, and shall not be reduced or refunded based upon subsequent New Service Request modifications or cost allocation changes.

        ii. The Decision Point II Readiness Deposit No. 3 required amount shall be an amount equal to the greater of:

            (a) (i) 20 percent of the cost allocation for the Network Upgrades as calculated in Phase II or (ii) the Readiness Deposit No. 1 paid by the Project Developer or Eligible Customer with its New Service Request during the Application Phase plus the Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer with its New Service Request during Decision Point I; minus

(b) the Readiness Deposit No. 1 amount paid by the Project Developer with its New Service Request during the Application Phase, plus the Readiness Deposit No. 2 amount paid by the Project Developer or Eligible Customer with its New Service Request during Decision Point I.

iii. The Readiness Deposit No. 3 amount due can be zero, but cannot be a negative number (i.e., there will not be any refunded amounts associated with Readiness Deposit No. 3).

c. Notification in writing that Project Developer or Eligible Customer elects to exercise the Option to Build for Stand Alone Network Upgrades identified with respect to its New Service Request.

d. Evidence of Site Control. There are no Site Control evidentiary requirements at Decision Point II.

e. Evidence of air and water permits (if applicable).

f. For state-level, non-jurisdictional interconnection projects, evidence of participation in the state-level interconnection process with the applicable entity.

g. Submission of New Service Request data required for Phase III System Impact Study.

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 with respect to its New Service Request

(c) Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

(i) Generating Facility or Merchant Transmission Facility Site Control evidence for an additional three-year term beginning from last day of the relevant Cycle, Phase II.

(1) Such Site Control evidence shall be identical to the Generating Facility or Merchant Transmission Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

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

(1) Such Site Control evidence shall cover 100 percent of the linear distance for identified required Interconnection Facilities associated with a New Service Request.

(iii) If applicable, Interconnection Switchyard Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase II.

(1) Such Site Control evidence shall cover 100 percent of the acreage required for the identified required Interconnection

Switchyard associated with a New Service Request.

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

i. If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(c)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.

(a) Such condition precedent shall not be extended under any circumstances for any reason.

(b) Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.

(c) For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain

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

(d) For a non-jurisdictional project, evidence of a fully executed state level interconnection agreement with the applicable entity.

(e) If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above (noting the exception provided for Site Control), before the close of Decision Point II, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.

(f) If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above, then, at the close of the Decision Point II, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above, as follows:

(i) Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

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

(iii) Transmission Provider then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or proceed to a final

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

(g) For a New Service Request for a non-jurisdictional project that qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX) but which has not yet secured a fully executed state level interconnection agreement with the applicable entity before the close of Decision Point II to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements, before the close of Decision Point III:

(h) Security. Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase II System Impact Study Results.

(i) Notification in writing that Project Developer elects to proceed to a final agreement with respect to its New Service Request

(j) Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

(i) Generating Facility Site Control evidence is required to be maintained for an additional term beginning from last day of the relevant Cycle, Phase II that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(1) Such Site Control evidence shall be identical to the Generating Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the

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

(ii) Interconnection Facilities (to the Point of Interconnection) Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase II that extends through the full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(1) Such Site Control evidence shall cover 100% percent of linear distance for the identified required Interconnection Facilities associated with a New Service Request.

(iii) If applicable, Interconnection Switchyard Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase II that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(1) Such Site Control evidence shall cover 100 percent of acreage required for the identified required Interconnection Switchyard associated with a New Service Request.

(iv) ~~PJM~~Transmission Provider may request evidence of the required Site Control at any point beginning from last day of the relevant Cycle, Phase II through a date that extends three years beyond the full execution date of the relevant state level interconnection agreement with the applicable entity

(v) If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part

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

(1) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 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

1. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point II. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point II, the Transmission Provider must receive before the close of the Decision Point II Phase written notification from the Project Developer or Eligible Customer of Project Developer's or Eligible Customer's decision to withdraw its New Service Request.

2. Transmission Provider may deem a New Service Request terminated and withdrawn for failing to meet any of the Decision Point II requirements, as set forth in this Tariff, Part VIII, Subpart C, section 408.

3. If a New Service Request is either withdrawn or deemed terminated and withdrawn, it will be removed from the relevant Cycle, and Readiness Deposits and Study Deposits will be disbursed as follows:

   a. For Readiness Deposits:

      i. At the conclusion of Transmission Provider's deficiency review for Decision Point II, refund to Project Developer or Eligible Customer 100 percent of Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer during Decision Point I;

      ii. At the conclusion of the Cycle, refund to Project Developer or Eligible Customer up to 100 percent of Readiness Deposit No. 1 pursuant to Tariff, Part VIII, Subpart A, section 401(D)(2)(c).

   b. For Study Deposits:

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

c. Adverse Study Impact Calculation. Notwithstanding the refund provisions in Tariff, Part VIII, Subpart C, section 408(B)(3)(a) and (b)(i), Transmission Provider shall refund to Project Developer or Eligible Customer the cumulative Readiness Deposit amounts paid by Project Developer or Eligible Customer at the Application Phase and at the Decision Point I Phase if the Project Developer's Network Upgrade cost from Phase I to Phase II:

i. increases overall by 25 percent or more; and

ii. increases by more than $10,000 per MW.

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

4. New Service Request Modification Requests at Decision Point II

a. Project Developer or Eligible Customer may not request a modification that is not expressly allowed. To the extent Project Developer or Eligible Customer desires a modification that is not expressly allowed, Project Developer or Eligible Customer must withdraw its New Service Request and resubmit the New Service Request with the proposed modification in a subsequent Cycle.

b. Reductions in Maximum Facility Output and/or Capacity Interconnection Rights. Project Developer may reduce the previously requested New Service Request Maximum Facility Output and/or Capacity Interconnection Rights values, up to 10 percent of the values studied in Phase II.

c. Fuel Changes. The fuel type specified in the New Service Request may not be changed or modified in any way for any reason, except that for New Service Requests that involve multiple fuel types, removal of a fuel type through these reduction rules will not constitute a fuel type change.

d. Point of Interconnection. The Point of Interconnection may not be changed or modified in any way for any reason at this point in the Cycle process.

e. Generating Facility or Merchant Transmission Facility Site Changes. Project Developer may pursue changes during this time, however, demonstration of Site Control is not required during Decision Point II. Any changes made to Site Control during Decision Point II will be subject to and evaluated consistent with the modification requirements at Decision Point III.

f. Equipment Changes

During Decision Point II, Project Developer is limited to modifying its New Service Request to Permissible Technological Advancement changes only. Project Developer shall submit machine modeling data as specified in the PJM Manuals associated with the Permissible Technological Advancement before the close of Decision Point II.

Tariff, Part VIII, Subpart E, 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 Generator Interconnection Agreement be filed unexecuted in accordance.

3. If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study.

4. Deactivation of Existing Generating Facility

   a. Surplus Interconnection Service cannot be offered if the existing Generating Facility from which Surplus Interconnection is provided is

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

b. Limited Operation. A Generating Facility receiving Surplus Interconnection Service may continue to receive Surplus Interconnection Service for a period not to exceed one year after the existing Generating Facility's Deactivation Date under the following conditions:

i. The surplus generating unit must have been studied by the Transmission Provider for the sole operation at the Point of Interconnection; and

ii. The owner of the existing Generating Facility must agree in writing that the Surplus Project Developer may continue to operate at either its limited share of the existing Generating Facility's capability under its Interconnection Service Agreement or ~~Generator~~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 Generator Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or Generator Interconnection Agreement terms of termination for a deactivated Generating Facility.

Tariff, Part VIII, Subpart 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, sections ~~437~~ 440 – 499
[Reserved]

Tariff, Part IX, Subpart G

FORM OF
NECESSARY STUDIES AGREEMENT

Service Agreement No. [ ]

(Project Identifier #___)(Queue #___)

NECESSARY STUDIES AGREEMENT
By And Among
PJM INTERCONNECTION, L.L.C.
And
_____

Service Agreement No. [ ]

Necessary Studies Agreement
By and Among
PJM Interconnection, L.L.C.
and

_____

(Project Identifier #___)(Queue #___)

RECITALS

1. This Necessary Studies Agreement ("NSA") entered into by and between _____ ("Project Developer"/"Interconnection Customer") and PJM Interconnection, L.L.C. ("PJM" or "Transmission Provider") (individually, a "Party" and together, the "Parties") is effective as of the date this NSA is fully executed by the Parties, subject to any necessary regulatory acceptance ("Effective Date"). Capitalized terms used in this NSA, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Open Access Transmission Tariff ("Tariff"), or Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"). For purposes of this NSA, the terms "Generation Interconnection Procedures" or "GIP" will refer to the interconnection procedures set forth in {Instructions: use Tariff, Part VI if this is an Interconnection Service Agreement, use Tariff, Part VII if this is a transition period agreement, use Part VIII if this is a new rules period agreement}.

2. Consistent with the GIP, and pursuant to that certain [Generation Interconnection Agreement/Interconnection Service Agreement] related to [PJM Project Identifier # _____/Queue #_____], designated as [Original, First Revised, etc.] Service Agreement No. ____, with an effective date of [Date] [and filed with the Federal Energy Regulatory Commission ("FERC") in Docket No. _____] [which was a conforming agreement reported to the Federal Energy Regulatory Commission ("FERC") in PJM's Electric Quarterly Reports] (the "Service Agreement"), [Project Developer/Interconnection Customer] has notified the Interconnection Parties that it plans to undertake modifications to its Customer Facility, Generating Facility or Merchant Transmission Facility and/or any associated Interconnection Facilities, located at _____ that, upon completion, reasonably may have a material impact on the Transmission System or would constitute a Material Modification ("Planned Modifications").

   Subject to this NSA, sections 4 through 14, [Project Developer/Interconnection Customer] shall provide sufficient information regarding the Planned Modifications, including but not limited to relevant data, drawings, models, plans, and specifications, to enable Transmission Provider to evaluate the impact, if any, on the Transmission System of the Planned Modifications. The Planned Modifications consist of

_____. This NSA, Attachment 1 contains a detailed description of the Planned Modifications.

3. [Project Developer/Interconnection Customer] represents and warrants that the information provided in section 2 above is accurate and complete as of the Effective Date.

4. The obligation(s) of Transmission Provider are conditioned on receipt from [Project Developer/Interconnection Customer] of all required information regarding the Planned Modifications within 30 days of the Effective Date. [Project Developer/Interconnection Customer] is obligated to update the data following any requests from PJM. If [Project Developer/Interconnection Customer] does not provide all required information regarding the Planned Modifications within 30 days of the Effective Date, this NSA shall be null and void and any and all obligations on the part of Transmission Provider shall cease.

PURPOSE OF THE NECESSARY STUDIES UNDER THIS NSA

5. Consistent with [Tariff, Part IX, Subpart B, Appendix 2, section 3,/Tariff, Attachment O, Appendix 2, section 3] and the Service Agreement, Transmission Provider agrees to conduct the necessary studies to determine whether the Planned Modifications 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 ("Necessary Studies"). The Necessary Studies are expected to include, but are not limited to, a _____. Upon completion of the Necessary Studies, Transmission Provider shall provide [Project Developer/Interconnection Customer] with preliminary determinations of: (i) the type and scope of the permanent material impact, if any, the Planned Modifications will have on the Transmission System; (ii) the additions, modifications, or replacements to the Transmission System required to accommodate the Planned Modifications; and (iii) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the Planned Modifications. In the event that Transmission Provider is unable to complete the Necessary Studies within 270 days of the date the Transmission Provider approves the dynamic model and data submitted by the [Project Developer/Interconnection Customer] and Transmission Provider's receipt of the information required under this NSA, section 3, Transmission Provider shall notify [Project Developer/Interconnection Customer] and explain the reasons for the delay.

CONFIDENTIALITY

6. Subject to section 7 below, information provided pursuant to this NSA that is Confidential Information as defined by the Tariff, and to the extent consistent with PJM's confidentiality obligations in Operating Agreement, section 18.17, shall be and remain confidential. To the extent Transmission Provider contracts with consultants or with one or more Transmission Owner(s) for services or expertise in the preparation of the

Necessary Studies, the consultants and/or Transmission Owner(s) shall keep all information provided by [Project Developer/Interconnection Customer] confidential and shall use such information solely for the purpose of the study for which it was provided and for no other purpose.

7. [Project Developer/Interconnection Customer] acknowledges that, consistent with the GIP, Transmission Provider may contract with consultants, including Transmission Owner(s), to provide services or expertise in the study process and that Transmission Provider may disseminate information to Transmission Owner(s).

8. During the longer of the terms of this NSA or the Service Agreement, and for a period of three years after the expiration or termination thereof, and except as otherwise provided herein, each Party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by the other Party.

9. 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 NSA, the Tariff, or the Operating Agreement; or (vi) is required, in accordance with this NSA, 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 this NSA. Information designated as Confidential Information shall no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

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

11. 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 the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

12. 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 Party under this NSA or the Tariff.

13. 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 the GIP or any applicable agreement entered into pursuant to the GIP. 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 that, 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.

14. Notwithstanding anything in this NSA to the contrary, and pursuant to 18 C.F.R. § 1b.20, if the FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this NSA or the Service Agreement, 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. The providing Party is prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The providing Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

COST RESPONSIBILITY

15. [Project Developer/Interconnection Customer] shall provide to Transmission Provider, as of the Effective Date, an initial deposit of $25,000 for the performance of the Necessary Studies. Transmission Provider's good faith estimate for the time of completion of the Necessary Studies is within 270 days of the date Transmission Provider approves the dynamic model and data submitted by [Project Developer/Interconnection Customer], and Transmission Provider's receipt of the information under this NSA, section 3.

    a. If [Project Developer/Interconnection Customer] fails to submit an initial deposit of $25,000 for the performance of the Necessary Studies, this NSA shall be deemed to be terminated and withdrawn effective as of the end of the next Business Day after the date by which the initial deposit was due to be paid to Transmission Provider.

b. If any additional study costs beyond the initial deposit of $25,000 are anticipated, then, prior to conducting any of the Necessary Studies, Transmission Provider shall provide an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by Transmission Provider. Regardless of whether Transmission Provider provides [Project Developer/Interconnection Customer] with estimated additional studies, [Project Developer/Interconnection Customer] is responsible for and must pay all actual study costs.

i. If Transmission Provider sends notification to [Project Developer/Interconnection Customer] of estimated additional study costs, then [Project Developer/Interconnection Customer] must either:

(a) Withdraw the request for the Necessary Studies; or

(b) Pay all estimated additional study costs within 10 days of such estimate being sent to [Project Developer/Interconnection Customer] by Transmission Provider.

ii. If [Project Developer/Interconnection Customer] fails to complete either section 15(b)(i)(a) or section 15(b)(i)(b), above, this NSA shall be deemed to be terminated and withdrawn effective as of the end of the next Business Day after the date by which the additional study costs were due to be paid to Transmission Provider.

c. Within 120 days after Transmission Provider completes and delivers the Necessary Studies, Transmission Provider shall provide a final invoice that will include an accounting of the actual costs incurred in performing the Necessary Studies ("Final Invoice"). Within 20 days of receiving the Final Invoice, [Project Developer/Interconnection Customer] shall make any payment due to Transmission Provider. If [Project Developer/Interconnection Customer] withdraws its Necessary Studies request and terminates this NSA prior to the completion of the Necessary Studies or analysis work, [Project Developer/Interconnection Customer] agrees to pay Transmission Provider actual costs of the modeling, studies, or analysis performed up until the time of such request to withdraw and terminate.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

16. In analyzing and preparing the Necessary Studies, Transmission Provider, Transmission Owner(s), and any other subcontractors employed by Transmission Provider shall have to rely on information provided by [Project Developer/Interconnection Customer] and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, TRANSMISSION OWNER(S),

NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE NECESSARY STUDIES. [Project Developer/Interconnection Customer] acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this NSA nor the Necessary Studies performed hereunder are intended, nor shall either be interpreted, to constitute agreement by Transmission Provider or Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of [Project Developer/Interconnection Customer] either at this point in time or in the future.

17. In no event will Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this NSA or otherwise, even if Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider be liable for any delay in delivery of, or of the non-performance or delay in performance of, Transmission Provider's obligations under this NSA. Without limitation of the foregoing, [Project Developer/Interconnection Customer] further agrees that Transmission Owner(s) and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Necessary Studies shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

18. Any notice, demand, or request required or permitted to be given by any Party to another and any instrument required or permitted to be tendered or delivered by any Party in writing to another may be so given, tendered, or delivered electronically, or by recognized national courier or by depositing the same with the United States Postal Service, with postage prepaid for delivery by certified or registered mail addressed to the Party, or by personal delivery to the Party, at the address specified below.

Transmission Provider

PJM Interconnection, L.L.C.
2750 Monroe Blvd. Audubon, PA 19403-
2497
interconnectionagreementnotices@pjm.com

[Project Developer/Interconnection Customer]

_____
_____
_____
Attn: _____
Phone_____
Email _____

19. No waiver by either Party of one or more defaults by the other in performance of any of the provisions of this NSA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

20. This NSA, or any part thereof, may not be amended, modified, or waived other than by a writing signed by all Parties.

Parties acknowledge that, subsequent to execution of this NSA, errors may be corrected by replacing the page of this NSA containing the error with a corrected page, as agreed to and signed by the parties without modifying or altering the original date of execution or obligations contained therein.

21 Breach, Cure and Default

21.1 Breach:

A Breach of this NSA shall include:

(a) The failure to pay any amount when due;

(b) The failure to comply with any material term or condition of this NSA, including but not limited to any material breach of a representation, warranty or covenant;

(c) Assignment of this NSA in a manner inconsistent with its terms; or

(d) Failure of a Party to provide information or data required to be determined under to another Party for such other Party to satisfy its obligations under this NSA.

21.2 Notice of Breach:

A Party not in Breach shall give written notice of an event of Breach to the Breaching Party, to Transmission Provider and to other persons that the Breaching Party identifies in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. In the event of a Breach by [Project Developer/Interconnection Customer], Transmission Provider agrees to provide notice of such Breach and in the same manner as its notice to [Project Developer/Interconnection Customer], to any Project Finance Entity provided that the [Project

Developer/Interconnection Customer] has provided the notifying Party with notice of an assignment to such Project Finance Entity(ies) and identifies such Project Finance Entity(ies).

21.3 Cure and Default:

A Party that commits a Breach and does not take steps to cure the Breach pursuant to this section 21.3 is automatically in Default of this NSA, and its project and this NSA shall be deemed terminated and withdrawn. Transmission Provider shall take all necessary steps to effectuate this termination, including submitted the necessary filings with FERC.

21.4.1 Cure of Breach:

21.4.1.1 Except for the event of Breach set forth in this NSA, section 21.1(a), the Breaching Party (a) may cure the Breach within 30 days of the time the non-Breaching Party sends such notice; or (b) if the Breach cannot be cured within 30 days, may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such 30 day time period and thereafter diligently pursue such action to completion pursuant to a plan to cure, which shall be developed and agreed to in writing by the Parties. Such agreement shall not be unreasonably withheld.

21.4.1.2 In an event of Breach set forth in this NSA, section 21.1(a), the Breaching Party shall cure the Breach within five days from the receipt of notice of the Breach. If the Breaching Party is the [Project Developer/Interconnection Customer], and the [Project Developer/Interconnection Customer] fails to pay an amount due within five days from the receipt of notice of the Breach, Transmission Provider may use Security to cure such Breach. If Transmission Provider uses Security to cure such Breach, [Project Developer/Interconnection Customer] shall be in automatic Default and its project and this Agreement shall be deemed terminated and withdrawn.

21.5 Right to Compel Performance:

Notwithstanding the foregoing, upon the occurrence of a Default, a non-Defaulting Party shall be entitled to exercise such other rights and remedies as it may have in equity or at law. No remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

22. This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors, and assigns.

23. Neither this Agreement nor the Necessary Studies performed hereunder shall be construed as an application for any service under the Tariff.

24. All portions of the Tariff and Operating Agreement pertinent to the subject matter of this Agreement and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.

25. Unless otherwise defined in this NSA, all capitalized terms herein shall have the meanings as set forth in the definitions of such terms as stated in the PJM Tariff.

26. In addition to this NSA, section 21, this Agreement may be terminated by the following means:

    a. By Mutual Consent: This NSA may be terminated as of the date on which the Parties mutually agree to terminate this NSA.

    b. By [Project Developer/Interconnection Customer]: [Project Developer/Interconnection Customer] may unilaterally terminate this NSA in accordance with the terms set forth in this NSA, section 15(b)(i)(a) or pursuant to Applicable Laws and Regulations upon providing Transmission Provider 30 days prior written notice thereof, provided that [Project Developer/Interconnection Customer] is not in breach under this NSA.

    c. By Transmission Provider: Transmission Provider may unilaterally terminate this NSA in accordance with Applicable Laws and Regulations upon providing [Project Developer/Interconnection Customer] 30 days prior written notice thereof.

27. This NSA or any part thereof may not be amended, modified, or waived other than by a writing signed by all Parties hereto.

28. The provisions of the GIP are incorporated herein and made a part hereof.

29. Governing Law, Regulatory Authority, and Rules: This NSA shall be deemed a contract made under, and the interpretation and performance of this NSA and each of its provisions shall be governed and construed in accordance with, the applicable Federal and/or laws of the State of Delaware without regard to conflicts of laws provisions that would apply the laws of another jurisdiction. This NSA is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

IN WITNESS WHEREOF, the Parties have caused this NSA to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that company and have actual and/or apparent authority to bind the respective company to this NSA.

Transmission Provider:

By:_____ _____ _____
Name Title Date

Printed name of signer: _____

[Project Developer/Interconnection Customer]:

By:_____ _____ _____
Name Title Date

Printed name of signer: _____

ATTACHMENT 1

Planned Modifications

{Describe Planned Modifications.}

{If [Project Developer/Interconnection Customer] plans to become an Eligible Generating Facility that will serve Eligible Load, pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), [Project Developer/Interconnection Customer] must provide:

(a) the proposed Eligible Load configuration, including a single-line diagram,

(b) the reduction in Capacity Interconnection Rights resulting from the Eligible configuration, and

(c) to the extent available, 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}

{If [Project Developer/Interconnection Customer] plans to become an Eligible Generating Facility that will serve Eligible Load, pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), the following information must also be included:}

Pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), [Project Developer/Interconnection Customer] seeks to modify its Interconnection Service Agreement or Generation Interconnection Agreement to serve Eligible Load.

_____YES

_____NO

If Yes, the modifications to its [Customer Facility/Generating Facility] located at _____ associated with the service to Eligible Load, upon completion, reasonably may have a material impact on the Transmission System ("Planned Modifications").

Subject to this NSA, sections 4 through 14, [Project Developer/Interconnection Customer] shall provide sufficient information regarding the Planned Modifications, including but not limited to relevant data, drawings, models, plans, and specifications, to
enable Transmission Provider to evaluate the impact, if any, on the Transmission System
of the Planned Modifications. The Planned Modifications consist of _____. This NSA, Attachment 1 contains a detailed description of the Planned Modifications and of the Eligible Load.

If Yes, designate requested Transmission Service type(s) :

_____

_____ Regional Network Transmission Service

_____

_____ Interim Regional Network Transmission Service

_____ OR

If Yes, designate the Eligible Customer that will take service on behalf of the Eligible Load and provide its name, address, telephone number, and e-mail address.

Eligible Customer

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Tariff, Part X, Subpart A, section 601
Expedited Interconnection Track Overview, Availability, and Eligibility

A. Expedited Interconnection Track Overview. Tariff, Part X sets forth the procedures and other terms governing the Transmission Provider's administration of the Expedited Interconnection Track process. The Expedited Interconnection Track process is a separate process outside of, and operating in parallel with, Transmission Provider's Cycle process under Tariff, Part VII and Tariff, Part VIII, except that provisions of Tariff, Part VIII and Tariff, Part IX relevant to Generation Interconnection Agreements, Necessary Studies, Provisional Interconnection Service, and Surplus Interconnection Service shall apply to EIT Projects.

B. Availability. Tariff, Part X applies to:

1. A request for interconnection to the Transmission System for an EIT Project that is supported by evidence of state commitment in the form of, at a minimum, the commitment of a Primary Siting Authority to support a request to expedite, if necessary, consideration of the EIT Project's siting to meet a targeted deadline that will enable the EIT Project to meet its proposed commercial operation date, provided that a Primary Siting Authority's commitment to expedite consideration is not a commitment to grant siting approval of the EIT Project.

2. Transmission Provider will accept and study no more than ten (10) completed and valid Applications for EIT Projects per calendar year.

C. Eligibility. All of the following criteria must be met for a Generation Project Developer's submission of an EIT Request to be valid and accepted by the Transmission Provider.

1. Generation Project Developer's EIT Request must include a request for Capacity Resource status along with Capacity Interconnection Rights relevant to the fuel type of the EIT Project.

2. A Generation Project Developer may not submit an EIT Request for an increase in the generating capacity of a Generating Facility that already has a Generation Interconnection Request for that Generating Facility in Transmission Provider's Cycle process under Tariff, Part VII or Tariff, Part VIII without an effective Generation Interconnection Agreement. If the EIT Project is an increase in the generating capacity of a Generating Facility with an effective Generation Interconnection Agreement or Interconnection Service Agreement, the legal entity submitting the EIT Request and the legal entity named as the Generation Project Developer in the Generation Interconnection Agreement for that Generating Facility must be the same.

3. Generation Project Developer must submit a critical path construction schedule showing that the EIT Project will achieve commercial operation within 36 months of the date the EIT Request is submitted and how it plans to achieve that commercial operation date, which must be set forth in the schedule, an attestation

executed by an officer or authorized representative of the Generation Project Developer, verifying the accuracy of the information, including all dates, and certifying that the Generation Project Developer will exercise commercially reasonable best efforts to achieve these dates, and an independent engineer certification that the schedule is feasible in light of future construction, siting, permitting, and supply chain conditions. If the Generation Project Developer elects in its Application to exercise the Option to Build for Stand-Alone Network Upgrades identified with respect to its EIT Request, the critical path construction schedule must include relevant dates for the exercise of the Option to Build. An EIT Request that does not include the critical path construction schedule and required attestation and certification shall not be considered complete.

a. Notwithstanding the requirement for the EIT Project to achieve commercial operation within 36 months of the date the Generation Project Developer submits its EIT Request, the EIT Project's output to the Transmission System upon its completion still may be limited based on the completion of any Network Upgrades necessitated by the interconnection of the EIT Project. The EIT Project's GIA shall include a milestone requiring the Generation Project Developer to take Provisional Interconnection Service subject to Tariff, Part VIII, Subpart L, section 439 in the event completion of Network Upgrades necessitated by the interconnection of the EIT Project is delayed.

4. The EIT Project must interconnect at a Point of Interconnection to the Transmission System and have at the time it submits its EIT Request 100% Site Control, as defined in Tariff, Part VIII, Subpart A, section 400, for each of the Generating Facility, Interconnection Facilities, and Interconnection Switchyard in the state in which the EIT Project will be sited.

5. An EIT Request must be for a large scale EIT Project that, as of the time the EIT Request is submitted, has a generating capacity equal to or greater than 250 MW of Accredited UCAP value, as defined in the most recently published forward-looking Preliminary Class Ratings for the Delivery Year in which the EIT Project proposes to achieve commercial operation. Subject to the requirements of this Tariff, Part X, Subpart A, section 601, and of Tariff, Part X, Subpart B, section 602, all fuel types, including electric storage, are eligible for the Expedited Interconnection Track process.

D. Sunset of Tariff, Part X. The provisions of this Tariff, Part X shall sunset and no new EIT Requests will be processed after the end of the calendar year following the year in which the Commission accepts this Part X. The provisions of this Tariff, Part X shall continue in effect until Transmission Prover has completed processing of all valid EIT Requests accepted prior to the sunset date.

PART XI

TRANSMISSION SERVICES AVAILABLE FOR ELIGIBLE CUSTOMERS TAKING SERVICE ON BEHALF OF ELIGIBLE LOADS AND LARGE LOADS

Tariff, Part XI, Subpart A

INTERIM NETWORK INTEGRATION TRANSMISSION SERVICE

700 Provision of Interim Network Integration Transmission Service

The Transmission Provider may provide Interim Network Integration Transmission Service to an Eligible Customer requesting Network Integration Transmission Service on behalf of a designated Eligible Load or Large Load pursuant to the applicable terms and conditions contained in the Tariff and the Service Agreement for Interim Network Integration Transmission Service, which is provided in Attachment F-3A. PJMSettlement shall be the Counterparty to the Interim Network Integration Transmission Service transactions under this Tariff.

Requests for Interim Network Integration Transmission Service must be made through the Transmission Provider. These requests shall require the filing of an Application as set forth in Tariff, Part VIII, Subpart A, section 403 and be submitted in accordance with the applicable terms and conditions in the Tariff.

Eligible Customers taking service on behalf of Eligible Load or Large Load must take at least one of the following transmission services (1) Network Integration Transmission Service pursuant to Tariff, Part III (or Interim Network Integration Transmission Service pending conversion to Network Integration Transmission Service, pursuant to Tariff, Part XI), (2) Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B, or (3) Non-Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B.

701 Nature of Interim Network Integration Transmission Service

701.1 Scope of Service

Interim Network Integration Transmission Service is a transmission service that allows an Eligible Customer taking service on behalf of a designated Eligible Load or Large Load that has requested Network Integration Transmission Service pursuant to Tariff, Part III, to receive, at a specified Delivery Point, consistent with Tariff, Part XI, Subpart A, section 702.1, transmission service on behalf of a designated Eligible Load on a non-firm, interruptible basis for the period until the transmission upgrades required to provide the requested level of Network Integration Transmission Service are completed and placed in service.

The Eligible Customer taking Interim Network Integration Transmission Service on behalf of a designated Eligible Load or Large Load must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

701.2 Interim Network Integration Transmission Service

The Transmission Provider may provide non-firm, interruptible transmission service over the Transmission System to the Eligible Customer for the delivery of energy to a Delivery Point specified in the Transmission Service Agreement to serve the Eligible Load or Large Load.

701.3 Exclusions

An Eligible Customer taking transmission service on behalf of a designated Eligible Load or Large Load may not take Network Integration Transmission Service or Interim Network Integration Transmission Service for that Eligible Load or Large Load at the same time it is taking Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service on behalf of that Eligible Load.

701.4 Restrictions on Use of Service

The Eligible Customer shall not use Interim Network Integration Transmission Service for (i) sales of energy to loads other than the Eligible Load or Large Load designated in its Service Agreement for Interim Network Integration Transmission Service, or (ii) direct or indirect provision of transmission service by the Eligible Customer to third parties.

701.5 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Interim Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making or supporting modifications, upgrades, maintenance or repairs on Transmission Owner or Generation Owner lines, substations, generators or facilities, and in cases where the continuance of Interim Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the

Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Interim Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s); (ii) prevent damage to generating or transmission facilities; or (iii) expedite restoration of service. The Transmission Provider will give the Eligible Customer as much advance notice as is practicable in the event of such Curtailment.

702 Initiating Service

702.1 Application Procedures

An Eligible Customer seeking Network Integration Transmission Service may apply for Network Integration Transmission Service and Interim Network Integration Transmission Service at the same time. However, an Eligible Customer shall not apply for Interim Network Integration Service without applying for Network Integration Transmission Service. An Eligible Customer seeking Interim Network Integration Transmission Service must submit an Application pursuant to the procedures in Tariff, Part VIII.

702.2 Transmission Service Agreement

The Service Agreement for Interim Network Integration Transmission Service shall be in the form provided in Attachment F-3A to the Tariff.

702.3 Conditions Precedent for Receiving Service

Subject to the terms and conditions of Tariff, Part XI, the Transmission Provider may provide Interim Network Integration Transmission Service to any Eligible Customer taking transmission service on behalf of a designated Eligible Load or Large Load, provided that:

(i) The Eligible Customer has requested Network Integration Transmission Service pursuant to Tariff, Part III on behalf of the designated Eligible Load or Large Load;

(ii) The Eligible Customer has applied for Interim Network Integration Service in accordance with section 702.1 and the procedures in Tariff, Part VIII;

(iii) The Eligible Customer has provided the information specified in, and otherwise complied with, the "PJM Credit Policy" set forth in Tariff, Attachment Q hereto;

(iv) The Eligible Customer executes a Service Agreement for Interim Network Integration Transmission Service with the Transmission Provider pursuant to Tariff, Attachment F-3A, or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement for Interim Network Integration Transmission Service. Such Transmission Service Agreement shall include (a) the operational procedures necessary to implement necessary control technologies and protection systems approved by the Transmission Provider that will limit energy withdrawals consistent with the terms of the Transmission Service Agreement; and (b) Eligible Customer's agreement to be curtailed under certain conditions set forth in the Transmission Service Agreement and in the PJM Tariff;

(v) The Eligible Customer has certified, in accordance with the PJM Manuals, that it is willing and able to limit energy withdrawals from the Transmission System for

the designated Eligible Load or Large Load when requested by the Transmission Provider; and

(vi) The Eligible Customer is in compliance with all technical requirements in Tariff, Part XI, Subpart C, section 718 and the Transmission Service Agreement;

(vii) The Eligible Customer has constructed any facilities on its side of the Delivery Point necessary to reliably deliver energy from the Transmission Provider's Transmission System to the Eligible Customer's designated Eligible Load or Large Load, with respect to service provided pursuant to a state required retail access program, otherwise arranged for the delivery of its energy from the Delivery Point or interconnection; and

(viii) An Eligible Customer requesting Interim Network Integration Transmission Service and taking Interim Network Integration Transmission Service shall otherwise execute, if necessary, and comply with the PJM Governing Agreements.

702.4 Termination of Interim Network Integration Transmission Service

Although the Service Agreement for Interim Network Integration Transmission Service is presumed to continue without expiration, it may be terminated as follows:

(a) Once the required transmission upgrades to provide Network Integration Transmission Service under Tariff, Part III are completed and placed in service in accordance with the terms of the Transmission Service Agreement and Transmission Provider has performed an updated analysis to confirm the Transmission System can support firm load and updated the relevant systems pursuant to its internal procedures, the Interim Network Integration Transmission Service provided to the Eligible Customer will terminate and automatically be converted to Network Integration Transmission Service and the Eligible Load or Large Load will be designated as Network Load under Tariff, Part III, section 31.1.

(b) An Eligible Customer is disqualified from receiving service under Tariff, Part XI on behalf of a designated Eligible Load or Large Load pursuant to Part XI, Subpart C, section 719.5;

(c) The Eligible Customer is in breach of its obligations under the Transmission Service Agreement or the Tariff, Part XI. For example, to the extent any material changes to the gross demand of the Eligible Load or Large Load or the design, configuration, or output of the Eligible Generating Facility occur without being studied by the Transmission Provider to determine whether such changes would affect the Transmission Provider's ability to reliably provide the level of service specified in the Eligible Customer's Service Agreement for Interim Network Integration Transmission Service, the Eligible Customer may be considered in breach of its obligations and the agreement may be subject to termination in accordance with the provisions of this Tariff and/or the Transmission Service Agreement; or

(d) On such other date as mutually agreed upon by the parties.

703 Rates and Charges

703.1 Monthly Demand Charge

[Reserved]

703.2 Redispatch Charge

The Eligible Customer shall pay any redispatch costs as set forth in Tariff, Attachment K.

703.3 Stranded Cost Recovery

Any Transmission Owner may seek to recover stranded costs from the Eligible Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Owner must separately file any proposal to recover stranded costs under section 205 of the Federal Power Act.

703.4 Other Charges

Eligible Customer shall pay administrative service charges under Tariff, Schedule 1A; Tariff, Schedule 9; and Tariff, Schedule 10, consistent with the charges assessed to loads taking Network Integration Transmission Service.

Eligible Customer shall pay Ancillary Services charges in accordance with Tariff, Part I, section 3.

Eligible Customer shall pay Black Start Service charges in accordance with Tariff, Schedule 6A.

Eligible Customer shall pay any applicable Transmission Enhancement Charges in accordance with Tariff, Schedule 12.

703.5 Penalty for Unreserved Use of Interim Network Integration Transmission Service

[Reserved].

704-705 RESERVED FOR FUTURE USE

[Reserved]

707 RESERVED FOR FUTURE USE

[Reserved]

Tariff, Part XI, Subpart B

CONTRACT DEMAND TRANSMISSION SERVICES

708 Provision of Contract Demand Transmission Services

(a) The Transmission Provider will provide Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, to an Eligible Customer taking service on behalf of a designated Eligible Load or Large Load pursuant to the applicable terms and conditions contained in Tariff, Part XI and the Service Agreement for Contract Demand Transmission Services, provided in Attachment F-4. Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service are for an Eligible Customer taking service on behalf of an Eligible Load or Large Load that is willing and able to limit withdrawals of energy from the Transmission System consistent with the terms of the Service Agreement for Contract Demand Transmission Service and when required by the Transmission Provider.

(b) Firm Contract Demand Transmission Service is for the transfer of capacity and energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider, using capacity and energy procured by the Transmission Provider. Non-Firm Contract Demand Transmission Service is for the transfer of energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, on an as-available basis, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider, using energy procured by the Transmission Provider. PJMSettlement shall be the Counterparty to the Firm Contract Demand Transmission Service and Non-Firm Contract Demand Transmission Service transactions under this Tariff.

(c) Eligible Customers taking service on behalf of Eligible Load or Large Load must take at least one of the following transmission services (1) Network Integration Transmission Service pursuant to Tariff, Part III (or Interim Network Integration Transmission Service pending conversion to Network Integration Transmission Service, pursuant to Tariff, Part XI), (2) Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B, or (3) Non-Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B.

709 Nature of Firm and Non-Firm Contract Demand Transmission Service

709.1 Scope of Service

(a) Firm Contract Demand Transmission Service allows an Eligible Customer taking service on behalf of an Eligible Load or Large Load to receive firm transmission service for energy and capacity on behalf of that Eligible Load or Large Load up to a defined, predetermined megawatt level pursuant to the applicable terms and conditions contained in the Tariff and the Service Agreement for Contract Demand Transmission Service provided in Tariff, Attachment F-4. The Eligible Customer taking Firm Contract Demand Transmission Service must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

(b) Non-Firm Contract Demand Transmission Service allows an Eligible Customer taking service on behalf of an Eligible Load or Large Load to obtain non-firm, interruptible transmission service for energy on behalf of an Eligible Load, and receive that service up to defined, predetermined megawatt level of service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement for Contract Demand Transmission Service, provided in Tariff, Attachment F-4. An Eligible Customer with an effective Transmission Service Agreement will be eligible to obtain Non-Firm Contract Demand Transmission Service on a given Operating Day on an as-available basis. The Eligible Customer taking Non-Firm Contract Demand Transmission Service must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

709.2 Priority of Service

Firm Contract Demand Transmission Service will always have priority over Non-Firm Contract Demand Transmission Service, Interim Network Integration Transmission Service, and Non-Firm Point to Point Transmission Service under the Tariff. All Firm Contract Demand Transmission Service will have equal priority with Network Integration Transmission Service and Firm Point to Point Transmission Service. Additional detail about priority of service appears in Tariff, Part XI, Section 719.

709.3 Eligibility for Service

For any given Eligible Load or Large Load, once an Eligible Customer has taken, or has a pending application for, Network Integration Transmission Service or Interim Network Integration Transmission Service on behalf of such Eligible Load or Large Load, an Eligible Customer shall not be eligible to apply for or take Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service for that same Eligible Load or Large Load.

Eligible Customers taking Service on behalf of Eligible Load or Large Load may take a combination of Firm Contract Demand Transmission Service and Non-Firm Contract Demand Transmission Service at the same time. To the extent system upgrades are needed to render Firm Contract Demand Transmission Service, Eligible Customer may take Non-Firm Contract Demand Transmission on an interim basis pending completion of the necessary system upgrades. For any given portion of an Eligible Load or Large

Load served by Firm Contract Demand Transmission Service, the Eligible Customer, or its successor, shall not be eligible for Non-Firm Contract Demand Transmission Service for five (5) years following the effective date of the Service Agreement for Contract Demand Transmission Service.

709.4 Restrictions on Use of Service

The Eligible Customer shall not use Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service for (i) sales of capacity and energy to loads other than the Eligible Load or Large Load designated in its Transmission Service Agreement for Contract Demand Transmission Service, or (ii) the direct or indirect provision of transmission service by the Eligible Customer to third parties.

709.5 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service or both without liability on the Transmission Provider's part for the purpose of making or supporting modifications, upgrades, maintenance or repairs on Transmission Owner or Generation Owner lines, substations, equipment, or Generating Facilities, and in cases where the continuance of Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Eligible Customer as much advance notice as is practicable in the event of such Curtailment.

710 Initiating Service

710.1 Application Procedures

An Eligible Customer seeking to take service on behalf of a designated Eligible Load or Large Load may apply for Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, pursuant to the procedures in Tariff, Part VIII; provided that an entity that seeks to serve Eligible Load or Large Load entirely through co-located generation and does not wish to take Transmission Service still must submit an Application pursuant to the procedures in Tariff, Part VIII for study under those procedures and enter into a Service Agreement for Non-Firm Contract Demand Service for zero MW of such service. After an Eligible Customer has submitted an Application for Contract Demand Transmission Service for a specified Eligible Load or Large Load, any material change in the megawatt level of the gross-demand of the Eligible Load or Large Load or in the megawatt level of the Eligible Generating Facility dedicated to the Eligible Load will require a new Application.

710.2 Transmission Service Agreement

The Transmission Service Agreement for Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service shall be in the form provided in Attachment F-4 to the Tariff.

710.3 Conditions Precedent for Receiving Service

Subject to the terms and conditions of Tariff, Part XI, the Transmission Provider will provide Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, to any Eligible Customer taking transmission service on behalf of Eligible Load or Large Load, provided that:

(i) The Eligible Customer has made a valid request for Contract Demand Transmission Service on behalf of the designated Eligible Load or Large Load pursuant to Tariff, Part XI, section 710.1 and Tariff, Part VIII;

(ii) The Eligible Customer has verified that the designated Eligible Load or Large Load has not been served by any Eligible Customer taking, or applying to take, Network Integration Transmission Service or Interim Network Integration Transmission Service;

(iii) The Eligible Customer has provided the information specified in, and otherwise complied with, the "PJM Credit Policy" set forth in Tariff, Attachment Q hereto;

(iv) The Eligible Customer has executed a Service Agreement for Contract Demand Transmission Service with the Transmission Provider pursuant to Tariff, Attachment F-4, or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement for Contract Demand Transmission Service; such Transmission Service Agreement

shall include (a) the operational procedures necessary to implement necessary control technologies and protection systems approved by the Transmission Provider that will limit energy withdrawals consistent with the terms of the Transmission Service Agreement; and (b) its agreement to be curtailed under certain conditions set forth in the Transmission Service Agreement and in the PJM Tariff;

(v) The Eligible Customer is in compliance with all applicable technical requirements in Tariff, Part XI, Subpart C, section 718 and the Transmission Service Agreement;

(vi) The Eligible Customer constructed any facilities on its side of the Delivery Point necessary to reliably deliver energy from the Transmission Provider's Transmission System to the Eligible Customer's designated Eligible Load or Large Load or, with respect to service provided pursuant to a state required retail access program, otherwise arranged for the delivery of its energy from the Delivery Point or interconnection;

(vii) The Eligible Customer has completed other certification requirements provided in the PJM Manuals, including to be an Electric Distributor, as applicable;

(viii) The Eligible Customer taking Contract Demand Transmission Service on behalf of an Eligible Load or Large Load shall otherwise execute, if necessary, and comply with the PJM Governing Agreements; and

For Eligible Load, the Eligible Customer verifies that no portion of the Eligible Generating Facility dedicated to serving the Eligible Load has Capacity Injection Rights.

711 Termination

Although the Service Agreement for Contract Demand Transmission Service is presumed to continue without expiration, it may be terminated where:

(a) An incumbent Eligible Customer will be replaced by a successor Eligible Customer, in which case the incumbent's service shall only terminate if the successor agrees to commence the taking of the service, the appropriate Transmission Service Agreement is executed, and all other applicable terms and conditions of the Tariff and PJM Governing Agreements are satisfied;

(b) An incumbent Eligible Customer seeks to terminate its Firm Contract Demand Transmission Service and no successor Eligible Customer exists, in which case the incumbent must provide PJM with forty-two (42) months' notice prior to the commencement of a Delivery Year in which Eligible Customer seeks the termination, subject to receiving all necessary regulatory approvals for such termination, if any;

(c) An Eligible Customer is disqualified from receiving service under Tariff, Part XI on behalf of a designated Eligible Load or Large Load pursuant to Part XI, Subpart C, section 719.5;

(d) The Eligible Customer is in breach of its obligations under the Transmission Service Agreement or the Tariff, Part XI. For example, to the extent any material changes to the gross demand of the Eligible Load or the design, configuration, or output of the Eligible Generating Facility occur without being studied by the Transmission Provider to determine whether such changes would affect the Transmission Provider's ability to reliably provide the level of service specified in the Eligible Customer's Service Agreement for Contract Demand Transmission Service, the Eligible Customer may be considered in breach of its obligations and the agreement may be subject to termination in accordance with the provisions of this Tariff and/or the Service Agreement for Contract Demand Transmission Service;

(e) On such other date as mutually agreed upon by the parties; or

(f) To the extent an Eligible Customer takes Non-Firm Contract Demand Transmission Service on behalf of Eligible Load or Large Load pending completion of upgrades necessary to provide Firm Contract Demand Transmission Service, the Non-Firm Contract Demand Transmission Service shall terminate and be converted to Firm Contract Demand Transmission Service once the required upgrades are completed and placed in service in accordance with the terms of the Transmission Service Agreement and Transmission Provider has performed an updated analysis to confirm the Transmission System can support firm load and updated the relevant systems pursuant to its internal procedures.

712 RESERVED FOR FUTURE USE

[Reserved]

713 Penalty for Unreserved Use of Contract Demand Transmission Service

[Reserved]

Tariff, Part XI, Subpart C

COMMON SERVICE PROVISIONS FOR INTERIM NETWORK INTEGRATION TRANSMISSION SERVICE AND CONTRACT DEMAND SERVICES

716 Eligible Customer Facilities

Transmission Service under Tariff, Part XI shall be conditioned upon the Eligible Customer constructing, maintaining, and operating the facilities (i) on its side of the Delivery Point necessary to reliably deliver and receive energy and capacity; and (ii) implementing the necessary control technologies and protection systems required pursuant to Tariff, Part XI, Subpart C, section 717 and specified in the Transmission Service Agreement, as Transmission Provider may require. Nothing herein precludes the installation of any Transmission Owner-side protection facilities.

The Eligible Customer shall be solely responsible for constructing or installing all facilities on the Eligible Customer's side of each such Delivery Point or, with respect to service provided pursuant to a state required retail access program, for otherwise arranging for the delivery of its energy from the Delivery Point.

717 Necessary Control Technologies and Protection Systems

To ensure protection of the Transmission System and that the Eligible Customer limits its energy withdrawals from the Transmission System to the level of Transmission Service provided in its Transmission Service Agreement, including during a period in which the Transmission Provider has directed Curtailment or Load Shedding, prior to the Service Commencement Date, the Transmission Provider, affected Transmission Owner(s), and the Eligible Customer shall establish necessary control technologies and fully redundant protection schemes in accordance with the PJM Manuals, which may include a remedial action scheme, for each Transmission Service Agreement for Interim Network Integration Transmission Service, Firm Contract Demand Transmission Service, or Non-Firm Contract Demand Transmission Service. These necessary control technologies shall also include telemetry, data exchange, and metering technology to allow Transmission Provider to monitor the Eligible Customer's use of the Transmission System, limit withdrawals, and ensure relay settings are consistent with necessary control technologies and/or protection systems. The necessary control technologies and protection systems must be developed in accordance with the PJM Manuals, consistent with Transmission Owner technical requirements, and be approved by the Transmission Provider. The necessary control technologies and protection systems may be functionally modified from time to time. Any functional modification to the necessary control technologies and protection systems must be developed with the affected Transmission Owner(s) and approved by the Transmission Provider.

718 Technical Requirements

718.1 Technical Requirements Prior to Commencement of Service

Transmission Service on behalf of a designated Eligible Load or Large Load under this Part XI shall not commence until the Transmission Provider, the affected Transmission Owner(s), and the Eligible Customer, or a third party, have completed installation of all equipment specified under the Transmission Service Agreement, as provided in Attachment F-3A or Attachment F-4, consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider and the affected Transmission Owner(s) are to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

The technical requirements may include, but are not limited to: (i) installation of necessary hardware and software to limit energy withdrawals, including metering equipment and any facilities necessary to implement the necessary control technologies and protection systems associated with the provisions of the Transmission Service Agreement for Interim Network Integration Transmission Service or Contract Demand Transmission Service; (ii) provision of an operations center and operational contact and backup contact for the Eligible Customer, available twenty-four (24) hours a day and seven (7) days a week; (iii) certification from the Eligible Customer that the operations center is staffed with PJM Certified Operators (PJM Manual 40); (iv) demonstration from the Eligible Customer of its ability to receive voice and electronic signals from the Transmission Provider; (v) demonstration that the Eligible Customer has operational control to respond to operating instructions from the Transmission Provider to reduce energy withdrawals or disconnect the Eligible Load or Large Load within five (5) minutes or as specified in the PJM Manuals; (vi) satisfaction of any technical requirements identified by the applicable Transmission Owner(s); and (vii) as applicable, demonstration that the Eligible Customer has operational control of the necessary control technologies and protection systems required pursuant to Tariff, Part XI, Subpart C, section 717 and set forth in the Transmission Service Agreement for Interim Network Integration Transmission Service or Contract Demand Transmission Service.

719 Load Shedding and Curtailments

719.1 General

Prior to the Service Commencement Date, the Eligible Customer shall demonstrate its ability to fully comply with the Load Shedding and Curtailment procedures pursuant to this Part XI, Subpart C, the PJM Manuals, and the Transmission Service Agreement, as provided in Attachment F-4 or Attachment F-3A. The Eligible Customer shall implement any Load Shedding and/or Curtailment directive given by Transmission Provider. To the extent practicable, the Transmission Provider will notify the Eligible Customer and applicable Transmission Owner(s) of any Curtailment in a timely manner. Eligible Customers must respond to any real time instruction to curtail or otherwise reduce load within five (5) minutes. Curtailments will be made on a non-discriminatory basis. Any requests by the Transmission Provider to Curtail will be consistent with Good Utility Practice.

719.2 Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Eligible Customer to shed load at the designated Eligible Load or Large Load, the Eligible Customer shall shed load in accordance with previously established procedures under the Transmission Service Agreement for Firm Contract Demand Transmission Service.

719.3 Curtailment of Firm Contract Demand Transmission Service

For purposes of Curtailment, Firm Contract Demand Transmission Service shall be treated as the equivalent of Network Integration Transmission Service and Firm Point-to-Point Transmission Service.

719.4 Curtailment of Interim Network Transmission Service and Non-Firm Contract Demand Transmission Service

Interim Network Integration Transmission Service and Non-Firm Contract Demand Transmission Service shall be Curtailed before Network Integration Transmission Service, Firm Contract Demand Transmission Service, and Firm Point-to-Point Transmission Service. For purposes of Curtailment, Interim Network Integration Transmission Service shall have the same priority as Non-Firm Point-to-Point Transmission Service and Non-Firm Contract Demand Service and will be curtailed as described in the PJM Manuals. The Transmission Provider shall curtail Interim Network Integration Service and Non-Firm Contract Demand Transmission Service to maintain Transmission System facilities within facility operating limits in accordance with the PJM Manuals. The Transmission Provider shall curtail Interim Network Integration Transmission Service and Non-Firm Contract Demand Transmission Service prior to dispatching the Pre-Emergency Load Response Program as further set forth in the PJM Manuals, or in response to a transfer capability shortage as a result of system reliability conditions or for capacity or reserve shortages. If Transmission Provider determines it

must Curtail some amount of Transmission Services that are equivalent for purposes of Curtailment, PJM will prioritize reservations for Curtailment based on that service's contribution to exceedance of the Transmission System facilities' limits in accordance with the Curtailment procedures described in the PJM Manuals. If an Eligible Customer taking Interim Network Integration Transmission Service on behalf of Co-Located Load is curtailed, the Co-Located Load may be served by its Co-Located Generation Facility provided either: (1) the Co-Located Generation Facility has yet to obtain Interconnection Service or has obtained only interim deliverability, or (2) the Co-Located Generation Facility is not a Capacity Resource.

719.5 Consequences of Failure to Follow Instructions or Misoperation of Necessary Control Technologies and Protection Systems

(a) In the first instance that an Eligible Customer taking Transmission Service under this Part XI on behalf of a designated Eligible Load or Large Load fails to respond to established Load Shedding and Curtailment procedures for that Eligible Load or Large Load, as set forth in this section 719, the Eligible Customer shall be prohibited from taking service under that Transmission Service Agreement for the designated Eligible Load or Large Load or otherwise withdrawing energy from the Transmission System for a period of up to one hundred and twenty (120) days.

In the second instance that an Eligible Customer fails to respond to established Load Shedding and Curtailment procedures for a designated Eligible Load or Large Load, as set forth in this section 719, the Eligible Customer's Transmission Service Agreement for that Eligible Load or Large Load shall be terminated and the Eligible Customer shall be disqualified from taking Transmission Service under Part XI on behalf of that Eligible Load or Large Load.

(b) In the first instance that a necessary control technology or protection system for a given Transmission Service Agreement under this Part XI misoperates, the Eligible Customer shall be prohibited from taking transmission service on behalf of that Eligible Load or Large Load under that Transmission Service Agreement or otherwise withdrawing energy from the Transmission System for a period of up to one hundred and twenty (120) days from such event, which may be shortened or extended per mutual agreement, to allow for an analysis of the operational performance of the necessary control technologies and protection systems.

In the second instance that an Eligible Customer's necessary control technology or protection system for a given Transmission Service Agreement under this Part XI misoperates, the Eligible Customer's Transmission Service Agreement for that Eligible Load or Large Load shall be terminated and the Eligible Customer shall be disqualified from taking Transmission Service under Part XI on behalf of that Eligible Load or Large Load.

(c) The Transmission Provider may, in its sole discretion and on a prospective basis only, determine that the facts and circumstances demonstrate that Eligible Customer was not at fault for (i) a failure to implement Load Shedding and Curtailment procedures or

(ii) a misoperation of the Eligible Customer's necessary control technology or protection system associated with a Transmission Service Agreement. In the event the Transmission Provider makes such a no fault determination, the precipitating event shall not be considered toward disqualification under this section 719.

720 Ongoing Obligations

720.1 Information Updates

The Eligible Customer shall provide the Transmission Provider with annual updates of (i) the demand characteristics of the Eligible Load or Large Load, and (ii) the supply characteristics of any designated Eligible Generating Facility.

In addition, the Eligible Customer shall have an ongoing obligation to provide the Transmission Provider and applicable Transmission Owner(s) with timely written or electronic notice of material changes, as discussed in the PJM Manuals, in the demand characteristics of the Eligible Load or Large Load, and the supply characteristics of any designated Eligible Generating Facility or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service, and may be required to submit a new Application for Transmission Service if the changes are material and require re-study. Failure to timely inform the Transmission Provider of a material change in (i) the demand characteristics of the Eligible Load or Large Load, or (ii) the supply characteristics of the Eligible Generating Facility may constitute a breach of the Eligible Customer's Transmission Service Agreement and subject the Transmission Service Agreement to termination under Tariff, Part XI, Subpart A, section 702.4 or Tariff, Part XI, Subpart B, section 711.

720.2 Operating Agreement

The Eligible Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Operating Agreement.

The terms and conditions under which the Eligible Customer shall operate its facilities and the technical and operational matters associated with the implementation of Tariff, Part XI shall be specified in the Operating Agreement.

The Operating Agreement shall provide for the Eligible Customer and Transmission Provider to (i) operate and maintain equipment necessary for integrating the Eligible Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment); (ii) transfer data between the Transmission Provider and the Eligible Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for required redispatch, voltage schedules, loss factors and other real time data); (iii) use software programs required for data links and constraint dispatching; (iv) exchange data on forecasted loads and resources necessary for long-term planning; and (v) address any other technical and operational considerations required for implementation of Tariff, Part XI, including scheduling protocols.

Service Agreement No. [Insert]

ATTACHMENT F-3

Transmission Service Agreement For Regional Network Integration Transmission Service

1.0 This Transmission Service Agreement, dated as of the date the last party executes this agreement, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ ("NetworkCustomer"). [If applicable: This Transmission Service Agreement supersedes the Transmission Service Agreement among Transmission Provider, Counterparty, and [insert prior Network Customer's entity name], [insert Service Agreement Number], effective date [insert], which was filed with the Commission in Docket No. [insert].]

2.0 The Network Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.

3.0 Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, or (2) the date on which ~~construction of any Direct Assignment Facilities and/or Network Upgrades are completed~~ upgrades needed to support the Regional Network Integration Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the firm load, and Transmission Provider has updated the relevant systems pursuant to its internal procedures, or (3) such other date as it is permitted to become effective by the Commission. Network Customer taking Regional Network Integration Transmission Service shall take such service on terms that do not expire.

Regional Network Integration Transmission Service shall terminate consistent with Tariff, Part I, section 2.5. Specifically, Regional Network Integration Transmission Service may be terminated where: (1) an incumbent Network Customer will be replaced by a successor Network Customer, in which case the incumbent's service shall only terminate if the successor agrees to commence the taking of the service, the appropriate service agreement is executed, and all other applicable terms and conditions of the PJM Governing Agreements are satisfied; (2) an incumbent Network Customer seeks to terminate its service and no successor Network Customer exists, in which case the incumbent must provide PJM with forty-two (42) months' notice prior to the commencement of a Delivery Year, subject to receiving all necessary regulatory approvals for such termination, if any; or (3) on such other date mutually agreed upon by the Parties.

4.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Transmission Service in accordance with the provisions of the Tariff, including the Network Operating Agreement (which is incorporated herein by reference), and this Transmission Service Agreement as they may be amended from time to time.

5.0 Any notice or request made to or by either Party regarding this Transmission Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Network Customer:

_____

_____

_____

6.0 The Tariff for Network Integration Transmission Service is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transmission Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Network Customer:

By: _____ _____ _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Network Customer) and that _____ (Network Customer) will not request service under this Transmission Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

_____
(Name)

_____
(Title)

Subscribed and sworn before me this _____ day of _____, _____.

_____

(Notary Public)

My Commission expires:_____

SPECIFICATIONS FOR
REGIONAL NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Description of capacity and/or energy to be transmitted within the PJM Region (including electric control area in which the transaction originates).

_____

2.0 Network Resources:_____

3.0 Network Load:_____

4.0 Designation of party subject to reciprocal service obligation:

_____

5.0 [Reserved]

6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the tariff.)

6.1 Embedded Cost Transmission Charge:_____

_____

6.2 Facilities Study Charge:_____

_____

6.3 Direct Assignment Facilities Charge:_____

_____

6.4 Ancillary Services Charge:_____

_____

6.5 Other Supporting Facilities Charge:_____

_____

Service Agreement No. [Insert]

ATTACHMENT F-3A

-

Transmission Service Agreement For
Regional Network Integration Transmission Service
And/or
Interim Regional Network Integration Transmission Service
For Eligible Load or Large Load)

1.0 This Transmission Service Agreement, dated as of the date the last party executes this agreement, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJMSettlement Inc. ("Counterparty") as the counterparty, and ("Network Customer"). [If applicable: This Transmission Service Agreement supersedes the Transmission Service Agreement among Transmission Provider, Counterparty, and [insert prior Network Customer's entity name], [insert Transmission Service Agreement Number], effective date [insert], which was filed with the Commission in Docket No. [insert].]

2.0 [Instructions: Choose one of the following]

[The Network Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.]

[or]

[The Network Customer, which is an Eligible Customer taking transmission service on behalf of Eligible Load or Large Load, has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff, except for the condition that facilities must be completed and placed into service. Until PJM's assessment concludes that the required facilities are completed, the Transmission Owner provides a Notice of Completion to PJM, and the facilities are in service, the Eligible Customer may only receive Interim Network Integration Transmission Service subject to the conditions of Part XI of the Tariff.]

3.0 Regional Network Integration Transmission Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, or (2) the date on which construction of all upgrades needed to support the Regional Network Integration Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the firm load, and Transmission Provider has updated the relevant systems pursuant to its

internal procedures, or (3) such other date as it is permitted to become effective by the Commission. Network Customer taking Regional Network Integration Transmission Service shall take such service on terms that do not expire.

Regional Network Integration Transmission Service shall terminate consistent with Tariff, Part I, section 2.5. Specifically, Regional Network Integration Transmission Service may be terminated where: (1) an incumbent Network Customer will be replaced by a successor Network Customer, in which case the incumbent's service shall only terminate if the successor agrees to commence the taking of the service, the appropriate Transmission Service Agreement is executed, and all other applicable terms and conditions of the PJM Governing Agreements are satisfied; (2) an incumbent Network Customer seeks to terminate its service and no successor Network Customer exists, in which case the incumbent must provide PJM with forty-two (42) months' notice prior to the commencement of a Delivery Year, subject to receiving all necessary regulatory approvals for such termination, if any; or (3) on such other date mutually agreed upon by the Parties.

[If applicable] [Interim Network Integration Transmission Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, (2) the date on which any updates needed to support Interim Network Integration Service are completed and placed into service, or (3) such other date as it is permitted to become effective by the Commission. On the date on which construction of all upgrades needed to support the Regional Network Integration Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the firm load, and Transmission Provider has updated the relevant systems pursuant to its internal procedures, Interim Network Integration Transmission Service shall terminate consistent with Tariff, Part XI, and Regional Network Integration Transmission Service shall begin.]

4.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Regional Network Integration Transmission Service, when applicable, and Interim Network Integration Transmission Service, when applicable, in accordance with the provisions of the Tariff, including the Operating Agreement (which is incorporated herein by reference), and this Transmission Service Agreement as they may be amended from time to time. Network Customer shall be prohibited from making any material modification to the Load Facility or, as applicable, the Eligible Generating Facility designated in this Transmission Service Agreement without Transmission Provider's prior written agreement. In the event of a planned modification to the Load Facility or Eligible Generating Facility designated in this Transmission Service Agreement, Eligible Customer, in accordance with Good Utility Practice, shall provide notice to Transmission Provider with sufficient information regarding such modification,

including any modification that causes the Load Facility's capacity, location, configuration or technology to differ from any corresponding information provided in the Eligible Customer for Load Request, so that Transmission Provider may evaluate the potential impact of such modification. Transmission Provider and Eligible Customer shall enter into a Necessary Studies Agreement, a form of which is located in Tariff, Part IX, pursuant to which Transmission Provider agrees to conduct the necessary studies to determine whether the planned modifications will have a permanent material impact on the Transmission System or would constitute a material modification, 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.

Eligible Customer shall provide the information required by the Necessary Study Agreement and provide the required deposit. Transmission Provider, upon completion of the Necessary Studies, shall provide Eligible Customer (i) the type and scope of the permanent material impact, if any, the planned modifications will have on the Transmission System; (ii) the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications; and (iii) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications. In the event such planned modification would have a permanent material impact on the Transmission System or would constitute a material modification, Network Customer shall then withdraw the proposed modification or proceed with a new Eligible Customer for Load Request for such modification. Failure to timely inform the Transmission Provider of or obtain Transmission Provider's written agreement for a material change in (i) the demand characteristics of the Load Facility or (ii) the supply characteristics of the Eligible Generating Facility may constitute a breach of the Eligible Customer's Transmission Service Agreement and this Transmission Service Agreement may be terminated pursuant to Tariff, Part XI, Subpart A, section 702.4.

5.0 The Eligible Customer certifies it is willing and able to limit its usage of the Transmission System consistent with this Transmission Service Agreement and when requested by the Transmission Provider.

6.0 Any notice or request made to or by either Party regarding this Transmission Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Network Customer:

_____

_____

_____

7.0 The Tariff for Network Integration Transmission Service, Tariff, Part III, and Interim Network Integration Transmission Service, Tariff, Part XI, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transmission Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Network Customer:

By: _____ _____ _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Network Customer) and that _____ (Network Customer) will not request service under this Transmission Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

_____
(Name)

_____
(Title)

Subscribed and sworn before me this _____ day of _____, _____.

_____

(Notary Public)

My Commission expires:_____

SPECIFICATIONS FOR
REGIONAL NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Regional Network Integration Transmission Service Amount (MW):
_____MW

2.0 Description of Eligible Generating Facility:

Maximum Facility Output of Eligible Generating Facility: _____MW

3.0 Description of Eligible Load or Large Load:

Gross Demand of Eligible Load or Large Load: _____
_____MW

4.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

4.1 Embedded Cost Transmission Charge: _____

4.2 Facilities Study Charge: _____

4.3 Direct Assignment Facilities Charge: _____

4.4 Ancillary Services Charge: _____

4.5 Other Supporting Facilities Charge:

SPECIFICATIONS FOR
INTERIM REGIONAL NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Interim Regional Network Integration Transmission Service Amount (MW): _____MW

Delivery Point:_____

2.0 Description of Eligible Generating Facility:

_____

_____

_____

_____

_____

_____

_____

_____

Maximum Facility Output of Eligible Generating Facility: _____MW

_____

3.0 Description of Eligible Load or Large Load:

_____

_____

_____

_____

_____

_____

_____

_____

Gross Demand of Eligible Load or Large Load: _____MW

4.0 The Eligible Customer will have the following necessary control technologies and protection systems in accordance with Tariff, Part XI, prior to the Service Commencement Date:

_____

_____

_____

5.0 The Eligible Customer will implement the following operating procedures in accordance with Tariff, Part XI:

_____

_____

6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be in accordance with the Tariff.)

4.1 Embedded Cost Transmission Charge:

4.2 Facilities Study Charge:

4.3 Direct Assignment Facilities Charge:

4.4 Ancillary Services Charge:

4.5 Other Supporting Facilities Charge:

Schedule A

Single Line Diagram

Service Agreement No. [Insert]

ATTACHMENT F-4

Transmission Service Agreement For
Contract Demand Transmission Service
(For ~~Co-Located~~Eligible Load or Large Load)

1.0 This Transmission Service Agreement, dated as of the date the last party executes this agreement, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJMSettlement Inc. ("Counterparty") as the counterparty, and _____ ("Eligible Customer"). [If applicable: This Transmission Service Agreement supersedes the Transmission Service Agreement among Transmission Provider, Counterparty, and [insert prior Eligible Customer's entity name], [insert Service Agreement Number], effective date [insert], which was filed with the Commission in Docket No. [insert].]

2.0 [Instructions: Choose one of the following depending on whether facilities upgrades are needed.]

[If facilities upgrades are not needed] The Eligible Customer, who is taking transmission service on behalf of Eligible Load or Large Load, has been determined by the Transmission Provider to have a valid request for [Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service] under the Tariff and to have satisfied the conditions for service imposed by the Tariff.

[or]

[If facilities upgrades are needed] The Eligible Customer, who is taking transmission service on behalf of Eligible Load or Large Load, has been determined by the Transmission Provider to have a valid request for Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff, except for the condition that facilities must be completed and placed into service. Until PJM's assessment concludes that the required facilities are completed, the Transmission Owner provides a Notice of Completion to PJM, and the facilities are in service, the Eligible Customer may not receive Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service under Tariff, Part XI.

3.0 Contract Demand Transmission Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, or (2) the date on which construction of all upgrades needed to support the Contract Demand Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the load, and Transmission Provider has updated the relevant systems pursuant to its internal

procedures, or (3) such other date as it is permitted to become effective by the Commission.

Contract Demand Transmission Service shall terminate consistent with Tariff, Part XI, section 711.

4.0 The Transmission Provider agrees to provide and the Eligible Customer agrees to take and pay for Contract Demand Transmission Service in accordance with the provisions of the Tariff, including the Operating Agreement (which is incorporated herein by reference), and this Transmission Service Agreement, as they may be amended from time to time. Network Customer shall be prohibited from making any material modification to the Load Facility or, as applicable, the Eligible Generating Facility designated in this Transmission Service Agreement without Transmission Provider's prior written agreement. In the event of a planned modification to the Load Facility or Eligible Generating Facility designated in this Transmission Service Agreement, Eligible Customer, in accordance with Good Utility Practice, shall provide notice to Transmission Provider with sufficient information regarding such modification, including any modification that causes the Load Facility's capacity, location, configuration or technology to differ from any corresponding information provided in the Eligible Customer for Load Request, so that Transmission Provider may evaluate the potential impact of such modification. Transmission Provider and Eligible Customer shall enter into a Necessary Studies Agreement, a form of which is located in Tariff, Part IX, pursuant to which Transmission Provider agrees to conduct the necessary studies to determine whether the planned modifications will have a permanent material impact on the Transmission System or would constitute a material modification, 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.

Eligible Customer shall provide the information required by the Necessary Study Agreement and provide the required deposit. Transmission Provider, upon completion of the Necessary Studies, shall provide Eligible Customer (i) the type and scope of the permanent material impact, if any, the planned modifications will have on the Transmission System; (ii) the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications; and (iii) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications. In the event such planned modification would have a permanent material impact on the Transmission System or would constitute a material modification, Network Customer shall then withdraw the proposed modification or proceed with a new Eligible Customer for Load Request for such modification. Failure to timely inform the Transmission Provider of a

material change of or obtain Transmission Provider's written agreement for (i) the demand characteristics of the Load Facility or (ii) as applicable, the supply characteristics of the Eligible Generating Facility may constitute a breach of the Eligible Customer's Transmission Service Agreement and this Transmission Service Agreement may be terminated pursuant to Tariff, Part XI, Subpart B, section 710.7.

5.0 The Eligible Customer certifies it is willing and able to limit its usage of the Transmission System consistent with this Transmission Service Agreement and when requested by the Transmission Provider.

6.0 Any notice or request made to or by either Party regarding this Transmission Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Eligible Customer:

_____

_____

_____

7.0 Tariff, Part XI, for Contract Demand Transmission Services, as it may be revised from time to time, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transmission Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Eligible Customer:

By: _____ _____ _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Eligible Customer) and that _____ (Eligible Customer) will not request service under this Transmission Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

_____
(Name)

_____
(Title)

Subscribed and sworn before me this _____ day of _____, _____.

_____

(Notary Public)

My Commission expires:_____

SPECIFICATIONS FOR
CONTRACT DEMAND TRANSMISSION SERVICE

1.0 Firm Contract Demand Transmission Service Amount (MW): _____MW

Non- Firm Contract Demand Transmission Service Amount (MW):_____MW

Delivery Point:_____

2.0 Description of Eligible Generating Facility:

_____

_____

_____

Maximum Facility Output of Eligible Generating Facility: _____ MW

MW of Eligible Generating Facility dedicated to Eligible Load: _____MW

3.0 Description of Eligible Load or Large Load:

_____

_____

_____

Gross Demand of Eligible Load or Large Load: _____MW

4.0 The Eligible Customer will have the following necessary control technologies and special protection schemes in accordance with Tariff, Part XI, prior to the Service Commencement Date:

_____

_____

_____

5.0 The Eligible Customer will implement the following operating procedures in accordance with Tariff, Part XI:

_____

_____

_____

6.0 Service under this Agreement may be subject to charges specified in the Tariff, which may change from time to time.

Schedule A

Single Line Diagram

~~[Reserved].~~

SCHEDULE 8

DETERMINATION OF UNFORCED CAPACITY OBLIGATIONS

A. For each billing month during a Delivery Year, the Daily Unforced Capacity Obligation of a Party that has not elected the FRR Alternative for such Delivery Year shall be determined on a daily basis for each Zone as follows:

Daily Unforced Capacity Obligation = OPL x Final Zonal RPM Scaling Factor x FPR

Where:

OPL =Obligation Peak Load, defined as the daily summation of the weather-adjusted coincident summer peak, last preceding the Delivery Year, of the end-users in such Zone (net of operating Behind The Meter Generation for those customers taking Network Integration Transmission Service, but not to be less than zero) for which such Party was responsible on that billing day, as determined in accordance with the procedures set forth in the PJM Manuals, and as adjusted further to include the Obligation Peak Load associated with any Load Adjustment that may be allocated to the Party

Final Zonal RPM Scaling Factor = the factor determined as set forth in sections B and C of this Schedule

FPR = the Forecast Pool Requirement

Netting of Behind The Meter Generation for a Network Customer with regard to Retail Behind The Meter Generation (as defined in the Tariff) shall be subject to the limits set forth in PJM Tariff, Part III, section 34.2.

Netting of Behind the Meter Generation for a Party with regard to Non-Retail Behind the Meter Generation shall be subject to the following limitation:

For the 2006/2007 Planning Period, 100 percent of the operating Non-Retail Behind the Meter Generation shall be netted, provided that the total amount of Non-Retail Behind the Meter Generation in the PJM Region does not exceed 1500 megawatts ("Non-Retail Threshold"). For each Planning Period/Delivery Year thereafter, the Non-Retail threshold shall be proportionately increased based on load growth in the PJM Region but shall not be greater than 3000 megawatts. Load growth shall be determined by the Office of the Interconnection based on the most recent forecasted weather-adjusted coincident summer peak for the PJM Region divided by the weather-adjusted coincident peak for the previous summer for the same area. After the load growth factor is applied, the Non-Retail Threshold will be rounded up or down to the nearest whole megawatt and the rounded number shall be the Non-Retail Threshold for the current Planning Period and the base amount for calculating the Non-Retail Threshold for the succeeding planning period. If

the Non-Retail Threshold is exceeded, the amount of operating Non-Retail Behind the Meter Generation that a Party may net shall be adjusted according to the following formula:

Party Netting Credit = (NRT/ PJM NRBTMG) * Party Operating NRBTMG

Where: NRBTMG is Non-Retail Behind the Meter Generation

NRT is the Non-Retail Threshold

PJM NRBTMG is the total amount of Non-Retail Behind the Meter Generation in the PJM Region

The total amount of Non-Retail Behind the Meter Generation that is eligible for netting in the PJM Region is 3000 megawatts. Once this 3000 megawatt limit is reached, any additional Non-Retail Behind the Meter Generation which operates in the PJM Region will be ineligible for netting under this section.

In addition, the Party NRBTMG Netting Credit shall be adjusted pursuant to Schedule 16 of this Agreement, if applicable.

A Party shall be required to report to PJM such information as is required to facilitate the determination of its NRBTMG Netting Credit in accordance with the procedures set forth in the PJM Manuals.

B. Following the Base Residual Auction for a Delivery Year, the Office of the Interconnection shall determine the Base Zonal RPM Scaling Factor and the Base Zonal Unforced Capacity Obligation for each Zone for such Delivery Year as follows:

Base Zonal Unforced Capacity Obligation = (ZPLDY/RPLDY) * RUCO

and

Base Zonal RPM Scaling Factor = Base Zonal Unforced Capacity Obligation / (Adjusted ZWNSP * FPR)

Where:

ZPLDY = Preliminary Zonal Peak Load Forecast for such Delivery Year

RPLDY = RTO Preliminary Peak Load Forecast for such Delivery Year,

RUCO = the RTO Unforced Capacity Obligation satisfied in the Base Residual Auction for such Delivery Year,

FPR – the Forecast Pool Requirement, and,

Adjusted ZWNSP = Adjusted Zonal Weather Normalized Summer Peak = ZWNSP + [ZLA * (ZWNSP / (ZPLDY - ZLA))]

Where:

ZWNSP = Zonal Weather-Normalized Summer Peak for the summer season concluding four years prior to the commencement of such Delivery Year, and,

ZLA = the total zonal MW quantity of Load Adjustment for such Delivery Year.

For purposes of such determination, PJM shall determine the Preliminary RTO Peak Load Forecast, and the Preliminary Zonal Peak Load Forecasts for each Zone, in accordance with the PJM Manuals for each Delivery Year no later than one month prior to the Base Residual Auction for such Delivery Year. PJM shall determine the Updated RTO and Zonal Peak Load Forecasts in accordance with the PJM Manuals for each Delivery Year no later than one month prior to each of the First, Second, and Third Incremental Auctions for such Delivery Year. PJM shall determine the most recent Weather Normalized Summer Peak for each Zone no later than seven months prior to the start of the Delivery Year, and shall calculate the RTO Weather Normalized Summer Peak as the sum of the Weather Normalized Summer Peaks for all Zones. In addition, for each Zone, PJM shall determine, as applicable, the Adjusted Zonal Weather Normalized Summer Peak as set forth in Section B of this Schedule, where the Obligation Peak Load associated with such Load Adjustment is included. The Obligation Peak Load associated with such Load Adjustment MW will be calculated for each "zone/area" as determined by:

LAOPL = the Obligation Peak Load associated with the total MW quantity of Load Adjustment of a Zone or separate wholesale area within the zone for such Delivery Year = LAMW * (ZWNSP / (ZPLDY - ZLA))

Where:

LAMW = the total MW quantity of Load Adjustment of a Zone or of a separate wholesale area within the Zone for the relevant Delivery Year,

ZWNSP = Zonal Weather-Normalized Summer Peak from most recent summer season,

ZPLDY = Zonal Peak Load Forecast for such Delivery Year, and,

ZLA = the total zonal MW quantity of Load Adjustment for such Delivery Year.

C. This subsection C is effective through the end of the 2024/2025 Delivery Year. The Final RTO Unforced Capacity Obligation for a Delivery Year shall be equal to the sum of the unforced capacity obligations satisfied through the Base

Residual Auction and the First, Second, Third, and any Conditional Incremental Auctions for such Delivery Year. The unforced capacity obligation satisfied in an Incremental Auction may be negative if capacity is decommitted in such auction. The Final Zonal Unforced Capacity Obligation for a Zone shall be equal to such Zone's pro rata share of the Final RTO Unforced Capacity Obligation for the Delivery Year based on the Final Zonal Peak Load Forecast made one month prior to the Third Incremental Auction. The Final Zonal RPM Scaling Factor shall be equal to the Final Zonal Unforced Capacity Obligation divided by (FPR times the Zonal Weather Normalized Summer Peak for the summer concluding prior to the commencement of such Delivery Year).

C1. This subsection C1 is effective beginning with the 2025/2026 Delivery Year. The Final RTO Unforced Capacity Obligation for a Delivery Year shall be equal to the sum of the unforced capacity obligations satisfied through the Base Residual Auction and the First, Second, Third, and any Conditional Incremental Auctions for such Delivery Year. The unforced capacity obligation satisfied in an Incremental Auction may be negative if capacity is de-committed in such auction. The Final Zonal Unforced Capacity Obligation for a Zone shall be equal to such Zone's pro rata share of the Final RTO Unforced Capacity Obligation for the Delivery Year based on the Final Zonal Peak Load Forecast made one month prior to the Third Incremental Auction. The Final Zonal RPM Scaling Factor shall be equal to the Final Zonal Unforced Capacity Obligation divided by (FPR times the Adjusted Zonal Weather Normalized Summer Peak of such Delivery Year).

D. 1. No later than five months prior to the start of each Delivery Year, the Electric Distributor for a Zone shall allocate the most recent Zonal Weather Normalized Summer Peak for such Zone to each "zone/area" in the Zone to determine the Obligation Peak Load for each "zone/area" in such Zone.

2. During the Delivery Year, no later than 36 hours prior to the start of each Operating Day, the Electric Distributor shall provide to PJM for each Party to this Agreement serving load in such Electric Distributor's Zone the Obligation Peak Load for all end-use customers served by such Party in such Zone. The Electric Distributor may submit corrections to the Obligation Peak Load data up to 12:00PM Eastern Prevailing Time of the next Business Day following the Operating Day.

3. For purposes of such allocations, the daily sum of the Obligation Peak Loads of all Parties serving load in a given "zone/area" within the Zone must equal the Obligation Peak Load established for that "zone/area," including any Load Adjustment MW, determined as set forth in section B above.

Attachment A-2

Revisions to the
PJM Open Access Transmission Tariff
with Proposed Indeterminant Effective
Date

(Marked/Redline Format)

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, 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 the PJM 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 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 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 Generation Interconnection 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 calendar day 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 calendar day 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 calendar day 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, Wholesale Market Participation Agreement, Engineering and Procurement Agreement, Upgrade Construction Service Agreement, Cost Responsibility Agreement, Necessary Studies 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, Wholesale Market Participation Agreement, Engineering and Procurement Agreement, Upgrade Construction Service Agreement, Cost Responsibility Agreement, Necessary Studies 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 Studies Agreement.

Eligible Customer for Load Request

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

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 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 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, 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 4413~~5~~ 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 C 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 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 Generation the Project Developer's Generating Facility, including a Generating Facility to be used to serve Eligible Load, to Transmission Provider's Transmission System and enabling th~~eat~~ Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant to the terms of the 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.

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, section 406(A)(2)(a)(i) and Tariff, Part VIII, Subpart C, section 406(A)(3)(a), and Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(a), and Tariff, Part VIII, Subpart C, section 410(A)(1)(a), and Tariff, Part VIII, Subpart C, section 411(B)(4)(a)(iv) 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 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 Sservice 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 the next Business Day after the close of Decision Point II of Cycle 01, "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.

Eligible Customers seeking Network Integration Transmission Service or Transmission Service on behalf of an Eligible Load or Large Load will not be required to submit an Eligible Customer for Load Request through PJM's Fast Energization Process with respect to Large Loads or Eligible Loads that have completed the applicable Transmission Owner's, or Transmission Owner's affiliate's, retail load interconnection study by no later than January 1, 2028. Completion of the retail load interconnection study shall be based on the date the retail load study is completed and any relevant retail service agreement and other agreements required by the Transmission Owner in connection with the retail interconnection request have been executed by all applicable parties. Further, during this transition period, Eligible Customers must submit, or shall cause to be submitted, the information required by the Reliability Assurance Agreement, Schedule 11.B.1 to the Office of the Interconnection for any Large Loads that have completed the applicable Transmission Owner's, or Transmission Owner's affiliate's, retail load interconnection study by no later than 30 calendar days after completion of the retail load interconnection study. Any disputes about whether an Eligible Customer must submit an Eligible Customer for Load Request through PJM's Fast Energization Process must be submitted to the Office of the Interconnection by no later than January 14, 2028 at 5:00 p.m. Eastern Prevailing Time, with supporting evidence substantiating completion of the retail load interconnection study and other information as may reasonably be requested by the Office of the Interconnection as set forth in the PJM Manuals. Such disputes will be governed by the Dispute Resolution Procedures set forth in Tariff, Part I, section 12. Any request for relief from the Commission regarding a dispute about inclusion in the Fast Energization Process must be submitted to and accepted for filing by the Federal Energy Regulatory Commission by no later than January 21, 2028, after completion of the Tariff Dispute Resolution Procedures. Failure to submit a dispute to the Office of the Interconnection and the Federal Energy Regulatory Commission by the dates specified here will result in a waiver of the ability to challenge submission into the Fast Energization Process.

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, the greater of 100 percent of the initial Readiness Deposit of $10,000 per MW or 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, a~~re~~nd 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. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, i~~I~~f 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. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, 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 evidence of participation in the state-level interconnection process with the applicable entity

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:

1~~a~~. Cost Responsibility Agreement. A Project Developer with an existing generating facility that is not a party to an interconnection agreement with Transmission Provider and the relevant Transmission Owner, that desires to enter into a GIA with Transmission Provider and Transmission Owner, shall be required to enter into a Cost Responsibility Agreement in the form set forth in Tariff, Part IX, Subpart F. The Cost Responsibility Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform certain modeling, studies or analysis to determine whether the Project Developer may enter into a GIA with Transmission Provider and Transmission Owner.

2~~b~~. 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.

3~~e~~. Necessary Studies~~y~~ Agreement.

a. A Project Developer that has entered into a Generation Interconnection Agreement~~GIA~~ that plans to undertake modifications pursuant to that Generation Interconnection Agreement~~GIA~~ to its Generating Facility or Merchant Transmission Facility or Project Developer Interconnection Facilities or an Eligible Customer with a Transmission Service Agreement that plans to undertake modifications pursuant to that Transmission Service Agreement to the Eligible Load, Large Load, or Load Facility it serves shall be required to enter into a Necessary Studies~~y~~ 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 Studies~~y~~ Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer or Eligible Customer 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 or amended Transmission Service Agreement reflecting the results of such studies is fully executed and effective.

b. Project Developer or Eligible Customer 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 or Eligible Customer 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, Generation Interconnection Agreement, or Transmission Service 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 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;

ii. 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;

iii. Augmentation – no evidence of Site Control required;

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

v. 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.

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~~e~~. 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

      i. Term is the minimum duration required to evidence Site Control. The ~~t~~Term 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 Term 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, and maintain 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 t~~T~~erm, ~~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 Transmission Provider~~PJM~~, 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) ~~m~~Merchant A.C., (2) Merchant D.C. Transmission Facilities, or (3) Controllable A.C. Merchant Transmission Facilities.

g. If Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities, specify whether Applicant elects to receive (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR) or (2) Incremental Delivery Rights, Incremental Auction Revenue Rights, and/or Incremental Capacity Transfer Rights.

   i. If Applicant elects to receive TIRs or TWRs, specify (1) total project MWs to be evaluated as Firm (capacity) injection for TIR; (2) total project MWs to be evaluated as Non-firm (energy) injection for TIR; (3) total project MWs to be evaluated as Firm (capacity) withdrawal for TWR; and (4) total project MWs to be evaluated as Non-firm (energy) withdrawal for TWR.

   ii. If Applicant elects to receive Incremental Delivery Rights, specify the location on the Transmission System where it proposes to receive Incremental Delivery Rights associated with its proposed facilities.

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

i. Specify the site where Applicant intends to install its major equipment, and provide a detailed site plan.

j. Submit required evidence of Site Control for the major equipment, including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.

k. Provide evidence acceptable to Transmission Provider that Applicant has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting, as applicable. Applicant shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Applicant fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

5. Additional Requirements Applicable to All Applications

a. Study Deposit: For Transmission Provider to consider an Application complete, Transmission Provider must receive from the Applicant the required Study Deposit by wire transfer, the amount of which is based on the size of the project as described below. Applicant's wire transfer must specify the Application reference number to which the Study Deposit corresponds, or Transmission Provider will not review or process the Application.

i. Ten percent of the Study Deposit is non-refundable. If Applicant withdraws its New Service Request, or the New Service Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request;

(b) Any restudies required as a result of the rejection, termination, and/or withdrawal of such New Service Request; and/or

(c) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

ii. Ninety percent of the Study Deposit is refundable, and Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Application review;

(b) The dollar amount of Applicant's cost responsibility for the System Impact Study; and

(c) If the New Service Request is modified, rejected, terminated, and/or withdrawn, refundable deposit money shall be applied to cover all of the costs incurred by Transmission Provider up to the point of the New Service Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification, rejection, termination, and/or withdrawal of the New Service Request;

(ii) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request; and/or

(iii) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to Applicant in accordance with the PJM Manuals.

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

(a) Applicant is responsible for, and must pay, all actual study costs.

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

iv. The Study Deposit shall be calculated as follows, based on the number of MW energy (e.g., Maximum Facility Output) or MW capacity (e.g., Capacity Interconnection Rights), whichever is greater:

(a) Up to 20 MW: $75,000;

(b) Over 20 MW up to 50 MW: $200,000;

(c) Over 50 MW up to 100 MW: $250,000;

(d) Over 100 MW up to 250 MW: $300,000;

(e) Over 250 MW up to 750 MW: $350,000; and

(f) Over 750 MW: $400,000.

b. Readiness Deposit: For Transmission Provider to consider an Application complete, Applicant must submit to Transmission Provider the required Readiness Deposit by wire transfer or letter of credit. Applicant's wire transfer or letter of credit must specify the Application reference number to which the Readiness Deposit corresponds, or Transmission Provider will not review or process the Application. Readiness Deposit No. 1 shall be an amount equal to $4,000 per MW energy (e.g., Maximum Facility Output) or per MW capacity (e.g., Capacity Interconnection Rights), whichever is greater, as specified in the Application.

B. Application Review Phase for New Service Requests submitted prior to the next Business Day after the close out 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 out 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 out 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 B, section 710.1, 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 Transmission Service (a) electronically submits a Completed Application for Transmission Service following the procedures outlined in Tariff, Parts II and III, 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.

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; 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 these requirements at the time of its Application, these requirements can be addressed through a milestone in the applicable interconnection-related service agreement entered into pursuant to Tariff, Part IX.

(j) [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 and amount 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. [Reserved]

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 Transmission Service Agreement or to prevent such Eligible Generating Facility from injecting energy to the Transmission System in excess of energy injections permitted under the Project Developer's Interconnection Service Agreement or Generation Interconnection 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 through an attestation of an authorized representative 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 and type 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 requests to transfer Capacity Interconnection Rights from deactivating resources will be carried over to the New Service Request in the new Cycle 02; 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, Merchant Transmission Interconnection Requests, Completed Applications for Long Term Firm Transmission Service, and, 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, and shall provide notice of each Cycle's Soft Close date no less than 150 days after the commencement of the previous Cycle's System Impact Study Phase. 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 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 required for Phase III System Impact Study.

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 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 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 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) ~~PJM~~ Transmission Provider 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 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 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.

3. Evaluation of Alternative Transmission Technologies. At Decision Point II, Project Developer or Eligible Customer may request that Transmission Provider evaluate, as part of the System Impact Study, the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Project Developer or Eligible Customer must request in its Decision Point II submission that the evaluation be made and must provide to Transmission Provider by the close of Decision Point II all the requisite model information to allow Transmission Provider to evaluate the requested technology. Failure to provide required technical modeling information, as specified in Manual 14H, by the deadline will terminate the Project Developer's request to evaluate the specific alternative transmission technology.

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 409sets 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.

5. Evaluation of Alternative Technologies.

   i. If requested by a Project Developer or Eligible Customer at the appropriate time and with the requisite information, Transmission Provider will evaluate alternative technologies, as specified in Tariff, Part VIII, Subpart B, section 408(C)(3) for the benefit of all projects in the Cycle.

   ii. Transmission Provider shall evaluate each duly requested alternative transmission technology and determine in its sole discretion whether the specified technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations, as an alternative to traditional network upgrades. Transmission Provider shall include an explanation of the results of the Transmission Provider's evaluation, consistent with its Technical Reference Guides for advanced technologies, for each duly requested technology in the System Impact Study Report.

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 III, and shall run concurrently with the Final Agreement Negotiation Phase. New Service Requests that are studied in Phase III 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.

1. 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 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, 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, 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. 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

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

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.

6. 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.

7. 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.

8. 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 Q.

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 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, PJM shall issue a Surplus Interconnection Study to the owner of the existing or planned Generating Facility. A revised Interconnection Service Agreement or Generation Interconnection Agreement will be prepared and issued to the owner of the existing or planned Generating Facility within sixty days of issuance of the Surplus Interconnection Study including the terms and conditions for Surplus Interconnection Service. Within sixty days of receipt by the owner of the existing or planned Generating Facility of the revised Interconnection Service Agreement or Generation Interconnection Agreement, the owner of the existing or planned Generating Facility will execute the revised Interconnection Service Agreement or Generation Interconnection Agreement, request dispute resolution or request that the Interconnection Service Agreement or Generator Interconnection Agreement be filed unexecuted in accordance.

3. If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study 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 Interconnection Agreement, or any level below such capability upon the deactivation of the existing Generating Facility.

c. If the Surplus Project Developer cannot satisfy the conditions of this Tariff, Part VIII, Subpart E, section 414(B)(4)(b) above, the revised Interconnection Service Agreement or ~~Generator~~ Generation Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or ~~Generator~~ Generation 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~~in order to proceed with 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 have updated the permit matrix provided with its Application and provided 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~~Project 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.

C. 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 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 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 M

SCHEDULE OF INTERIM DELIVERABILITY

Tariff, Part VIII, Subpart M, 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 setting forth the minimum level 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 potential increases in 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 4~~38~~42 – 499
[Reserved]

Attachment B-1

Revisions to the
PJM Open Access Transmission Tariff
with Proposed 3/16/2027 Effective
Date

(Clean Format)

Definitions – A - B

30-minute Reserve:

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

30-minute Reserve Requirement:

"30-minute Reserve Requirement" shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone, as Secondary Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty. The 30-minute Reserve Requirement is calculated in accordance with the PJM Manuals. The requirement can be satisfied by any combination of Synchronized Reserve, Non Synchronized Reserve or Secondary Reserve resources.

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.

Acceleration Request:

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

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 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.

Affiliate:

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

Agreements:

"Agreements" shall mean the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., the PJM Open Access Transmission Tariff, the Reliability Assurance Agreement, and/or other agreements between PJM Interconnection, L.L.C. and its Members.

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.

Annual Demand Resource:

"Annual Demand Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Annual Energy Efficiency Resource:

"Annual Energy Efficiency Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Annual Resource:

"Annual Resource" shall mean a Generation Capacity Resource, an Annual Energy Efficiency Resource or an Annual Demand Resource.

Annual Revenue Rate:

"Annual Revenue Rate" shall mean the rate employed to assess a compliance penalty charge on a Curtailment Service Provider under Tariff, Attachment DD, section 11.

Annual Transmission Costs:

"Annual Transmission Costs" shall mean the total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H for each Zone until amended by the applicable Transmission Owner or modified by the Commission.

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, or 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, New Service Customer, or Transmission Owner operates.

Applicable Standards:

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

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 an Interconnected 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 provided, however, that, with respect to any generation facilities with maximum generating capacity of 2 MW or less (synchronous) or 5 MW or less (inverter-based) for which the Interconnection Customer executes a Construction Service Agreement or Interconnection Service Agreement on or after March 19, 2005, "Applicable Technical Requirements and Standards" shall refer to the "PJM Small Generator Interconnection Applicable Technical Requirements and Standards." All Applicable Technical Requirements and Standards shall be publicly available through postings on Transmission Provider's internet website.

Applicant:

"Applicant" shall mean an entity desiring to become a PJM Member, become a Market Participant, engage in market activities, or to take Transmission Service that has submitted the PJMSettlement credit application, PJMSettlement credit agreement and other required submittals as set forth in Tariff, Attachment Q.

Application:

"Application" shall mean a request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

Attachment Facilities:

"Attachment Facilities" shall mean the facilities necessary to physically connect a Customer Facility to the Transmission System or interconnected distribution facilities.

Attachment H:

"Attachment H" shall refer collectively to the Attachments to the PJM Tariff with the prefix "H" that set forth, among other things, the Annual Transmission Rates for Network Integration Transmission Service in the PJM Zones.

Auction Revenue Rights:

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

Auction Revenue Rights Credits:

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

Authorized Government Agency:

"Authorized Government Agency" means a regulatory body or government agency, with jurisdiction over PJM, the PJM Market, or any entity doing business in the PJM Market, including, but not limited to, the Commission, State Commissions, and state and federal attorneys general.

Avoidable Cost Rate:

"Avoidable Cost Rate" shall mean a component of the Market Seller Offer Cap calculated in accordance with Tariff, Attachment DD, section 6.

Balancing Congestion Charges:

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

Balancing Ratio:

"Balancing Ratio" shall have the meaning provided in Tariff, Attachment DD, section 10A.

Base Load Generation Resource

"Base Load Generation Resource" shall mean a Generation Capacity Resource that operates at least 90 percent of the hours that it is available to operate, as determined by the Office of the Interconnection in accordance with the PJM Manuals.

Base Offer Segment:

"Base Offer Segment" shall mean a component of a Sell Offer based on an existing Generation Capacity Resource, equal to the Unforced Capacity of such resource, as determined in accordance with the PJM Manuals. If the Sell Offers of multiple Market Sellers are based on a single Existing Generation Capacity Resource, the Base Offer Segments of such Market Sellers shall be determined pro rata based on their entitlements to Unforced Capacity from such resource.

Base Residual Auction:

"Base Residual Auction" shall mean the auction conducted three years prior to the start of the Delivery Year to secure commitments from Capacity Resources as necessary to satisfy any portion of the Unforced Capacity Obligation of the PJM Region not satisfied through Self-Supply.

Batch Load Economic Load Response Participant Resource:

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

to minimal or zero megawatts.

Behind The Meter Generation:

"Behind The Meter Generation" shall mean either Retail Behind the Meter Generation or Non-Retail Behind The Meter Generation and refers 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.

Black Start Service:

"Black Start Service" shall mean the capability of generating units to start without an outside electrical supply or the demonstrated ability of a generating unit with a high operating factor (subject to Transmission Provider concurrence) to automatically remain operating at reduced levels when disconnected from the grid.

Border Yearly Charge:

"Border Yearly Charge" shall mean the yearly charge determined in accordance with Tariff, Schedule 7.

Breach:

"Breach" shall mean the failure of a party to perform or observe any material term or condition of Tariff, Part IV or Tariff, Part VI, 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 Tariff, Part IV or Tariff, Part VI and/or an agreement entered into thereunder.

Business Day:

"Business Day" shall mean a day in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

Buy Bid:

"Buy Bid" shall mean a bid to buy Capacity Resources in any Incremental Auction.

Buyer-Side Market Power:

"Buyer-Side Market Power" shall mean the ability of Capacity Market Sellers with a Load Interest to suppress RPM Auction clearing prices for the overall benefit of their (and/or affiliates) portfolio of generation and load.

Definitions – C - D

Canadian Guaranty:

"Canadian Guaranty" shall mean a Corporate Guaranty provided by an Affiliate of a Participant that is domiciled in Canada, and meets all of the provisions of Tariff, Attachment Q.

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 Attachment Facilities, Direct Assignment Facilities and/or Customer-Funded Upgrades, and/or (b) completion of some or all of the required Attachment Facilities, Direct Assignment 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 Tariff, Part IV and/or Tariff, Part VI.

Capacity:

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

Capacity Emergency Transfer Limit:

"Capacity Emergency Transfer Limit" or "CETL" shall have the meaning provided in the Reliability Assurance Agreement.

Capacity Emergency Transfer Objective:

"Capacity Emergency Transfer Objective" or "CETO" shall have the meaning provided in the Reliability Assurance Agreement.

Capacity Export Transmission Customer:

"Capacity Export Transmission Customer" shall mean a customer taking point to point transmission service under Tariff, Part II to export capacity from a generation resource located in the PJM Region that has qualified for an exception to the RPM must-offer requirement as described in Tariff, Attachment DD, section 6.6(g).

Capacity Import Limit:

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

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 where the generating facilities connect to the Transmission System.

Capacity Market Buyer:

"Capacity Market Buyer" shall mean a Member that submits bids to buy Capacity Resources in any Incremental Auction.

Capacity Market Seller:

"Capacity Market Seller" shall mean a Member that owns, or has the contractual authority to control the output or load reduction capability of, a Capacity Resource, that has not transferred such authority to another entity, and that offers such resource in the Base Residual Auction or an Incremental Auction.

Capacity Performance Resource:

"Capacity Performance Resource" shall mean a Capacity Resource as described in Tariff, Attachment DD, section 5.5A(a).

Capacity Performance Transition Incremental Auction:

"Capacity Performance Transition Incremental Auction" shall have the meaning specified in Tariff, Attachment DD, section 5.14D.

Capacity Resource:

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

Capacity Resource with State Subsidy:

"Capacity Resource with State Subsidy" shall mean (1) a Capacity Resource that is offered into an RPM Auction or otherwise assumes an RPM commitment for which the Capacity Market Seller receives or is entitled to receive one or more State Subsidies for the applicable Delivery Year; (2) a Capacity Resource that has not cleared an RPM Auction for the Delivery Year for which the Capacity Market Seller last received a State Subsidy (or any subsequent Delivery Year) shall still be considered a Capacity Resource with State Subsidy upon the expiration of such State Subsidy until the resource clears an RPM Auction; (3) a Capacity Resource that is the subject of a bilateral transaction (including but not limited to those reported pursuant to Tariff, Attachment DD, section 4.6) shall be deemed a Capacity Resource with State Subsidy to the extent an owner of the facility supporting the Capacity Resource is entitled to a State Subsidy associated with such facility even if the Capacity Market Seller is not entitled to a State Subsidy; and (4) any Jointly Owned Cross-Subsidized Capacity Resource.

Capacity Resource Clearing Price:

"Capacity Resource Clearing Price" shall mean the price calculated for a Capacity Resource that offered and cleared in a Base Residual Auction or Incremental Auction, in accordance with Tariff, Attachment DD, section 5.

Capacity Storage Resource:

"Capacity Storage Resource" shall mean any Energy Storage Resource that participates in the Reliability Pricing Model or is otherwise treated as capacity in PJM's markets such as through a Fixed Resource Requirement Capacity Plan.

Capacity Transfer Right:

"Capacity Transfer Right" shall mean a right, allocated to LSEs serving load in a Locational Deliverability Area, to receive payments, based on the transmission import capability into such Locational Deliverability Area, that offset, in whole or in part, the charges attributable to the Locational Price Adder, if any, included in the Zonal Capacity Price calculated for a Locational Delivery Area.

Capacity Transmission Injection Rights:

"Capacity Transmission Injection Rights" shall mean the rights to schedule energy and capacity deliveries at a Point of Interconnection of a Merchant Transmission Facility with the Transmission System. Capacity Transmission Injection Rights may be awarded only to a Merchant D.C. Transmission Facility and/or Controllable A.C. Merchant Transmission Facilities that connects the Transmission System to another control area. Deliveries scheduled using Capacity Transmission Injection Rights have rights similar to those under Firm Point-to-Point Transmission Service or, if coupled with a generating unit external to the PJM Region that satisfies all applicable criteria specified in the PJM Manuals, similar to Capacity Interconnection Rights.

Charge Economic Maximum Megawatts:

"Charge Economic Maximum Megawatts" shall mean the greatest magnitude of megawatt power consumption available for charging in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Continuous Mode or in Charge Mode. Charge Economic Maximum Megawatts shall be the Economic Minimum for an Energy Storage Resource or Open-Loop Hybrid Resource in Charge Mode or in Continuous Mode.

Charge Economic Minimum Megawatts:

"Charge Economic Minimum Megawatts" shall mean the smallest magnitude of megawatt power consumption available for charging in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Charge Mode. Charge Economic Minimum

Megawatts shall be the Economic Maximum for an Energy Storage Resource or Open-Loop Hybrid Resource in Charge Mode.

Charge Mode:

"Charge Mode" shall mean the mode of operation of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource that only includes negative megawatt quantities (i.e., the Energy Storage Resource Model Participant or Open-Loop Hybrid Resource is only withdrawing megawatts from the grid).

Charge Ramp Rate:

"Charge Ramp Rate" shall mean the Ramping Capability of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Charge Mode.

Cleared Capacity Resource with State Subsidy:

"Cleared Capacity Resource with State Subsidy" shall mean a Capacity Resource with State Subsidy that has cleared in an RPM Auction for a Delivery Year that is prior to the 2022/2023 Delivery Year or, starting with 2022/2023 Delivery Year, the MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that have cleared an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price and since then, any of those MWs (in installed capacity) comprising a Capacity Resource with State Subsidy have been, the subject of a Sell Offer into the Base Residual Auction or included in an FRR Capacity Plan at the time of the Base Residual Auction for the relevant Delivery Year.

Closed-Loop Hybrid Resource:

"Closed-Loop Hybrid Resource" shall mean a Hybrid Resource that does not operate by charging its storage component from the grid.

Cogeneration Facility:

"Cogeneration Facility" shall mean equipment used to produce electric energy and forms of useful thermal energy (such as heat or steam), used for industrial, commercial, heating, or cooling purposes, through the sequential use of energy.

Cold/Warm/Hot Notification Time:

"Cold/Warm/Hot Notification Time" shall mean the time interval between PJM notification and the beginning of the start sequence for a generating unit that is currently in its cold/warm/hot temperature state. The start sequence may include steps such as any valve operation, starting feed water pumps, startup of auxiliary equipment, etc.

Cold/Warm/Hot Start-up Time:

For all generating units that are not combined cycle units, "Cold/Warm/Hot Start-up Time" shall mean the time interval, measured in hours, from the beginning of the start sequence to the point after generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero for a generating unit in its cold/warm/hot temperature state. For combined cycle units, "Cold/Warm/Hot Start-up Time" shall mean the time interval from the beginning of the start sequence to the point after first combustion turbine generator breaker closure in its cold/warm/hot temperature state, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero. For all generating units, the start sequence may include steps such as any valve operation, starting feed water pumps, startup of auxiliary equipment, etc. Other more detailed actions that could signal the beginning of the start sequence could include, but are not limited to, the operation of pumps, condensers, fans, water chemistry evaluations, checklists, valves, fuel systems, combustion turbines, starting engines or systems, maintaining stable fuel/air ratios, and other auxiliary equipment necessary for startup.

Cold Weather Alert:

"Cold Weather Alert" shall mean the notice that PJM provides to PJM Members, Transmission Owners, resource owners and operators, customers, and regulators to prepare personnel and facilities for expected extreme cold weather conditions.

Collateral:

"Collateral" shall be a cash deposit, including any interest thereon, or a Letter of Credit issued for the benefit of PJM or PJMSettlement, in an amount and form determined by and acceptable to PJM or PJMSettlement, provided by a Participant to PJM or PJMSettlement as credit support in order to participate in the PJM Markets or take Transmission Service. "Collateral" shall also include surety bonds, except for the purpose of satisfying the FTR Credit Requirement, in which case only a cash deposit or Letter of Credit will be acceptable.

Collateral Call:

"Collateral Call" shall mean a notice to a Participant that additional Collateral, or possibly early payment, is required in order to remain in, or to regain, compliance with Tariff, Attachment Q.

Co-Located Generating Facility:

"Co-Located Generating Facility" shall mean an existing Customer Facility that is physically connected to a Co-Located Load. Any Interconnection Customer with an effective Interconnection Service Agreement that plans to use a Customer Facility to serve Co-Located Load must provide Transmission Provider and Interconnected Transmission Owner with advance written notice to begin the Necessary Studies process provided in ISA, Appendix 2, section 3.1 and 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 Customer Facility on the Interconnection Customer's side of the Point of Interconnection to the Transmission Provider's Transmission System.

Co-Located Resource:

"Co-Located Resource" shall mean a component of a Mixed Technology Facility that operates in the capacity, energy, and/or ancillary services market(s) as a separate resource from the other components of such facility.

Commencement Date:

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

Committed Offer:

The "Committed Offer" shall mean 1) for pool-scheduled resources, an offer on which a resource was scheduled by the Office of the Interconnection for a particular clock hour for an Operating Day, and 2) for self-scheduled resources, either the offer on which the Market Seller has elected to schedule the resource or the applicable offer for the resource determined pursuant to Operating Agreement, Schedule 1, section 6.4, and the parallel provisions of Tariff, Attachment K-Appendix, section 6.4, or Operating Agreement, Schedule 1, section 6.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 6.6, for a particular clock hour for an Operating Day.

Completed Application:

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

Compliance Aggregation Area (CAA):

"Compliance Aggregation Area" or "CAA" shall mean a geographic area of Zones or sub-Zones that are electrically-contiguous and experience for the relevant Delivery Year, based on Resource Clearing Prices of, for Delivery Years through May 31, 2018, Annual Resources and for the 2018/2019 Delivery Year and subsequent Delivery Years, Capacity Performance Resources, the same locational price separation in the Base Residual Auction, the same locational price separation in the First Incremental Auction, the same locational price separation in the Second Incremental Auction, the same locational price separation in the Third Incremental Auction.

Component DER:

"Component DER" shall mean any resource, within the PJM Region, that is located on a distribution system, any subsystem thereof, or behind a customer meter, and is used in a DER Aggregation Resource by a DER Aggregator to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A Component DER may not exceed 5 MW.

Composite Energy Offer:

"Composite Energy Offer" for generation resources shall mean the sum (in $/MWh) of the Incremental Energy Offer and amortized Start-Up Costs and amortized No-load Costs, and for Economic Load Response Participant resources the sum (in $/MWh) of the Incremental Energy Offer and amortized shutdown costs, as determined in accordance with Tariff, Attachment K-Appendix, section 2.4 and Tariff, Attachment K-Appendix, section 2.4A and the PJM Manuals.

Conditional Incremental Auction:

"Conditional Incremental Auction" shall mean an Incremental Auction conducted for a Delivery Year if and when necessary to secure commitments of additional capacity to address reliability criteria violations arising from the delay in a Backbone Transmission upgrade that was modeled in the Base Residual Auction for such Delivery Year.

Conditioned State Support:

"Conditioned State Support" shall mean any financial benefit required or incentivized by a state, or political subdivision of a state acting in its sovereign capacity, that is provided outside of PJM Markets and in exchange for the sale of a FERC-jurisdictional product conditioned on clearing in any RPM Auction, where "conditioned on clearing in any RPM Auction" refers to specific directives as to the level of the offer that must be entered for the relevant Generation Capacity Resource in the RPM Auction or directives that the Generation Capacity Resource is required to clear in any RPM Auction. Conditioned State Support shall not include any Legacy Policy.

CONE Area:

"CONE Area" shall mean the areas listed in Tariff, Attachment DD, section 5.10(a)(iv)(A) and any LDAs established as CONE Areas pursuant to Tariff, Attachment DD, section 5.10(a)(iv)(B).

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 New Service Customer, 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 New Service Customer, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Interconnection Service Agreement or a Construction Service Agreement.

Congestion Price:

"Congestion Price" shall mean the congestion component of the Locational Marginal Price, which is the effect on transmission congestion costs (whether positive or negative) associated with increasing the output of a generation resource or decreasing the consumption by a Demand Resource, based on the effect of increased generation from or consumption by the resource on transmission line loadings, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

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.

Constraint Relaxation Logic:

"Constraint Relaxation Logic" shall mean the logic applied in the market clearing software where the transmission limit is increased to prevent the Transmission Constraint Penalty Factor from setting the Marginal Value of a transmission constraint.

Constructing Entity:

"Constructing Entity" shall mean either the Transmission Owner or the New Services Customer, depending on which entity has the construction responsibility pursuant to Tariff, Part VI and the applicable Construction Service Agreement; this term shall also be used to refer to an Interconnection Customer with respect to the construction of the Customer Interconnection Facilities.

Construction Party:

"Construction Party" shall mean a party to a Construction Service Agreement. "Construction Parties" shall mean all of the Parties to a Construction Service Agreement.

Construction Service Agreement:

"Construction Service Agreement" shall mean either an Interconnection Construction Service Agreement or an Upgrade Construction Service Agreement.

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.

Continuous Mode:

"Continuous Mode" shall mean the mode of operation of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource that includes both negative and positive megawatt quantities (i.e., the Energy Storage Resource Model Participant or Open-Loop Hybrid Resource is capable of continually and immediately transitioning from withdrawing megawatt quantities from the grid to injecting megawatt quantities onto the grid or injecting megawatts to withdrawing megawatts). Energy Storage Resource Model Participants or Open-Loop Hybrid Resource operating in Continuous Mode are considered to have an unlimited ramp rate. Continuous Mode requires Discharge Economic Maximum Megawatts to be zero or correspond to an injection, and Charge Economic Maximum Megawatts to be zero or correspond to a withdrawal.

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.

Control Zone:

"Control Zone" shall have the meaning given in the Operating Agreement.

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 Tariff, Part IV and Tariff, Part VI.

Coordinated External Transaction:

"Coordinated External Transaction" shall mean a transaction to simultaneously purchase and sell energy on either side of a CTS Enabled Interface in accordance with the procedures of Operating Agreement, Schedule 1, section 1.13, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.13.

Coordinated Transaction Scheduling:

"Coordinated Transaction Scheduling" or "CTS" shall mean the scheduling of Coordinated External Transactions at a CTS Enabled Interface in accordance with the procedures of Operating Agreement, Schedule 1, section 1.13, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.13.

Corporate Guaranty:

"Corporate Guaranty" shall mean a legal document, in a form acceptable to PJM and/or PJMSettlement, used by a Credit Affiliate of an entity to guaranty the obligations of another entity.

Cost of New Entry:

"Cost of New Entry" or "CONE" shall mean the nominal levelized cost of a Reference Resource, as determined in accordance with Tariff, Attachment DD, section 5.

Costs:

As used in Tariff, Part IV, Tariff, Part VI and related 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.

Counterparty:

"Counterparty" shall mean PJMSettlement as the contracting party, in its name and own right and not as an agent, to an agreement or transaction with a Market Participant or other entities,

including the agreements and transactions with customers regarding transmission service and other transactions under the PJM Tariff and the Operating Agreement. PJMSettlement shall not be a counterparty to (i) any bilateral transactions between Members, or (ii) any Member's self-supply of energy to serve its load, or (iii) any Member's self-schedule of energy reported to the Office of the Interconnection to the extent that energy serves that Member's own load.

Credit Affiliate:

"Credit Affiliate" shall mean Principals, corporations, partnerships, firms, joint ventures, associations, joint stock companies, trusts, unincorporated organizations or entities, one of which directly or indirectly controls the other or that are both 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 a person or an entity.

Credit Available for Export Transactions:

"Credit Available for Export Transactions" shall mean a designation of credit to be used for Export Transactions that is allocated by each Market Participant from its Credit Available for Virtual Transactions, and which reduces the Market Participant's Credit Available for Virtual Transactions accordingly.

Credit Available for Virtual Transactions:

"Credit Available for Virtual Transactions" shall mean the Market Participant's Working Credit Limit for Virtual Transactions calculated on its credit provided in compliance with its Peak Market Activity requirement plus available credit submitted above that amount, less any unpaid billed and unbilled amounts owed to PJMSettlement, plus any unpaid unbilled amounts owed by PJMSettlement to the Market Participant, less any applicable credit required for Minimum Participation Requirements, FTRs, RPM activity, or other credit requirement determinants as defined in Tariff, Attachment Q.

Credit Breach:

"Credit Breach" shall mean (a) the failure of a Participant to perform, observe, meet or comply with any requirements of Tariff, Attachment Q or other provisions of the Agreements, other than a Financial Default, or (b) a determination by PJM and notice to the Participant that a Participant represents an unreasonable credit risk to the PJM Markets; that, in either event, has not been cured or remedied after any required notice has been given and any cure period has elapsed.

Credit-Limited Offer:

"Credit-Limited Offer" shall mean a Sell Offer that is submitted by a Market Participant in an RPM Auction subject to a maximum credit requirement specified by such Market Participant.

Credit Support Default:

"Credit Support Default," shall mean (a) the failure of any Guarantor of a Market Participant to make any payment, or to perform, observe, meet or comply with any provisions of the applicable Guaranty or Credit Support Document that has not been cured or remedied, after any required notice has been given and an opportunity to cure (if any) has elapsed, (b) a representation made or deemed made by a Guarantor in any Credit Support Document that proves to be false, incorrect or misleading in any material respect when made or deemed made, (c) the failure of a Guaranty or other Credit Support Document to be in full force and effect prior to the satisfaction of all obligations of such Participant to PJM, without PJM's consent, or (d) a Guarantor repudiating, disaffirming, disclaiming or rejecting, in whole or in part, its obligations under the Guaranty or challenging the validity of the Guaranty.

Credit Support Document:

"Credit Support Document" shall mean any agreement or instrument in any way guaranteeing or securing any or all of a Participant's obligations under the Agreements (including, without limitation, the provisions of Tariff, Attachment Q), any agreement entered into under, pursuant to, or in connection with the Agreements or any agreement entered into under, pursuant to, or in connection with the Agreements and/or any other agreement to which PJM, PJMSettlement and the Participant are parties, including, without limitation, any Corporate Guaranty, Letter of Credit, or agreement granting PJM and PJMSettlement a security interest.

Critical Natural Gas Infrastructure:

"Critical Natural Gas Infrastructure" shall mean locations with electrical loads that are involved in natural gas production, processing, intrastate and interstate transmission and distribution pipeline facility as defined by NERC/FERC standard(s); and until such NERC/FERC standard(s) is developed, is defined as electric loads that are involved in natural gas production, processing, intrastate and interstate transmission and distribution pipeline facility, which if curtailed, will impact the delivery of natural gas to bulk-power system natural gas-fired generation.

Cross-Border:

When used to describe Network Integration Transmission Service, Network External Designated Transmission Service or Point-to-Point Transmission Service, "Cross-Border" shall mean transmission service where the capacity and/or energy is delivered from a resource that is not part of the PJM Transmission System and/or to load that is not part of the PJM Transmission System.

CTS Enabled Interface:

"CTS Enabled Interface" shall mean an interface between the PJM Control Area and an adjacent Control Area at which the Office of the Interconnection has authorized the use of Coordinated Transaction Scheduling ("CTS"). The CTS Enabled Interfaces between the PJM Control Area and the New York Independent System Operator, Inc. Control Area shall be designated in the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C., Schedule A (PJM Rate Schedule FERC No. 45). The CTS

Enabled Interfaces between the PJM Control Area and the Midcontinent Independent System Operator, Inc. shall be designated consistent with Attachment 3, section 2 of the Joint Operating Agreement between Midcontinent Independent System Operator, Inc. and PJM Interconnection, L.L.C.

CTS Interface Bid:

"CTS Interface Bid" shall mean a unified real-time bid to simultaneously purchase and sell energy on either side of a CTS Enabled Interface in accordance with the procedures of Operating Agreement, Schedule 1, section 1.13, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.13.

Curtailment:

"Curtailment" shall mean a reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions. For purposes of Tariff, Part XI, Transmission Provider's authority to curtail shall also include the authority to curtail Interim NITS for capacity or reserve shortages as further set forth in the PJM Manuals.

Curtailment Service Provider:

"Curtailment Service Provider" or "CSP" shall mean a Member or a Special Member, which action on behalf of itself or one or more other Members or non-Members, participates in the PJM Interchange Energy Market, Ancillary Services markets, and/or Reliability Pricing Model by causing a reduction in demand.

Customer Facility:

"Customer Facility" shall mean Generation Facilities or Merchant Transmission Facilities interconnected with or added to the Transmission System pursuant to an Interconnection Request under Tariff, Part IV.

Customer-Funded Upgrade:

"Customer-Funded Upgrade" shall mean any Network Upgrade, Local Upgrade, or Merchant Network Upgrade for which cost responsibility (i) is imposed on an Interconnection Customer or an Eligible Customer pursuant to Tariff, Part VI, section 217, or (ii) is voluntarily undertaken by a New Service Customer in fulfillment of an Upgrade Request. No Network Upgrade, Local 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.

Customer Interconnection Facilities:

"Customer Interconnection Facilities" shall mean all facilities and equipment owned and/or controlled, operated and maintained by Interconnection Customer on Interconnection Customer's

side of the Point of Interconnection identified in the appropriate appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System.

Daily Deficiency Rate:

"Daily Deficiency Rate" shall mean the rate employed to assess certain deficiency charges under Tariff, Attachment DD, section 7, Tariff, Attachment DD, section 8, Tariff, Attachment DD, section 9, or Tariff, Attachment DD, section 13.

Daily Unforced Capacity Obligation:

"Daily Unforced Capacity Obligation" shall mean the capacity obligation of a Load Serving Entity during the Delivery Year, determined in accordance with Reliability Assurance Agreement, Schedule 8, or, as to an FRR entity, in Reliability Assurance Agreement, Schedule 8.1.

Day-ahead Congestion Price:

"Day-ahead Congestion Price" shall mean the Congestion Price resulting from the Day-ahead Energy Market.

Day-ahead Energy Market:

"Day-ahead Energy Market" shall mean the schedule of commitments for the purchase or sale of energy and payment of Transmission Congestion Charges developed by the Office of the Interconnection as a result of the offers and specifications submitted in accordance with Operating Agreement, Schedule 1, section 1.10 and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.

Day-ahead Energy Market Injection Congestion Credits:

"Day-ahead Energy Market Injection Congestion Credits" shall mean those congestion credits paid to Market Participants for supply transactions in the Day-ahead Energy Market including generation schedules, Increment Offers, Up-to Congestion Transactions, import transactions, and Day-Ahead Pseudo-Tie Transactions.

Day-ahead Energy Market Transmission Congestion Charges:

"Day-ahead Energy Market Transmission Congestion Charges" shall be equal to the sum of Day-ahead Energy Market Withdrawal Congestion Charges minus [the sum of Day-ahead Energy Market Injection Congestion Credits plus any congestion charges calculated pursuant to the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C. (PJM Rate Schedule FERC No. 38), plus any congestion

charges calculated pursuant to the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C. (PJM Rate Schedule FERC No. 45), plus any congestion charges calculated pursuant to agreements between the Office of the Interconnection and other entities, as applicable)].

Day-ahead Energy Market Withdrawal Congestion Charges:

"Day-ahead Energy Market Withdrawal Congestion Charges" shall mean those congestion charges collected from Market Participants for withdrawal transactions in the Day-ahead Energy Market from transactions including Demand Bids, Decrement Bids, Up-to Congestion Transactions, Export Transactions, and Day-Ahead Pseudo-Tie Transactions.

Day-ahead Loss Price:

"Day-ahead Loss Price" shall mean the Loss Price resulting from the Day-ahead Energy Market.

Day-ahead Prices:

"Day-ahead Prices" shall mean the Locational Marginal Prices resulting from the Day-ahead Energy Market.

Day-Ahead Pseudo-Tie Transaction:

"Day-Ahead Pseudo-Tie Transaction" shall mean a transaction scheduled in the Day-ahead Energy Market to the PJM-MISO interface from a generator within the PJM balancing authority area that Pseudo-Ties into the MISO balancing authority area.

Day-ahead Settlement Interval:

"Day-ahead Settlement Interval" shall mean the interval used by settlements, which shall be every one clock hour.

Day-ahead System Energy Price:

"Day-ahead System Energy Price" shall mean the System Energy Price resulting from the Day-ahead Energy Market.

Deactivation:

"Deactivation" shall mean the retirement or mothballing of a generating unit governed by Tariff, Part V.

Deactivation Avoidable Cost Credit:

"Deactivation Avoidable Cost Credit" shall mean the credit paid to Generation Owners pursuant to Tariff, Part V, section 114.

Deactivation Avoidable Cost Rate:

"Deactivation Avoidable Cost Rate" shall mean the formula rate established pursuant to Tariff, Part V, section 115.

Deactivation Date:

"Deactivation Date" shall mean the date a generating unit within the PJM Region is either retired or mothballed and ceases to operate.

Decrement Bid:

"Decrement Bid" shall mean a type of Virtual Transaction that is a bid to purchase energy at a specified location in the Day-ahead Energy Market. A cleared Decrement Bid results in scheduled load at the specified location in the Day-ahead Energy Market.

Default:

As used in the Interconnection Service Agreement and Construction Service Agreement, "Default" shall mean the failure of a Breaching Party to cure its Breach in accordance with the applicable provisions of an Interconnection Service Agreement or Construction Service Agreement.

Delivering Party:

"Delivering Party" shall mean the entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

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.

Delivery Year:

"Delivery Year" shall mean the Planning Period for which a Capacity Resource is committed pursuant to the auction procedures specified in Tariff, Attachment DD, or pursuant to an FRR Capacity Plan under Reliability Assurance Agreement, Schedule 8.1.

Demand Bid:

"Demand Bid" shall mean a bid, submitted by a Load Serving Entity in the Day-ahead Energy Market, to purchase energy at its contracted load location, for a specified timeframe and

megawatt quantity, that if cleared will result in energy being scheduled at the specified location in the Day-ahead Energy Market and in the physical transfer of energy during the relevant Operating Day.

Demand Bid Limit:

"Demand Bid Limit" shall mean the largest MW volume of Demand Bids that may be submitted by a Load Serving Entity for any hour of an Operating Day, as determined pursuant to Operating Agreement, Schedule 1, section 1.10.1B, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.1B.

Demand Bid Screening:

"Demand Bid Screening" shall mean the process by which Demand Bids are reviewed against the applicable Demand Bid Limit, and rejected if they would exceed that limit, as determined pursuant to Operating Agreement, Schedule 1, section 1.10.1B, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.1B.

Demand Resource:

"Demand Resource" shall mean a resource with the capability to provide a reduction in demand.

Demand Resource Factor or DR Factor:

"Demand Resource Factor" or ("DR Factor") shall have the meaning specified in the Reliability Assurance Agreement.

DER Aggregation Resource:

"DER Aggregation Resource" shall be comprised of one or more Component DER. A DER Aggregation Resource is used by a DER Aggregator to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A DER Aggregation Resource is capable of satisfying a minimum energy and/or ancillary services market offer of 100 kW. The market participation eligibility of a DER Aggregation Resource shall be determined in accordance with the physical and operational characteristics of the underlying Component DER that comprise the DER Aggregation Resource.

DER Aggregator:

"DER Aggregator" shall mean an entity that is a Market Participant that: (i) uses one or more DER Aggregation Resources to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model; and (ii) has a fully-executed DER Aggregator Participation Service Agreement.

DER Aggregator Participation Model:

"DER Aggregator Participation Model" shall mean the participation model described in Tariff, Attachment K-Appendix, section 1.4B.

DER Capacity Aggregation Resource:

"DER Capacity Aggregation Resource" shall mean one or more DER Aggregation Resource that participates in the Reliability Pricing Model, capable of satisfying a minimum capacity market offer of 100 kW, or is otherwise treated as capacity in PJM's markets, such as through a Fixed Resource Requirement Capacity Plan, for the 2028/2029 Delivery Year and all subsequent Delivery Years.

Designated Agent:

"Designated Agent" shall mean any entity that performs actions or functions on behalf of the Transmission Provider, a Transmission Owner, an Eligible Customer, or the Transmission Customer required under the Tariff.

Designated Entity:

"Designated Entity" shall have the same meaning provided in the Operating Agreement.

Direct Assignment Facilities:

"Direct Assignment Facilities" shall mean facilities or portions of facilities that are constructed for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

Direct Charging Energy:

"Direct Charging Energy" shall mean the energy that an Energy Storage Resource or Open-Loop Hybrid Resource purchases from the PJM Interchange Energy Market and (i) later resells to the PJM Interchange Energy Market; or (ii) is lost to conversion inefficiencies, provided that such inefficiencies are an unavoidable component of the conversion, storage, and discharge process that is used to resell energy back to the PJM Interchange Energy Market.

Direct Load Control:

"Direct Load Control" shall mean load reduction that is controlled directly by the Curtailment Service Provider's market operations center or its agent, in response to PJM instructions.

Discharge Economic Maximum Megawatts:

"Discharge Economic Maximum Megawatts" shall mean the maximum megawatt power output available for discharge in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Continuous Mode or in Discharge Mode. Discharge

Economic Maximum Megawatts shall be the Economic Maximum for an Energy Storage Resource or Open-Loop Hybrid Resource in Discharge Mode or in Continuous Mode.

Discharge Economic Minimum Megawatts:

"Discharge Economic Minimum Megawatts" shall mean the minimum megawatt power output available for discharge in economic dispatch by an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Discharge Mode. Discharge Economic Minimum Megawatts shall be the Economic Minimum for an Energy Storage Resource or Open-Loop Hybrid Resource in Discharge Mode.

Discharge Mode:

"Discharge Mode" shall mean the mode of operation of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource that only includes positive megawatt quantities (i.e., the Energy Storage Resource Model Participant or Open-Loop Hybrid Resource is only injecting megawatts onto the grid).

Discharge Ramp Rate:

"Discharge Ramp Rate" shall mean the Ramping Capability of an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource in Discharge Mode.

Dispatch Rate:

"Dispatch Rate" shall mean the control signal, expressed in dollars per megawatt-hour, calculated and transmitted continuously and dynamically to direct the output level of all generation resources dispatched by the Office of the Interconnection in accordance with the Offer Data.

Dispatched Charging Energy:

"Dispatched Charging Energy" shall mean Direct Charging Energy that an Energy Storage Resource Model Participant or Open-Loop Hybrid Resource receives from the electric grid pursuant to PJM dispatch while providing one of the following services in the PJM markets: Energy Imbalance Service pursuant to Tariff, Schedule 4; Regulation; Tier 2 Synchronized Reserves; or Reactive Service. Energy Storage Resource Model Participants and Open-Loop Hybrid Resource shall be considered to be providing Energy Imbalance Service when they are dispatchable by PJM in real-time.

Dynamic Schedule:

"Dynamic Schedule" shall have the same meaning provided in the Operating Agreement.

Dynamic Transfer:

“Dynamic Transfer” shall have the same meaning provided in the Operating Agreement.

Definitions – E - F

Economic-based Enhancement or Expansion:

"Economic-based Enhancement or Expansion" shall have the same meaning provided in the Operating Agreement.

Economic Load Response Participant:

"Economic Load Response Participant" shall mean a Member or Special Member that qualifies under Operating Agreement, Schedule 1, section 1.5A, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A, to participate in the PJM Interchange Energy Market and/or Ancillary Services markets through reductions in demand.

Economic Load Response Regulation Only Participant:

"Economic Load Response Regulation Only Participant" shall mean a Member or Special Member that qualifies under Operating Agreement, Schedule 1, section 1.5A, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A, and is only eligible to participate in the PJM Regulation market.

Economic Maximum:

"Economic Maximum" shall mean the highest incremental MW output level, submitted to PJM market systems by a Market Participant, that a unit can achieve while following economic dispatch.

Economic Minimum:

"Economic Minimum" shall mean the lowest incremental MW output level, submitted to PJM market systems by a Market Participant, that a unit can achieve while following economic dispatch.

Effective FTR Holder:

"Effective FTR Holder" shall mean:

(i) For an FTR Holder that is either a (a) privately held company, or (b) a municipality or electric cooperative, as defined in the Federal Power Act, such FTR Holder, together with any Affiliate, subsidiary or parent of the FTR Holder, any other entity that is under common ownership, wholly or partly, directly or indirectly, or has the ability to influence, directly or indirectly, the management or policies of the FTR Holder; or

(ii) For an FTR Holder that is a publicly traded company including a wholly owned subsidiary of a publicly traded company, such FTR Holder, together with any Affiliate, subsidiary or parent of the FTR Holder, any other PJM Member has over 10% common

ownership with the FTR Holder, wholly or partly, directly or indirectly, or has the ability to influence, directly or indirectly, the management or policies of the FTR Holder; or

(iii) an FTR Holder together with any other PJM Member, including also any Affiliate, subsidiary or parent of such other PJM Member, with which it shares common ownership, wholly or partly, directly or indirectly, in any third entity which is a PJM Member (e.g., a joint venture).

EFORd:

"EFORd" shall have the meaning specified in the PJM Reliability Assurance Agreement.

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.

Electrical Distance:

"Electrical Distance" shall mean, for a Generation Capacity Resource geographically located outside the metered boundaries of the PJM Region, the measure of distance, based on impedance and in accordance with the PJM Manuals, from the Generation Capacity Resource to 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 Section 212(h) of the Federal Power Act, 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 VI, Eligible Customer shall mean only those Eligible Customers that have submitted a Completed Application.

Eligible Load:

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

Eligible Fast-Start Resource:

"Eligible Fast-Start Resource" shall mean a Fast-Start Resource that is eligible for the application of Integer Relaxation during the calculation of Locational Marginal Prices as set forth in Tariff, Attachment K-Appendix, section 2.2.

Eligible Generating Facility:

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

Emergency Action:

"Emergency Action" shall mean (1) any megawatt shortage of the Primary Reserve Requirement (as specified in the PJM Manuals) in a Reserve Zone or Reserve Sub-zone, inclusive of any adjustments to such requirement to account for system conditions, as determined by the dispatch run from the security constrained economic dispatch and where, as specified in the PJM Manuals, there is also a Voltage Reduction Warning and reduction of non-critical plant load, Manual Load Dump Warning, Maximum Generation Emergency Action, or the curtailment of non-essential building loads and Voltage Reduction Warning that encompasses such Reserve Zone or Reserve Sub-zone or (2) anytime the Office of Interconnection identifies an emergency and issues a load shed directive, Manual Load Dump Action, Voltage Reduction Action, or deploy all resources action for an entire Reserve Zone or Reserve Sub-zone.

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 Interconnected 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 Interconnection Customer is imminently likely (as determined in a non-discriminatory manner) to cause damage to the Customer Facility or to the Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions, provided that a Generation Interconnection Customer is not obligated by an Interconnection Service 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.

Emergency Load Response Program:

"Emergency Load Response Program" shall mean the program by which Curtailment Service Providers may be compensated by PJM for Demand Resources that will reduce load when dispatched by PJM during emergency conditions, and is described in Operating Agreement, Schedule 1, section 8 and the parallel provisions of Tariff, Attachment K-Appendix, section 8.

Energy Efficiency Resource:

"Energy Efficiency Resource" shall have the meaning specified in the PJM Reliability Assurance Agreement.

Energy Market Opportunity Cost:

"Energy Market Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has an operational limitation due to limitations imposed on the unit by Applicable Laws and Regulations, and (b) the forecasted future Locational Marginal Price at which the generating unit could run while not violating such limitations. Energy Market Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same compliance period, which compliance period is determined by the applicable regulatory authority and is reflected in the rules set forth in PJM Manual 15. Energy Market Opportunity Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.

Energy Resource:

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

Energy Settlement Area:

"Energy Settlement Area" shall mean the bus or distribution of busses that represents the physical location of Network Load and by which the obligations of the Network Customer to PJM are settled.

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.

Energy Storage Resource Model Participant:

"Energy Storage Resource Model Participant" shall mean an Energy Storage Resource utilizing the Energy Storage Resource Participation Model.

Energy Storage Resource Participation Model:

"Energy Storage Resource Participation Model" shall mean the participation model accepted by the Commission in Docket No. ER19-469-000.

Energy Transmission Injection Rights:

"Energy Transmission Injection Rights" shall mean the rights to schedule energy deliveries at a specified point on the Transmission System. Energy Transmission Injection Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System to another control area. Deliveries scheduled using Energy Transmission Injection Rights have rights similar to those under Non-Firm Point-to-Point Transmission Service.

Entity Providing Supply Services to Default Retail Service Provider:

"Entity Providing Supply Services to Default Retail Service Provider" shall mean any entity, including but not limited to a load aggregator or power marketer, providing supply services to an electric distribution company when that electric distribution company is serving as the default retail service provider, and that enters into a contract or similar obligation with such electric distribution company to serve retail customers who have not selected a competitive retail service provider.

Environmental Laws:

"Environmental Laws" shall mean applicable Laws or Regulations relating to pollution or protection of the environment, natural resources or human health and safety.

Environmentally-Limited Resource:

"Environmentally-Limited Resource" shall mean a resource which has a limit on its run hours imposed by a federal, state, or other governmental agency that will significantly limit its availability, on either a temporary or long-term basis. This includes a resource that is limited by a governmental authority to operating only during declared PJM capacity emergencies.

Equivalent Load:

"Equivalent Load" shall mean the sum of a Market Participant's net system requirements to serve its customer load in the PJM Region, if any, plus its net bilateral transactions.

Event of Default:

"Event of Default," as that term is used in Tariff, Attachment Q, shall mean a Financial Default, Credit Breach, or Credit Support Default.

Exercise of Buyer-Side Market Power:

"Exercise of Buyer-Side Market Power" shall mean anti-competitive behavior of a Capacity Market Seller with a Load Interest, or directed by an entity with a Load Interest, to uneconomically lower RPM Auction Sell Offer(s) in order to suppress RPM Auction clearing prices for the overall benefit of the Capacity Market Seller's (and/or affiliates of Capacity Market Seller) portfolio of generation and load or that of the directing entity with a Load Interest as determined pursuant to Tariff, Attachment DD, section 5.14(h-2)(2)(B). A bilateral contract between the Capacity Market Seller and an entity with a Load Interest with the express purpose of lowering capacity market clearing prices shall be evidence of the Exercise of Buyer-Side Market Power.

Existing Generation Capacity Resource:

"Existing Generation Capacity Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Export Credit Exposure:

"Export Credit Exposure" is determined for each Market Participant for a given Operating Day, and shall mean the sum of credit exposures for the Market Participant's Export Transactions for that Operating Day and for the preceding Operating Day.

Export Nodal Reference Price:

"Export Nodal Reference Price" at each location is the 97th percentile, shall be, the real-time hourly integrated price experienced over the corresponding two-month period in the preceding calendar year, calculated separately for peak and off-peak time periods. The two-month time periods used in this calculation shall be January and February, March and April, May and June, July and August, September and October, and November and December.

Export Transaction:

"Export Transaction" shall be a transaction by a Market Participant that results in the transfer of energy from within the PJM Control Area to outside the PJM Control Area. Coordinated External Transactions that result in the transfer of energy from the PJM Control Area to an adjacent Control Area are one form of Export Transaction.

Export Transaction Price Factor:

"Export Transaction Price Factor" for a prospective time interval shall be the greater of (i) PJM's forecast price for the time interval, if available, or (ii) the Export Nodal Reference Price, but shall not exceed the Export Transaction's dispatch ceiling price cap, if any, for that time interval. The Export Transaction Price Factor for a past time interval shall be calculated in the same manner as for a prospective time interval, except that the Export Transaction Price Factor may use a tentative or final settlement price, as available. If an Export Nodal Reference Price is not available for a particular time interval, PJM may use an Export Transaction Price Factor for that time interval based on an appropriate alternate reference price.

Export Transaction Screening:

"Export Transaction Screening" shall be the process PJM uses to review the Export Credit Exposure of Export Transactions against the Credit Available for Export Transactions, and deny or curtail all or a portion of an Export Transaction, if the credit required for such transactions is greater than the credit available for the transactions.

Export Transactions Net Activity:

"Export Transactions Net Activity" shall mean the aggregate net total, resulting from Export Transactions, of (i) Spot Market Energy charges, (ii) Transmission Congestion Charges, and (iii) Transmission Loss Charges, calculated as set forth in Operating Agreement, Schedule 1 and the parallel provisions of Tariff, Attachment K-Appendix. Export Transactions Net Activity may be positive or negative.

Extended Primary Reserve Requirement:

"Extended Primary Reserve Requirement" shall equal the Primary Reserve Requirement in a Reserve Zone or Reserve Sub-zone, plus 190 MW, plus any additional reserves scheduled under emergency conditions necessary to address operational uncertainty. The Extended Primary Reserve Requirement is calculated in accordance with the PJM Manuals.

Extended Synchronized Reserve Requirement:

"Extended Synchronized Reserve Requirement" shall equal the Synchronized Reserve Requirement in a Reserve Zone or Reserve Sub-zone, plus 190 MW, plus any additional reserves scheduled under emergency conditions necessary to address operational uncertainty. The Extended Synchronized Reserve Requirement is calculated in accordance with the PJM Manuals.

Extended 30-minute Reserve Requirement:

"Extended 30-minute Reserve Requirement" shall equal the 30-minute Reserve Requirement in a Reserve Zone or Reserve Sub-zone, plus 190 MW, plus any additional reserves scheduled under emergency conditions necessary to address operational uncertainty. The Extended 30-minute Reserve Requirement is calculated in accordance with the PJM Manuals.

External Market Buyer:

"External Market Buyer" shall mean a Market Buyer making purchases of energy from the PJM Interchange Energy Market for consumption by end-users outside the PJM Region, or for load in the PJM Region that is not served by Network Transmission Service.

External Resource:

"External Resource" shall mean a generation resource located outside the metered boundaries of the PJM Region.

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 Study; and (2) complete any additional studies or analyses documented in the System Impact Study 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. The Facilities Study shall include the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or to accommodate a New Service Request. As used in the Interconnection Service Agreement or Construction Service Agreement, Facilities Study shall mean that certain Facilities Study conducted by Transmission Provider (or at its direction) to determine the design and specification of the Customer Funded Upgrades necessary to accommodate the New Service Customer's New Service Request in accordance with Tariff, Part VI, section 207.

Fast-Start Resource:

"Fast-Start Resource" shall have the meaning set forth in Tariff, Attachment K-Appendix, section 2.2A

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.

FERC Market Rules:

"FERC Market Rules" mean the market behavior rules and the prohibition against electric energy market manipulation codified by the Commission in its Rules and Regulations at 18 CFR §§ 1c.2 and 35.37, respectively; the Commission-approved PJM Market Rules and any related proscriptions or any successor rules that the Commission from time to time may issue, approve or otherwise establish.

Final Offer:

"Final Offer" shall mean the offer on which a resource was dispatched by the Office of the Interconnection for a particular clock hour for the Operating Day.

Final RTO Unforced Capacity Obligation:

"Final RTO Unforced Capacity Obligation" shall mean the capacity obligation for the PJM Region, determined in accordance with RAA, Schedule 8.

Financial Close:

"Financial Close" shall mean the Capacity Market Seller has demonstrated that the Capacity Market Seller or its agent has completed the act of executing the material contracts and/or other documents necessary to (1) authorize construction of the project and (2) establish the necessary funding for the project under the control of an independent third-party entity. A sworn, notarized certification of an independent engineer certifying to such facts, and that the engineer has personal knowledge of, or has engaged in a diligent inquiry to determine, such facts, shall be sufficient to make such demonstration. For resources that do not have external financing, Financial Close shall mean the project has full funding available, and that the project has been duly authorized to proceed with full construction of the material portions of the project by the appropriate governing body of the company funding such project. A sworn, notarized certification by an officer of such company certifying to such facts, and that the officer has personal knowledge of, or has engaged in a diligent inquiry to determine, such facts, shall be sufficient to make such demonstration.

Financial Default:

"Financial Default" shall mean (a) the failure of a Member or Transmission Customer to make any payment for obligations under the Agreements when due, including but not limited to an invoice payment that has not been cured or remedied after notice has been given and any cure period has elapsed, (b) a bankruptcy proceeding filed by a Member, Transmission Customer or its Guarantor, or filed against a Member, Transmission Customer or its Guarantor and to which the Member, Transmission Customer or Guarantor, as applicable, acquiesces or that is not dismissed within 60 days, (c) a Member, Transmission Customer or its Guarantor, if any, is unable to meet its financial obligations as they become due, or (d) a Merger Without Assumption occurs in respect of the Member, Transmission Customer or any Guarantor of such Member or Transmission Customer.

Financial Transmission Right:

"Financial Transmission Right" or "FTR" shall mean a right to receive Transmission Congestion Credits as specified in Operating Agreement, Schedule 1, section 5.2.2 and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.2.

Financial Transmission Right Obligation:

"Financial Transmission Right Obligation" shall mean a right to receive Transmission Congestion Credits as specified in Operating Agreement, Schedule 1, section 5.2.2(b), and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.2(b).

Financial Transmission Right Option:

"Financial Transmission Right Option" shall mean a right to receive Transmission Congestion Credits as specified in Operating Agreement, Schedule 1, section 5.2.2(c), and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.2(c).

Firm Contract Demand Transmission Service:

"Firm Contract Demand Transmission Service" shall mean Transmission Service under the Tariff, Part XI, Subpart B, for the transfer of capacity and energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider.

Firm Point-To-Point Transmission Service:

"Firm Point-To-Point Transmission Service" shall mean Transmission Service under the Tariff, Part II, section 13 that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Tariff, Part II.

Firm Transmission Feasibility Study:

"Firm Transmission Feasibility Study" shall mean a study conducted by the Transmission Provider in accordance with Tariff, Part II, section 19.3 and Tariff, Part III, section 32.3.

Firm Transmission Withdrawal Rights:

"Firm Transmission Withdrawal Rights" shall mean the rights to schedule energy and capacity withdrawals from a Point of Interconnection of a Merchant Transmission Facility with the Transmission System. Firm Transmission Withdrawal Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System with another control area. Withdrawals scheduled using Firm Transmission Withdrawal Rights have rights similar to those under Firm Point-to-Point Transmission Service.

First Incremental Auction:

"First Incremental Auction" shall mean an Incremental Auction conducted 20 months prior to the start of the Delivery Year to which it relates.

Flexible Resource:

"Flexible Resource" shall mean a generating resource that must have a combined Start-up Time and Notification Time of less than or equal to two hours; and a Minimum Run Time of less than or equal to two hours.

Forecast Pool Requirement:

"Forecast Pool Requirement" shall have the meaning specified in the Reliability Assurance Agreement.

Foreign Guaranty:

"Foreign Guaranty" shall mean a Corporate Guaranty provided by an Affiliate of a Participant that is domiciled in a foreign country, and meets all of the provisions of Tariff, Attachment Q.

Form 715 Planning Criteria:

"Form 715 Planning Criteria" shall have the same meaning provided in the Operating Agreement.

Forward Daily Natural Gas Prices:

"Forward Daily Natural Gas Prices" shall have the meaning provided in Tariff, Attachment DD, section 5.10(a)(v-1)(E).

Forward Hourly Ancillary Services Prices:

"Forward Hourly Ancillary Services Prices" shall have the meaning provided in Tariff, Attachment DD, section 5.10(a)(v-1)(D).

Forward Hourly LMPs:

"Forward Hourly LMPs" shall have the meaning provided in Tariff, Attachment DD, section 5.10(a)(v-1)(C).

FTR Credit Limit:

"FTR Credit Limit" shall mean the amount of credit established with PJMSettlement that an FTR Participant has specifically designated to be used for FTR activity in a specific customer account. Any such credit so set aside shall not be considered available to satisfy any other credit requirement the FTR Participant may have with PJMSettlement.

FTR Credit Requirement:

"FTR Credit Requirement" shall mean the amount of credit that a Participant must provide in order to support the FTR positions that it holds and/or for which it is bidding. The FTR Credit Requirement shall not include months for which the invoicing has already been completed, provided that PJMSettlement shall have up to two Business Days following the date of the invoice completion to make such adjustments in its credit systems. FTR Credit Requirements are calculated and applied separately for each separate customer account.

FTR Flow Undiversified:

"FTR Flow Undiversified" shall have the meaning established in Tariff, Attachment Q, section VI.C.6.

FTR Historical Value:

For each FTR for each month, "FTR Historical Value" shall mean the weighted average of historical values over three years for the FTR path using the following weightings: 50% - most recent year; 30% - second year; 20% - third year.

FTR Holder:

"FTR Holder" shall mean the PJM Member that has acquired and possesses an FTR.

FTR Monthly Credit Requirement Contribution:

For each FTR, for each month, "FTR Monthly Credit Requirement Contribution" shall mean the total FTR cost for the month, prorated on a daily basis, less the FTR Historical Value for the month. For cleared FTRs, this contribution may be negative; prior to clearing, FTRs with negative contribution shall be deemed to have zero contribution.

FTR Net Activity:

"FTR Net Activity" shall mean the aggregate net value of the billing line items for auction revenue rights credits, FTR auction charges, FTR auction credits, and FTR congestion credits, and shall also include day-ahead and balancing/real-time congestion charges up to a maximum net value of the sum of the foregoing auction revenue rights credits, FTR auction charges, FTR auction credits and FTR congestion credits.

FTR Participant:

"FTR Participant" shall mean any Market Participant that provides or is required to provide Collateral in order to participate in PJM's FTR market.

FTR Portfolio Auction Value:

"FTR Portfolio Auction Value" shall mean for each customer account of a Market Participant, the sum, calculated on a monthly basis, across all FTRs, of the FTR price times the FTR volume in MW.

Fuel Cost Policy:

"Fuel Cost Policy" shall mean the document provided by a Market Seller to PJM and the Market Monitoring Unit in accordance with PJM Manual 15 and Operating Agreement, Schedule 2, which documents the Market Seller's method used to price fuel for calculation of the Market Seller's cost-based offers for a generation resource.

Full Notice to Proceed:

"Full Notice to Proceed" shall mean that all material third party contractors have been given the notice to proceed with construction by the Capacity Market Seller or its agent, with a guaranteed completion date backed by liquidated damages.

Definitions – I – J - K

IDR Transfer Agreement:

"IDR Transfer Agreement" shall mean an agreement to transfer, subject to the terms of Tariff, Part VI, section 237, Incremental Deliverability Rights to a party for the purpose of eliminating or reducing the need for Local or Network Upgrades that would otherwise have been the responsibility of the party receiving such rights.

Immediate-need Reliability Project:

"Immediate-need Reliability Project" shall have the same meaning provided in the Operating Agreement.

Inadvertent Interchange:

"Inadvertent Interchange" shall mean the difference between net actual energy flow and net scheduled energy flow into or out of the individual Control Areas operated by PJM.

Incidental Expenses:

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

Incremental Auction:

"Incremental Auction" shall mean any of several auctions conducted for a Delivery Year after the Base Residual Auction for such Delivery Year and before the first day of such Delivery Year, including the First Incremental Auction, Second Incremental Auction, Third Incremental Auction or Conditional Incremental Auction. Incremental Auctions (other than the Conditional Incremental Auction shall be held for the purposes of:

(i) allowing Market Sellers that committed Capacity Resources in the Base Residual Auction for a Delivery Year, which subsequently are determined to be unavailable to deliver the committed Unforced Capacity in such Delivery Year (due to resource retirement, resource cancellation or construction delay, resource derating, EFORd increase, a decrease in the Nominated Demand Resource Value of a Planned Demand Resource, delay or cancellation of a Qualifying Transmission Upgrade, or similar occurrences) to submit Buy Bids for replacement Capacity Resources; and

(ii) allowing the Office of the Interconnection to reduce or increase the amount of committed capacity secured in prior auctions for such Delivery Year if, as a result of changed

circumstances or expectations since the prior auction(s), there is, respectively, a significant excess or significant deficit of committed capacity for such Delivery Year, for the PJM Region or for an LDA.

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 Available Transfer Capability Revenue Rights:

"Incremental Available Transfer Capability Revenue Rights" shall mean the rights to revenues that are derived from incremental Available Transfer Capability created by the addition of Merchant Transmission Facilities or of one of more Customer-Funded Upgrades.

Incremental Capacity Transfer Right:

"Incremental Capacity Transfer Right" shall mean a Capacity Transfer Right allocated to a Generation Interconnection Customer or Transmission Interconnection Customer 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" or "IDRs" 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 Interconnection Customer, pursuant to an IDR Transfer Agreement, to satisfy, in part, the deliverability requirements necessary to obtain Capacity Interconnection Rights.

Incremental Energy Offer:

"Incremental Energy Offer" shall mean the cost in dollars per MWh of providing an additional MWh from a synchronized unit. It consists primarily of the cost of fuel, as determined by the unit's incremental heat rate (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, emissions allowances, tax credits, and energy market opportunity costs.

Incremental Multi-Driver Project:

"Incremental Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Incremental Rights-Eligible Required Transmission Enhancements:

"Incremental Rights-Eligible Required Transmission Enhancements" shall mean Regional Facilities and Necessary Lower Voltage Facilities or Lower Voltage Facilities (as defined in Tariff, Schedule 12) and meet one of the following criteria: (1) cost responsibility is assigned to non-contiguous Zones that are not directly electrically connected; or (2) cost responsibility is assigned to Merchant Transmission Providers that are Responsible Customers.

Increment Offer:

"Increment Offer" shall mean a type of Virtual Transaction that is an offer to sell energy at a specified location in the Day-ahead Energy Market. A cleared Increment Offer results in scheduled generation at the specified location in the Day-ahead Energy Market.

Independent Auditor:

"Independent Auditor" shall mean an external accountant or external accounting firm who is not an employee of, not otherwise related to, not obligated to, has no interest in, and is independent in the performance of professional services for, the entity he/she/it is auditing, its management and/or its owners.

Initial Operation:

"Initial Operation" shall mean the commencement of operation of the Customer Facility and Customer Interconnection Facilities after satisfaction of the conditions of Tariff, Attachment O-Appendix 2, section 1.4 (an Interconnection Service Agreement).

Integer Relaxation:

"Integer Relaxation" shall mean the process by which the commitment status variable for an Eligible Fast-Start Resource is allowed to vary between zero and one, inclusive of zero and one, as further described in Tariff, Attachment K-Appendix, section 2.2.

Interconnected Entity:

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

Interconnected Transmission Owner:

"Interconnected Transmission Owner" shall mean the Transmission Owner to whose transmission facilities or distribution facilities Customer Interconnection Facilities are, or as the case may be, a Customer Facility is, being directly connected. When used in an Interconnection

Construction Service Agreement, the term may refer to a Transmission Owner whose facilities must be upgraded pursuant to the Facilities Study, but whose facilities are not directly interconnected with those of the Interconnection Customer.

Interconnection Construction Service Agreement:

"Interconnection Construction Service Agreement" shall mean the agreement entered into by an Interconnection Customer, Interconnected Transmission Owner and the Transmission Provider pursuant to Tariff, Part VI, Subpart B and in the form set forth in Tariff, Attachment P, relating to construction of Attachment Facilities, Network Upgrades, and/or Local Upgrades and coordination of the construction and interconnection of an associated Customer Facility. A separate Interconnection Construction Service Agreement will be executed with each Transmission Owner that is responsible for construction of any Attachment Facilities, Network Upgrades, or Local Upgrades associated with interconnection of a Customer Facility.

Interconnection Customer:

"Interconnection Customer" shall mean a Generation Interconnection Customer and/or a Transmission Interconnection Customer.

Interconnection Facilities:

"Interconnection Facilities" shall mean the Transmission Owner Interconnection Facilities and the Customer Interconnection Facilities.

Interconnection Feasibility Study:

"Interconnection Feasibility Study" shall mean either a Generation Interconnection Feasibility Study or Transmission Interconnection Feasibility Study.

Interconnection Party:

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

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 Customer Facility with the Transmission System pursuant to the terms of Tariff, Part IV and Tariff, Part VI and the Interconnection Service Agreement entered into pursuant thereto by Interconnection Customer, the Interconnected Transmission Owner and Transmission Provider.

Interconnection Service Agreement:

"Interconnection Service Agreement" shall mean an agreement among the Transmission Provider, an Interconnection Customer and an Interconnected Transmission Owner regarding interconnection under Tariff, Part IV and Tariff, Part VI.

Interconnection Studies:

"Interconnection Studies" shall mean the Interconnection Feasibility Study, the System Impact Study, and the Facilities Study described in Tariff, Part IV and Tariff, Part VI.

Interface Pricing Point:

"Interface Pricing Point" shall have the meaning specified in Operating Agreement, Schedule 1, section 2.6A, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.6A.

Interim Network Integration Transmission Service:

"Interim Network Integration Transmission Service" shall mean the transmission service provided under Tariff, Part XI, Subpart A that allows an Eligible Customer taking service on behalf of a designated Eligible Load or Large Load that has requested Network Integration Transmission Service pursuant to Tariff, Part III, to receive, at a specified Delivery Point, transmission service on behalf of a designated Eligible Load or Large Load on a non-firm, interruptible basis for the period until the transmission upgrades required to provide the requested level of Network Integration Transmission Service are completed and placed in service.

Intermittent Resource:

"Intermittent Resource" shall mean a Generation Capacity Resource with output that can vary as a function of its energy source, such as wind, solar, run of river hydroelectric power and other renewable resources.

Internal Credit Score:

"Internal Credit Score" shall mean a composite numerical score determined by PJMSettlement using quantitative and qualitative metrics to estimate various predictors of a credit event happening to a Market Participant that may trigger a credit event.

Internal Market Buyer:

"Internal Market Buyer" shall mean a Market Buyer making purchases of energy from the PJM Interchange Energy Market for ultimate consumption by end-users inside the PJM Region that are served by Network Transmission Service.

Interregional Transmission Project:

"Interregional Transmission Project" shall mean transmission facilities that would be located within two or more neighboring transmission planning regions and are determined by each of those regions to be a more efficient or cost effective solution to regional transmission needs.

Interruption:

"Interruption" shall mean a reduction in non-firm transmission service due to economic reasons pursuant to Tariff, Part II, section 14.7.

IROL Critical Resource:

"IROL Critical Resource" shall mean a generation resource that the Office of the Interconnection designates, pursuant to NERC Reliability Standards, as having an interconnection reliability operating limit that, if violated, could lead to instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the bulk electric system.

Jointly Owned Cross-Subsidized Capacity Resource:

"Jointly Owned Cross-Subsidized Capacity Resource" shall mean a Capacity Resource that is supported by a facility that is jointly owned, where at least one owner is entitled to or receives a State Subsidy associated with such Capacity Resource, and therefore shall be considered a Capacity Resource with State Subsidy; provided however, in the event that the material rights and obligations of such generating facility are in pari passu, meaning that such rights and obligations are allocated among the owners pro rata based on ownership share, only Capacity Resources of those owners entitled to receive or receiving a State Subsidy shall have their share of such resource considered a Capacity Resource with a State Subsidy and Capacity Resources of owners not entitled to a State Subsidy shall not be considered a Capacity Resource with a State Subsidy. Each of these designations may be overcome by either Capacity Market Seller demonstrating to the Office of Interconnection, with advice and input from the Market Monitoring Unit, that there is no cross-subsidization or the Office of the Interconnection, with review and input from the Market Monitor, finds based on sufficient evidence, that there is cross-subsidization.

Definitions – L – M – N

Legacy Policy:

"Legacy Policy" shall mean any legislative, executive, or regulatory action that specifically directs a payment outside of PJM Markets to a designated or prospective Generation Capacity Resource and the enactment of such action predates October 1, 2021, regardless of when any implementing governmental action to effectuate the action to direct payment outside of PJM Markets occurs.

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 have the meaning specified in Tariff, Part VIII, Subpart A, section 400, Definitions L.

Load Interest:

"Load Interest" shall mean, for the purposes of the minimum offer price rule, responsibility for serving load within the PJM Region, whether by the Capacity Market Seller, an affiliate of the Capacity Market Seller, or by an entity with which the Capacity Market Seller is in contractual privity with respect to the subject Generation Capacity Resource.

Load Management:

"Load Management" shall mean a Demand Resource ("DR") as defined in the Reliability Assurance Agreement.

Load Management Event:

"Load Management Event" shall mean a) a single temporally contiguous dispatch of Demand Resources in a Compliance Aggregation Area during an Operating Day, or b) multiple dispatches of Demand Resources in a Compliance Aggregation Area during an Operating Day that are temporally contiguous.

Load Ratio Share:

"Load Ratio Share" shall mean the ratio of a Transmission Customer's Network Load to the Transmission Provider's total load.

Load Reduction Event:

"Load Reduction Event" shall mean a reduction in demand by a Member or Special Member for the purpose of participating in the PJM Interchange Energy Market.

Load Serving Charging Energy:

"Load Serving Charging Energy" shall mean energy that is purchased from the PJM Interchange Energy Market and stored in an Energy Storage Resource for later resale to end-use load.

Load Serving Entity (LSE):

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

Load Shedding:

"Load Shedding" shall mean the systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Tariff, Part II or Part III.

Local Upgrades:

"Local Upgrades" shall mean modifications or additions of facilities to abate any local thermal loading, voltage, short circuit, stability or similar engineering problem caused by the interconnection and delivery of generation to the Transmission System. Local Upgrades shall include:

(i) Direct Connection Local Upgrades which are Local Upgrades that only serve the Customer Interconnection Facility and have no impact or potential impact on the Transmission System until the final tie-in is complete; and

(ii) Non-Direct Connection Local Upgrades which are parallel flow Local Upgrades that are not Direct Connection Local Upgrades.

Location:

"Location" as used in the Economic Load Response rules shall mean an end-use customer site as defined by the relevant electric distribution company account number.

LOC Deviation:

"LOC Deviation," shall mean, for units other than wind or solar units, Hybrid Resources, or Energy Storage Resource Model Participants, the LOC Deviation shall equal the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval real-time Locational Marginal Price at the resource's bus and adjusted for any reduction in megawatts due to Regulation, Synchronized Reserve, or Secondary Reserve assignments and limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit. For wind or solar units, Hybrid Resources, or Energy Storage Resource Model Participants, the LOC Deviation shall mean the deviation of the generating unit's output equal to the lesser of the PJM forecasted output, inclusive of state of charge, for the unit or the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval integrated real-time Locational Marginal Price at the resource's bus and adjusted for any reduction in megawatts due to Regulation, Synchronized Reserve, or Secondary Reserve assignments, and shall be limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit, where the actual output of the unit is floored at 0.

Locational Deliverability Area (LDA):

"Locational Deliverability Area" or "LDA" shall mean a geographic area within the PJM Region that has limited transmission capability to import capacity to satisfy such area's reliability requirement, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, and as specified in Reliability Assurance Agreement, Schedule 10.1.

Locational Deliverability Area Reliability Requirement:

Locational Deliverability Area Reliability Requirement" shall mean the projected internal capacity in the Locational Deliverability Area plus the Capacity Emergency Transfer Objective for the Delivery Year, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, less the minimum internal resources required for all FRR Entities in such Locational Deliverability Area. Notwithstanding the foregoing, for the 2024/2025 Delivery Year, during the auction process, the Office of Interconnection shall exclude from the Locational Deliverability Area Reliability Requirement any Planned Generation Capacity Resource in an LDA that does not participate in the relevant RPM Auction as projected internal capacity and in the Capacity Emergency Transfer Objective model where the Locational Deliverability Area Reliability Requirement for the Base Residual Auction increases by more than one percent over the reliability requirement used from the prior Delivery Year's Base Residual Auction (for Incremental Auctions the Locational Deliverability Area Reliability Requirement would be compared with the reliability requirement used in the

prior relevant RPM Auction associated with the same Delivery Year) for that LDA due to the cumulative addition of such Planned Generation Capacity Resources.

Locational Price Adder:

"Locational Price Adder" shall mean an addition to the marginal value of Unforced Capacity within an LDA as necessary to reflect the price of Capacity Resources required to relieve applicable binding locational constraints.

Locational Reliability Charge:

"Locational Reliability Charge" shall have the meaning specified in the Reliability Assurance Agreement.

Locational UCAP:

"Locational UCAP" shall mean unforced capacity that a Member with available uncommitted capacity sells in a bilateral transaction to a Member that previously committed capacity through an RPM Auction but now requires replacement capacity to fulfill its RPM Auction commitment. The Locational UCAP Seller retains responsibility for performance of the resource providing such replacement capacity.

Locational UCAP Seller:

"Locational UCAP Seller" shall mean a Member that sells Locational UCAP.

Long-lead Project:

"Long-lead Project" shall have the same meaning provided in the Operating Agreement.

Long-Term Firm Point-To-Point Transmission Service:

"Long-Term Firm Point-To-Point Transmission Service" shall mean firm Point-To-Point Transmission Service under Tariff, Part II with a term of one year or more.

Loss Price:

"Loss Price" shall mean the loss component of the Locational Marginal Price, which is the effect on transmission loss costs (whether positive or negative) associated with increasing the output of a generation resource or decreasing the consumption by a Demand Resource based on the effect of increased generation from or consumption by the resource on transmission losses, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

M2M Flowgate:

"M2M Flowgate" shall have the meaning provided in the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.

Maintenance Adder:

"Maintenance Adder" shall mean an adder that may be included to account for variable operation and maintenance expenses in a Market Seller's Fuel Cost Policy. The Maintenance Adder is calculated in accordance with the applicable provisions of PJM Manual 15, and may only include expenses incurred as a result of electric production.

Manual Load Dump Action:

"Manual Load Dump Action" shall mean an Operating Instruction, as defined by NERC, from PJM to shed firm load when the PJM Region cannot provide adequate capacity to meet the PJM Region's load and tie schedules, or to alleviate critically overloaded transmission lines or other equipment.

Manual Load Dump Warning:

"Manual Load Dump Warning" shall mean a notification from PJM to warn Members of an increasingly critical condition of present operations that may require manually shedding load.

Marginal Value:

"Marginal Value" shall mean the incremental change in system dispatch costs, measured as a $/MW value incurred by providing one additional MW of relief to the transmission constraint.

Market Monitor:

"Market Monitor**"** means the head of the Market Monitoring Unit.

Market Monitoring Unit or MMU:

"Market Monitoring Unit" or "MMU" means the independent Market Monitoring Unit defined in 18 CFR § 35.28(a)(7) and established under the PJM Market Monitoring Plan (Attachment M) to the PJM Tariff that is responsible for implementing the Market Monitoring Plan, including the Market Monitor. The Market Monitoring Unit may also be referred to as the IMM or Independent Market Monitor for PJM

Market Monitoring Unit Advisory Committee or MMU Advisory Committee:

"Market Monitoring Unit Advisory Committee" or "MMU Advisory Committee" shall mean the committee established under Tariff, Attachment M, section III.H.

Market Operations Center:

"Market Operations Center" shall mean the equipment, facilities and personnel used by or on behalf of a Market Participant to communicate and coordinate with the Office of the Interconnection in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

Market Participant:

"Market Participant" shall mean a Market Buyer, a Market Seller, and/or an Economic Load Response Participant, or all three, except when that term is used in or pertaining to Tariff, Attachment M, Tariff, Attachment Q, Operating Agreement, section 15, Tariff, Attachment K-Appendix, section 1.4 and Operating Agreement, Schedule 1, section 1.4. "Market Participant," when such term is used in Tariff, Attachment M, shall mean an entity that generates, transmits, distributes, purchases, or sells electricity, ancillary services, or any other product or service provided under the PJM Tariff or Operating Agreement within, into, out of, or through the PJM Region, but it shall not include an Authorized Government Agency that consumes energy for its own use but does not purchase or sell energy at wholesale. "Market Participant," when such term is used in or pertaining to Tariff, Attachment Q, Operating Agreement, section 15, Tariff, Attachment K-Appendix, section 1.4 and Operating Agreement, Schedule 1, section 1.4, shall mean a Market Buyer, a Market Seller, an Economic Load Response Participant, an FTR Participant, a Capacity Market Buyer, or a Capacity Market Seller.

Market Participant Energy Injection:

"Market Participant Energy Injection" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Day-ahead generation schedules, real-time generation output, Increment Offers, internal bilateral transactions and import transactions, as further described in the PJM Manuals.

Market Participant Energy Withdrawal:

"Market Participant Energy Withdrawal" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Demand Bids, Decrement Bids, real-time load (net of Behind The Meter Generation expected to be operating, but not to be less than zero), internal bilateral transactions and Export Transactions, as further described in the PJM Manuals.

Market Revenue Neutrality Offset:

"Market Revenue Neutrality Offset" shall mean the revenue in excess of the cost for a resource from the energy, Synchronized Reserve, Non-Synchronized Reserve, and Secondary Reserve markets realized from an increase in real-time market megawatt assignment from a day-ahead market megawatt assignment in any of these markets due to the decrease in the real-time reserve market megawatt assignment from a day-ahead reserve market megawatt assignment in any of the reserve markets.

Market Seller Offer Cap:

"Market Seller Offer Cap" shall mean a maximum offer price applicable to certain Market Sellers under certain conditions, as determined in accordance with Tariff, Attachment DD. section 6 and Tariff, Attachment M-Appendix, section II.E.

Market Suspension:

"Market Suspension" shall mean the inability of the Office of the Interconnection to clear the Day-ahead Energy Market prior to 11:59 p.m. on the day before the affected Operating Day due to extraordinary circumstances, as further described in Operating Agreement, Schedule 1, section 1.10.8(d) and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.8(d), or the inability of the Office of the Interconnection to produce Zonal Dispatch Rates for a total of seven (7) or more Real-time Settlement Intervals within a clock hour, for the purposes of the Real-time Energy Market, as further described in Operating Agreement, Schedule 1, section 1.11.6 and the parallel provisions of Tariff, Attachment K-Appendix, section 1.11.6.

Market Violation:

"Market Violation" shall mean a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies, as defined in 18 C.F.R. § 35.28(b)(8).

Material Modification:

"Material Modification" shall mean any modification to an Interconnection Request that has a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any Interconnection Request with a later Queue Position.

Maximum Daily Starts:

"Maximum Daily Starts" shall mean the maximum number of times that a generating unit can be started in an Operating Day under normal operating conditions.

Maximum Down Time:

"Maximum Down Time" shall mean the maximum number of continuous hours for which an Economic Load Response Participant's load curtailment offer can be committed in the energy market.

Maximum Emergency:

"Maximum Emergency" shall mean the designation of all or part of the output of a generating unit for which the designated output levels may require extraordinary procedures and therefore are available to the Office of the Interconnection only when the Office of the Interconnection declares a Maximum Generation Emergency and requests generation designated as Maximum Emergency to run. The Office of the Interconnection shall post on the PJM website the aggregate amount of megawatts that are classified as Maximum Emergency.

Maximum Facility Output:

"Maximum Facility Output" shall mean the maximum (not nominal) net electrical power output in megawatts, specified in the Interconnection Service Agreement, after supply of any parasitic or host facility loads, that a Generation Interconnection Customer's Customer Facility is expected to produce, provided that the specified Maximum Facility Output shall not exceed the output of the proposed Customer Facility that Transmission Provider utilized in the System Impact Study.

Maximum Generation Emergency:

"Maximum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection to address either a generation or transmission emergency in which the Office of the Interconnection anticipates requesting one or more Generation Capacity Resources, or Non-Retail Behind The Meter Generation resources to operate at its maximum net or gross electrical power output, subject to the equipment stress limits for such Generation Capacity Resource or Non-Retail Behind The Meter resource in order to manage, alleviate, or end the Emergency.

Maximum Generation Emergency Alert:

"Maximum Generation Emergency Alert" shall mean an alert issued by the Office of the Interconnection to notify PJM Members, Transmission Owners, resource owners and operators, customers, and regulators that a Maximum Generation Emergency may be declared, for any Operating Day in either, as applicable, the Day-ahead Energy Market or the Real-time Energy Market, for all or any part of such Operating Day.

Maximum Run Time:

"Maximum Run Time" shall mean the maximum number of hours a generating unit can run over the course of an Operating Day, as measured by PJM's State Estimator.

Maximum Weekly Starts:

"Maximum Weekly Starts" shall mean the maximum number of times that a generating unit can be started in one week, defined as the 168 hour period starting Monday 0001 hour, under normal operating conditions.

Member:

"Member" shall have the meaning provided in the Operating Agreement.

Merchant A.C. Transmission Facilities:

"Merchant A.C. Transmission Facility" shall mean Merchant Transmission Facilities that are alternating current (A.C.) transmission facilities, other than those that are Controllable A.C. Merchant Transmission Facilities.

Merchant D.C. Transmission Facilities:

"Merchant D.C. Transmission Facilities" shall mean direct current (D.C.) transmission facilities that are interconnected with the Transmission System pursuant to Tariff, Part IV and Part VI.

Merchant Network Upgrades:

"Merchant Network Upgrades" shall mean additions to, or modifications or replacements of, physical facilities of the Interconnected Transmission Owner that, on the date of the pertinent Transmission Interconnection Customer's Upgrade Request, are part of the Transmission System or are included in the Regional Transmission Expansion Plan.

Merchant Transmission Facilities:

"Merchant Transmission Facilities" shall mean A.C. or D.C. transmission facilities that are interconnected with or added to the Transmission System pursuant to Tariff, Part IV and Part VI and that are so identified in Tariff, Attachment T, provided, however, that Merchant Transmission Facilities shall not include (i) any Customer Interconnection Facilities, (ii) any physical facilities of the Transmission System that were in existence on or before March 20, 2003 ; (iii) any expansions or enhancements of the Transmission System that are not identified as Merchant Transmission Facilities in the Regional Transmission Expansion Plan and Attachment T to the Tariff, or (iv) any transmission facilities that are included in the rate base of a public utility and on which a regulated return is earned.

Merchant Transmission Provider:

"Merchant Transmission Provider" shall mean an Interconnection Customer that (1) owns, controls, or controls the rights to use the transmission capability of, Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area, (2) has elected to receive Transmission Injection Rights and Transmission Withdrawal Rights associated with such facility pursuant to Tariff, Part IV, section 36, and (3) makes (or will make) the transmission capability of such facilities available for use by third parties under terms and conditions approved by the Commission and stated in the Tariff, consistent with Tariff, section 38.

Metering Equipment:

"Metering Equipment" shall mean all metering equipment installed at the metering points designated in the appropriate appendix to an Interconnection Service Agreement.

Minimum Down Time:

For all generating units that are not combined cycle units, "Minimum Down Time" shall mean the minimum number of hours under normal operating conditions between unit shutdown and unit startup, calculated as the shortest time difference between the unit's generator breaker opening and after the unit's generator breaker closure, which is typically indicated by

telemetered or aggregated State Estimator megawatts greater than zero. For combined cycle units, "Minimum Down Time" shall mean the minimum number of hours between the last generator breaker opening and after first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero.

Minimum Exposure:

"Minimum Exposure" shall mean the greater of: (a) $3,000 and (b) one percent (1%) of the greatest amount invoiced for the Participant's transaction activity for all PJM Markets and services in any rolling one, two, or three-week period in the prior 52 weeks, rounded up to the nearest multiple of $100; provided, however, that the Minimum Exposure shall be capped at a maximum of $100,000.

Minimum Generation Emergency:

"Minimum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection in which the Office of the Interconnection anticipates requesting one or more generating resources to operate at or below Normal Minimum Generation, in order to manage, alleviate, or end the Emergency.

Minimum Participation Requirements:

"Minimum Participation Requirements" shall mean a set of minimum training, risk management, communication and capital or collateral requirements required for Participants in the PJM Markets, as set forth herein and in the Form of Annual Certification set forth as Tariff, Attachment Q, Appendix 1. Participants transacting in FTRs in certain circumstances will be required to demonstrate additional risk management procedures and controls as further set forth in the Annual Certification found in Tariff, Attachment Q, Appendix 1.

Minimum Release Time:

"Minimum Release Time" shall mean the minimum number of continuous hours that must elapse between the end of an Economic Load Response Participant's load curtailment commitment and the start of its next load curtailment commitment in the energy market.

Minimum Run Time:

For all generating units that are not combined cycle units, "Minimum Run Time" shall mean the minimum number of hours a unit must run, in real-time operations, from the time after generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero, to the time of generator breaker opening, as measured by PJM's State Estimator. For combined cycle units, "Minimum Run Time" shall mean the time period after the first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero to the time of the last generator breaker opening as measured by PJM's State Estimator.

Minimum Transfer Amount:

"Minimum Transfer Amount" shall mean the greater of: (a) $20,000 and (b) five percent (5%) of the greatest amount invoiced for the Participant's transaction activity for all PJM Markets and services in any rolling one, two, or three-week period in the prior 52 weeks, rounded up to the nearest multiple of $100; provided, however, that the Minimum Transfer Amount shall be capped at a maximum of $500,000.

MISO:

"MISO" shall mean the Midcontinent Independent System Operator, Inc. or any successor thereto.

Mixed Technology Facility:

"Mixed Technology Facility" shall mean a facility composed of distinct generation and/or electric storage technology types behind the same Point of Interconnection. Co-Located Resources and Hybrid Resources form all or part of Mixed Technology Facilities.

MOPR Floor Offer Price:

"MOPR Floor Offer Price" shall mean a minimum offer price applicable to certain Market Seller's Capacity Resources under certain conditions, as determined in accordance with Tariff, Attachment DD, section 5.14(h-2).

Multi-Driver Project:

"Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Native Load Customers:

"Native Load Customers" shall mean the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Owner's system to meet the reliable electric needs of such customers.

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 ISA, 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.

NERC:

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

NERC Interchange Distribution Calculator:

"NERC Interchange Distribution Calculator" shall mean the NERC mechanism that is in effect and being used to calculate the distribution of energy, over specific transmission interfaces, from energy transactions.

Net Benefits Test:

"Net Benefits Test" shall mean a calculation to determine whether the benefits of a reduction in price resulting from the dispatch of Economic Load Response exceeds the cost to other loads resulting from the billing unit effects of the load reduction, as specified in Operating Agreement, Schedule 1, section 3.3A.4 and the parallel provisions of Tariff, Attachment K-Appendix, section 3.3A.4.

Net Cost of New Entry:

"Net Cost of New Entry" shall mean the Cost of New Entry minus the Net Energy and Ancillary Service Revenue Offset.

Net Obligation:

"Net Obligation" shall mean the amount owed to PJMSettlement and PJM for purchases from the PJM Markets, Transmission Service, (under Tariff, Parts II and III , and other services pursuant to the Agreements, after applying a deduction for amounts owed to a Participant by PJMSettlement as it pertains to monthly market activity and services. Should other markets be formed such that Participants may incur future Obligations in those markets, then the aggregate amount of those Obligations will also be added to the Net Obligation.

Net Sell Position:

"Net Sell Position" shall mean the amount of Net Obligation when Net Obligation is negative.

Network Customer:

"Network Customer" shall mean an entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Tariff, Part III.

Network External Designated Transmission Service:

"Network External Designated Transmission Service" shall have the meaning set forth in Reliability Assurance Agreement, Article I.

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 Tariff, Part XI.

Network Load:

"Network Load" shall mean the load that a Network Customer designates for Network Integration Transmission Service under Tariff, Part III. The Network Customer's Network Load shall include all load (including losses, Non-Dispatched Charging Energy, and Load Serving Charging Energy) served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Tariff, Part II for any Point-To-Point Transmission Service that may be necessary for such non-designated load. Network Load shall not include Dispatched Charging Energy.

Network Operating Agreement:

"Network Operating Agreement" shall mean an executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Tariff, Part III.

Network Operating Committee:

"Network Operating Committee" shall mean a group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Tariff, Part III.

Network Resource:

"Network Resource" shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

Network Service User:

"Network Service User" shall mean an entity using Network Transmission Service.

Network Transmission Service:

"Network Transmission Service" shall mean transmission service provided pursuant to the rates, terms and conditions set forth in Tariff, Part III, or transmission service comparable to such service that is provided to a Load Serving Entity that is also a Transmission Owner.

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:

(i) **Direct Connection Network Upgrades** which are Network Upgrades that are not part of an Affected System; only serve the Customer Interconnection Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify them in the Interconnection Construction Service Agreement, Schedule D. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direct Connection Network Upgrade within 15 days of its determination.

(ii) **Non-Direct Connection Network Upgrades** which are parallel flow Network Upgrades that are not Direct Connection Network Upgrades.

Neutral Party:

"Neutral Party" shall have the meaning provided in Tariff, Part I, section 9.3(v).

New Entry Capacity Resource with State Subsidy:

"New Entry Capacity Resource with State Subsidy" shall mean (1) starting with the 2022/2023 Delivery Year, the MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that have not cleared in an RPM Auction pursuant to its Sell Offer at or above its

resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price or (2) starting with the Base Residual Auction for the 2022/2023 Delivery Year, any of those MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that was not included in an FRR Capacity Plan at the time of the Base Residual Auction or the subject of a Sell Offer in a Base Residual Auction occurring for a Delivery Year after it last cleared an RPM Auction and since then has yet to clear an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price. Notwithstanding the foregoing, any Capacity Resource that previously cleared an RPM Auction before it became entitled to receive a State Subsidy shall not be deemed a New Entry Capacity Resource, unless, starting with the Base Residual Auction for the 2022/2023 Delivery Year, the Capacity Resource with State Subsidy was not the subject of a Sell Offer in a Base Residual Auction or included in an FRR Capacity Plan at the time of the Base Residual Auction for a Delivery Year after it last cleared an RPM Auction.

New PJM Zone(s):

"New PJM Zone(s)" shall mean the Zone included in the Tariff, along with applicable Schedules and Attachments, for Commonwealth Edison Company, The Dayton Power and Light Company and the AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company).

New Service Customers:

"New Service Customers" shall mean all customers that submit an Interconnection Request, a Completed Application, or an Upgrade Request that is pending in the New Services Queue.

New Service Request:

"New Service Request" shall mean an Interconnection Request, a Completed Application, or an Upgrade Request.

New Services Queue:

"New Services Queue" shall mean all Interconnection Requests, Completed Applications, and Upgrade Requests that are received within each six-month period ending on March 31 and September 30 of each year shall collectively comprise a New Services Queue.

New York ISO or NYISO:

"New York ISO" or "NYISO" shall mean the New York Independent System Operator, Inc. or any successor thereto.

Nodal Reference Price:

The "Nodal Reference Price" at each location shall mean the 97th percentile price differential between day-ahead and real-time prices experienced over the corresponding two-month reference period in the prior calendar year. Reference periods will be Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sept-Oct, Nov-Dec. For any given current-year month, the reference period months will be the set of two months in the prior calendar year that include the month corresponding to the current month. For example, July and August 2003 would each use July-August 2002 as their reference period.

No-load Cost:

"No-load Cost" shall mean the hourly cost required to theoretically operate a synchronized unit at zero MW. It consists primarily of the cost of fuel, as determined by the unit's no load heat (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, and emissions allowances.

Nominal Rated Capability:

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

Nominated Demand Resource Value:

"Nominated Demand Resource Value" shall mean the amount of load reduction that a Demand Resource commits to provide either through direct load control, firm service level or guaranteed load drop programs. For existing Demand Resources, the maximum Nominated Demand Resource Value is limited, in accordance with the PJM Manuals, to the value appropriate for the method by which the load reduction would be accomplished, at the time the Base Residual Auction or Incremental Auction is being conducted.

Nominated Energy Efficiency Value:

"Nominated Energy Efficiency Value" shall mean the amount of load reduction that an Energy Efficiency Resource commits to provide through installation of more efficient devices or equipment or implementation of more efficient processes or systems.

Non-Dispatched Charging Energy:

"Non-Dispatched Charging Energy" shall mean all Direct Charging Energy that an Energy Storage Resource Model Participant receives from the electric grid that is not otherwise Dispatched Charging Energy.

Non-Firm Contract Demand Transmission Service

"Non-Firm Contract Demand Transmission Service" shall mean Transmission Service under the Tariff, Part XI, Subpart B, for the transmission of energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, on an as-available basis, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider.

Non-Firm Point-To-Point Transmission Service:

"Non-Firm Point-To-Point Transmission Service" shall mean Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Tariff, Part II, section 14.7. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

Non-Firm Sale:

"Non-Firm Sale" shall mean an energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

Non-Firm Transmission Withdrawal Rights:

"No-Firm Transmission Withdrawal Rights" shall mean the rights to schedule energy withdrawals from a specified point on the Transmission System. Non-Firm Transmission Withdrawal Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System to another control area. Withdrawals scheduled using Non-Firm Transmission Withdrawal Rights have rights similar to those under Non-Firm Point-to-Point Transmission Service.

Non-Performance Charge:

"Non-Performance Charge" shall mean the charge applicable to Capacity Performance Resources as defined in Tariff, Attachment DD, section 10A(e).

Nonincumbent Developer:

"Nonincumbent Developer" shall have the same meaning provided in the Operating Agreement.

Non-Regulatory Opportunity Cost:

"Non-Regulatory Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has a limited number of starts or available run hours resulting from (i) the physical equipment limitations of the unit, for up to one year, due to original equipment manufacturer recommendations or insurance carrier restrictions, (ii) a fuel supply limitation, for up to one year, resulting from an event of Catastrophic Force Majeure; and, (b) the forecasted future Locational Marginal Price at which the generating unit could run while

not violating such limitations. Non-Regulatory Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same period of time in which the unit is bound by the referenced restrictions, and is reflected in the rules set forth in PJM Manual 15. Non-Regulatory Opportunity Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.

Non-Retail Behind The Meter Generation:

"Non-Retail Behind The Meter Generation" shall mean Behind the Meter Generation that is used by municipal electric systems, electric cooperatives, or electric distribution companies to serve load.

Non-Synchronized Reserve:

"Non-Synchronized Reserve" shall mean the reserve capability of non-emergency generation resources that can be converted fully into energy within ten minutes of a request from the Office of the Interconnection dispatcher, and is provided by equipment that is not electrically synchronized to the Transmission System.

Non-Synchronized Reserve Event:

"Non-Synchronized Reserve Event" shall mean a request from the Office of the Interconnection to generation resources able and assigned to provide Non-Synchronized Reserve in one or more specified Reserve Zones or Reserve Sub-zones, within ten minutes to increase the energy output by the amount of assigned Non-Synchronized Reserve capability.

Non-Variable Loads:

"Non-Variable Loads" shall have the meaning specified in Operating Agreement, Schedule 1, section 1.5A.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.6.

Non-Zone Network Load:

"Non-Zone Network Load shall mean Network Load that is located outside of the PJM Region.

Normal Maximum Generation:

"Normal Maximum Generation" shall mean the highest output level of a generating resource under normal operating conditions.

Normal Minimum Generation:

"Normal Minimum Generation" shall mean the lowest output level of a generating resource under normal operating conditions.

Definitions – O – P - Q

Obligation:

"Obligation" shall mean all amounts owed to PJMSettlement for purchases from the PJM Markets, Transmission Service, (under both Tariff, Part II and Tariff, Part III), and other services or obligations pursuant to the Agreements. In addition, aggregate amounts that will be owed to PJMSettlement in the future for capacity purchases within the PJM capacity markets will be added to this figure. Should other markets be formed such that Participants may incur future Obligations in those markets, then the aggregate amount of those Obligations will also be added to the Net Obligation.

Offer Data:

"Offer Data" shall mean the scheduling, operations planning, dispatch, new resource, and other data and information necessary to schedule and dispatch generation resources and Demand Resource(s) for the provision of energy and other services and the maintenance of the reliability and security of the Transmission System in the PJM Region, and specified for submission to the PJM Interchange Energy Market for such purposes by the Office of the Interconnection.

Office of the Interconnection:

"Office of the Interconnection" shall mean the employees and agents of PJM Interconnection, L.L.C. subject to the supervision and oversight of the PJM Board, acting pursuant to the Operating Agreement.

Office of the Interconnection Control Center:

"Office of the Interconnection Control Center" shall mean the equipment, facilities and personnel used by the Office of the Interconnection to coordinate and direct the operation of the PJM Region and to administer the PJM Interchange Energy Market, including facilities and equipment used to communicate and coordinate with the Market Participants in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

On-Site Generators:

"On-Site Generators" shall mean generation facilities or portions of a generation facility (including Behind The Meter Generation) that (i) are not Generation Capacity Resources, (ii) are not injecting into the grid for the portion of a generation facility that participates as a Demand Resource or as an Economic Load Response Participant unless permitted as an Economic Load Response Regulation Only Participant, (iii) are either synchronized or non-synchronized to the Transmission System, and (iv) can be used to reduce demand for the purpose of participating in the PJM Interchange Energy Market.

Open Access Same-Time Information System (OASIS) or PJM Open Access Same-Time Information System:

"Open Access Same-Time Information System," "PJM Open Access Same-Time Information System" or "OASIS" shall mean the electronic communication and information system and standards of conduct contained in Part 37 and Part 38 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS for the collection and dissemination of information about transmission services in the PJM Region, established and operated by the Office of the Interconnection in accordance with FERC standards and requirements.

Open-Loop Hybrid Resource:

"Open-Loop Hybrid Resource" shall mean a Hybrid Resource with a storage component that operates by charging its storage component from the grid.

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

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

Operating Day:

"Operating Day" shall mean the daily 24 hour period beginning at midnight for which transactions on the PJM Interchange Energy Market are scheduled.

Operating Margin:

"Operating Margin" shall mean the incremental adjustments, measured in megawatts, required in PJM Region operations in order to accommodate, on a first contingency basis, an operating contingency in the PJM Region resulting from operations in an interconnected Control Area. Such adjustments may result in constraints causing Transmission Congestion Charges, or may result in Ancillary Services charges pursuant to the PJM Tariff.

Operating Margin Customer:

"Operating Margin Customer" shall mean a Control Area purchasing Operating Margin pursuant to an agreement between such other Control Area and the LLC.

Operating Reserve Demand Curve:

"Operating Reserve Demand Curve" shall mean a curve with prices on the y-axis and megawatts on the x-axis, which defines the relationship between each incremental megawatt of reserves that

can be used to meet a given reserve requirement.

Operationally Deliverable:

"Operationally Deliverable" shall mean, as determined by the Office of the Interconnection, that there are no operational conditions, arrangements or limitations experienced or required that threaten, impair or degrade effectuation or maintenance of deliverability of capacity or energy from the external Generation Capacity Resource to loads in the PJM Region in a manner comparable to the deliverability of capacity or energy to such loads from Generation Capacity Resources located inside the metered boundaries of the PJM Region, including, without limitation, an identified need by an external Balancing Authority Area for a remedial action scheme or manual generation trip protocol, transmission facility switching arrangements that would have the effect of radializing load, or excessive or unacceptable frequency of regional reliability limit violations or (outside an interregional agreed congestion management process) of local reliability dispatch instructions and commitments.

Opportunity Cost:

"Opportunity Cost" shall mean a component of the Market Seller Offer Cap calculated in accordance with Tariff, Attachment DD, section 6.

OPSI Advisory Committee:

"OPSI Advisory Committee" shall mean the committee established under Tariff, Attachment M, section III.G.

Option to Build:

"Option to Build" shall mean the option of the New Service Customer to build certain Customer-Funded Upgrades, as set forth in, and subject to the terms of, the Construction Service Agreement.

Optional Interconnection Study:

"Optional Interconnection Study" shall mean a sensitivity analysis of an Interconnection Request based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement:

"Optional Interconnection Study Agreement" shall mean the form of agreement for preparation of an Optional Interconnection Study, as set forth in Tariff, Attachment N-3.

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 V:

"Part V" shall mean Tariff, Part V, sections 113 through 122 pertaining to the deactivation of generating units 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.

Participant:

"Participant" shall mean a Market Participant and/or Transmission Customer and/or Applicant requesting to be an active Market Participant and/or Transmission Customer**.**

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer receiving service under the Tariff. PJMSettlement shall be the Counterparty to Transmission Customers.

Peak-Hour Dispatch:

"Peak-Hour Dispatch" shall mean, for purposes of calculating the Energy and Ancillary Services Revenue Offset under Tariff, Attachment DD, section 5, an assumption, as more fully set forth in the PJM Manuals, that the Reference Resource is committed in the Day-ahead Energy Market in four distinct blocks of four hours of continuous output for each block from the peak-hour period beginning with the hour ending 0800 EPT through to the hour ending 2300 EPT for any day when the average day-ahead LMP for the area for which the Net Cost of New Entry is being determined is greater than, or equal to, the cost to generate (including the cost for a complete start and shutdown cycle), plus 10% of such costs only for the 2022/2023 Delivery Year, for at least two hours during each four-hour block, where such blocks shall be assumed to be committed independently; provided that, if there are not at least two economic hours in any given four-hour block, then the Reference Resource shall be assumed not to be committed for such block; and to the extent not committed in any such block in the Day-ahead Energy Market under the above conditions based on Day-Ahead LMPs, is dispatched in the Real-time Energy Market for such block if the Real-Time LMP is greater than or equal to the cost to generate, plus 10% of such costs only for the 2022/2023 Delivery Year, under the same conditions as described above for the Day-ahead Energy Market.

Peak Market Activity:

"Peak Market Activity" shall mean a measure of exposure for which credit is required, calculated in accordance with Tariff, Attachment Q, section VII.A.

Peak Market Activity Shortfall:

"Peak Market Activity Shortfall" shall mean, for any given week, the amount by which a Participant's current Peak Market Activity exceeds such Participant's Peak Market Activity credit requirement from the prior week.

Peak Market Activity Surplus:

"Peak Market Activity Surplus" shall mean, for any given week, the amount by which a Participant's Peak Market Activity credit requirement from the prior week exceeds such Participant's current Peak Market Activity.

Peak Season:

"Peak Season" shall mean the weeks containing the 24th through 36th Wednesdays of the calendar year. Each such week shall begin on a Monday and end on the following Sunday, except for the week containing the 36th Wednesday, which shall end on the following Friday.

Percentage Internal Resources Required:

"Percentage Internal Resources Required" shall have the meaning specified in the Reliability Assurance Agreement.

Performance Assessment Interval:

"Performance Assessment Interval" shall mean each Real-time Settlement Interval for which an Emergency Action has been declared by the Office of the Interconnection, provided, however, that Performance Assessment Intervals for a Base Capacity Resource shall not include any intervals outside the calendar months of June through September.

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 return of an executed Facilities Study Agreement (or, if a Facilities Study is not required, prior to the return of an executed Interconnection Service Agreement). Provided such change may not: (i) increase the capability of the Generating 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.

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 Administrative Service:

"PJM Administrative Service" shall mean the services provided by PJM pursuant to Tariff, Schedule 9.

PJM Board:

"PJM Board" shall mean the Board of Managers of the LLC, acting pursuant to the Operating Agreement except when such term is being used in Tariff, Attachment M, in which case PJM Board shall mean the Board of Managers of PJM or its designated representative, exclusive of any members of PJM Management.

PJM Control Area:

"PJM Control Area" shall mean the Control Area recognized by NERC as the PJM Control Area.

PJM Entities:

"PJM Entities" shall mean PJM, including the Market Monitoring Unit, the PJM Board, and PJM's officers, employees, representatives, advisors, contractors, and consultants.

PJM Interchange:

"PJM Interchange" shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds, or is exceeded by, the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller; or (e) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (f) the inteval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Interchange Energy Market:

"PJM Interchange Energy Market" shall mean the regional competitive market administered by the Office of the Interconnection for the purchase and sale of spot electric energy at wholesale in interstate commerce and related services established pursuant to Operating Agreement, Schedule 1, and the parallel provisions of Tariff, Attachment K – Appendix.

PJM Interchange Export:

"PJM Interchange Export" shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load is exceeded by the sum of the inteval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup sales; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller.

PJM Interchange Import:

"PJM Interchange Import" shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup purchases; or (c) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (d) the interval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Liaison:

"PJM Liaison" shall mean the liaison established under Tariff, Attachment M, section III.I.

PJM Management:

"PJM Management" shall mean the officers, executives, supervisors and employee managers of PJM.

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 Markets:

"PJM Markets" shall mean the PJM Interchange Energy Market, capacity markets, including the RPM auctions, and any other market operated by PJM, together with all bilateral or other wholesale electric power and energy transactions, capacity transactions, ancillary services transactions (including black start service), transmission transactions, Financial Transmission Rights transactions, or transactions in any other market operated under the Agreements within the PJM Region, wherein Market Participants may incur Obligations to PJM and/or PJMSettlement.

PJM Market Rules:

"PJM Market Rules" shall mean the rules, standards, procedures, and practices of the PJM Markets set forth in the PJM Tariff, the PJM Operating Agreement, the PJM Reliability Assurance Agreement, the PJM Consolidated Transmission Owners Agreement, the PJM Manuals, the PJM Regional Practices Document, the PJM-Midwest Independent Transmission System Operator Joint Operating Agreement or any other document setting forth market rules.

PJM Net Assets:

"PJM Net Assets**"** shall mean the total assets per PJM's consolidated quarterly or year-end financial statements most recently issued as of the date of the receipt of written notice of a claim less amounts for which PJM is acting as a temporary custodian on behalf of its Members, transmission developers/Designated Entities, and generation developers, including, but not limited to, cash deposits related to credit requirement compliance, study and/or interconnection receivables, member prepayments, invoiced amounts collected from Net Buyers but have not yet been paid to Net Sellers, and excess congestion (as described in Operating Agreement, Schedule 1, section 5.2.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.6).

PJM Region:

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

PJM Regional Practices Document:

"PJM Regional Practices Document" shall mean the document of that title that compiles and describes the practices in the PJM Markets and that is made available in hard copy and on the Internet.

PJM Region Installed Reserve Margin:

"PJM Region Installed Reserve Margin" shall mean the percent installed reserve margin for the PJM Region required pursuant to RAA, Schedule 4.1, as approved by the PJM Board.

PJM Region Peak Load Forecast:

"PJM Region Peak Load Forecast" shall mean the peak load forecast used by the Office of the Interconnection in determining the PJM Region Reliability Requirement, and shall be determined on both a preliminary and final basis as set forth in Tariff, Attachment DD, section 5.

PJM Region Reliability Requirement:

"PJM Region Reliability Requirement" shall mean, for purposes of the Base Residual Auction, the Forecast Pool Requirement multiplied by the Preliminary PJM Region Peak Load Forecast, less the sum of all Preliminary Unforced Capacity Obligations of FRR Entities in the PJM Region; and, for purposes of the Incremental Auctions, the Forecast Pool Requirement multiplied by the updated PJM Region Peak Load Forecast, less the sum of all updated Unforced Capacity Obligations of FRR Entities in the PJM Region.

PJMSettlement:

"PJM Settlement" or "PJM Settlement, Inc." shall mean PJM Settlement, Inc. (or its successor), established by PJM as set forth in Operaitng Agreement, section 3.3.

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.

Plan:

"Plan" shall mean the PJM market monitoring plan set forth in Tariff, Attachment M.

Planned Demand Resource:

"Planned Demand Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Planned External Generation Capacity Resource:

"Planned External Generation Capacity Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Planned Generation Capacity Resource:

"Planned Generation Capacity Resource" shall have the meaning specified in the Reliability Assurance Agreement.

Planning Period:

"Planning Period" shall mean the 12 moths beginning June 1 and extending through May 31 of the following year, or such other period approved by the Members Committee.

Planning Period Balance:

"Planning Period Balance" shall mean the entire period of time remaining in the Planning Period following the month that a monthly auction is conducted.

Planning Period Quarter:

"Planning Period Quarter" shall mean any of the following three month periods in the Planning Period: June, July and August; September, October and November; December, January and February; or March, April and May.

Point(s) of Delivery:

"Point(s) of Delivery" shall mean the point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Tariff, Part II. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

Point of Interconnection:

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

Point(s) of Receipt:

"Point(s) of Receipt" shall mean point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Tariff, Part II. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

Point-To-Point Transmission Service:

"Point-To-Point Transmission Service shall mean the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Tariff, Part II.

Power Purchaser:

"Power Purchaser" shall mean the entity that is purchasing the capacity and energy to be transmitted under the Tariff.

PRD Curve:

"PRD Curve" shall have the meaning provided in the Reliability Assurance Agreement.

PRD Provider:

"PRD Provider" shall have the meaning provided in the Reliability Assurance Agreement.

PRD Reservation Price:

"PRD Reservation" Price shall have the meaning provided in the Reliability Assurance Agreement.

PRD Substation:

"PRD Substation" shall have the meaning provided in the Reliability Assurance Agreement.

Pre-Confirmed Application:

"Pre-Confirmed Application" shall be an Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

Pre-Emergency Load Response Program:

"Pre-Emergency Load Response Program" shall be the program by which Curtailment Service Providers may be compensated by PJM for Demand Resources that will reduce load when dispatched by PJM during pre-emergency conditions, and is described in Operating Agreement, Schedule 1, section 8 and the parallel provisions of Tariff, Attachment K-Appendix, section 8.

Pre-Expansion PJM Zones:

"Pre-Expansion PJM Zones" shall be zones included in the Tariff, along with applicable Schedules and Attachments, for certain Transmission Owners – Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power and Light Company, Jersey Central Power and Light Company, Mid-Atlantic Interstate Transmission, LLC ("MAIT") (MAIT owns and operates the transmission facilities in the Metropolitan Edison Company Zone and the

Pennsylvania Electric Company Zone), PECO Energy Company, Pennsylvania Power & Light Group, Potomac Electric Power Company, Public Service Electric and Gas Company, Allegheny Power, and Rockland Electric Company.

Price Responsive Demand:

"Price Responsive Demand" shall have the meaning provided in the Reliability Assurance Agreement.

Primary Reserve:

"Primary Reserve" shall mean the total reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within ten minutes of a request from the Office of the Interconnection dispatcher, and is comprised of both Synchronized Reserve and Non-Synchronized Reserve.

Primary Reserve Alert

"Primary Reserve Alert" shall mean a notification from PJM to alert Members of an anticipated shortage of Operating Reserve capacity for a future critical period.

Primary Reserve Requirement:

"Primary Reserve Requirement" shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone as Primary Reserve absent any increase to account for additional reserves scheduled to address operational uncertainty. The Primary Reserve Requirement is calculated in accordance with the PJM Manuals. The requirement can be satisfied by any combination of Synchronized Reserve or Non-Synchronized Reserve resources.

Principal:

"Principal" shall mean (i) all natural persons who Control Corporate Level Strategy for the Participant, which shall include a chief executive officer, managing member (or equivalent positions regardless of title) and members of a board of directors or board of managers; (ii) the chief legal officer or general counsel (or equivalent position regardless of title); (iii) the natural person who Controls the financial affairs and investments of the Participant, which shall include a chief financial officer (or equivalent position regardless of title); (iv) the natural person who Controls the Participant's management of commodity and derivatives market risks, which shall include a chief risk officer (or equivalent position regardless of title); (v) the natural person who Controls the Participant's transactions in the applicable PJM Markets (regardless of title); and (vi) all Beneficial Owners.

"Control," as that term is used in this definition, refers to possession of the power to direct the management or policies of an entity.

"Corporate Level Strategy," as that term is used in this definition, refers to the highest-level strategy of an entity, focused on the entity's overall direction rather than the day-to-day operations of the entity.

"Beneficial Owner," as that term is used in this definition, means a natural person who, directly or indirectly, alone or together with such person's Family Members, owns, controls, or holds with power to vote 10 percent or more of the outstanding securities of the Participant.

"Family Member," as that term is used in this definition of "Beneficial Owner," means a spouse, domestic partner, parent, child, or sibling.

For purposes of trusts with, directly or indirectly, 10 percent or more of the outstanding securities of the Participant as described above, the following are Beneficial Owners: (a) a natural person trustee; (b) a natural person with the authority to dispose of the trust assets; (c) a natural person grantor or settlor who has the right to revoke the trust or otherwise withdraw the assets of the trust; and (d) a natural person beneficiary who is the sole permissible recipient of income and principal from the trust or has the right to demand a distribution of or withdraw substantially all of the assets from the trust.

If, due to the Participant's business enterprise, structure or otherwise, a function described in clauses (i) through (v) above is performed by a natural person or entity separate from the Participant (such as a risk management department in an affiliate, or a director or manager at an entity that controls or invests in the Participant), then for that Participant the term Principal shall mean that natural person, or the senior officer or manager of that entity, that performs such function.

Prior CIL Exception External Resource:

"Prior CIL Exception External Resource" shall mean an external Generation Capacity Resource for which (1) a Capacity Market Seller had, prior to May 9, 2017, cleared a Sell Offer in an RPM Auction under the exception provided to the definition of Capacity Import Limit as set forth in RAA, Article I or (2) an FRR Entity committed, prior to May 9, 2017, in an FRR Capacity Plan under the exception provided in the definition of Capacity Import Limit. In the event only a portion (in MW) of an external Generation Capacity Resource has a Pseudo-Tie into the PJM Region, that portion of the external Generation Capacity Resource, which can include up to the maximum megawatt amount cleared in any prior RPM auction or committed in an FRR Capacity Plan (and no other portion thereof) is eligible for treatment as a Prior CIL Exception External Resource if such portion satisfies the requirements of the first sentence of this definition.

Project Financing:

"Project Financing" shall mean: (a) one or more loans, leases, equity and/or debt financings, together with all modifications, renewals, supplements, substitutions and replacements thereof, the proceeds of which are used to finance or refinance the costs of the Customer Facility, any alteration, expansion or improvement to the Customer Facility, the purchase and sale of the Customer Facility or the operation of the Customer Facility; (b) a power purchase agreement

pursuant to which Interconnection Customer's obligations are secured by a mortgage or other lien on the Customer Facility; or (c) loans and/or debt issues secured by the Customer Facility.

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 Customer Facility to which Interconnection Customer has granted a mortgage or other lien as security for some or all of Interconnection Customer's obligations under the corresponding power purchase agreement.

Projected EAS Dispatch:

"Projected EAS Dispatch" shall mean, for purposes of calculating the Net Energy and Ancillary Services Revenue Offset, a simulated dispatch with the objective of committing and dispatching a resource for the purpose of maximizing its net revenues. The calculation shall take inputs including Forward Hourly LMPs, Forward Hourly Ancillary Service Prices, and Forward Daily Natural Gas Prices or forecasted fuel prices, as applicable, in addition to the operating parameters and costs of the specific resource, including the cost emission allowances. Using operating parameters, forward or forecasted fuel prices, as applicable and other cost pricing inputs, a composite, cost-based energy offer is created for the resource such that its commitment and dispatch is co-optimized between energy and ancillary services in the Day-Ahead Energy Market and then the Real-Time Energy Market considering the electricity and ancillary service price inputs. In the Real-Time Energy Market co-optimization, the resource is assumed to be operating in the hours it was scheduled in the Day-Ahead Energy Market but is dispatched according to the real-time price inputs. In the hours where the resource was not committed in the Day-Ahead Market, the resource may be committed and dispatched in real-time only subject to the real-time electricity and ancillary service price inputs and the resource's offer and operating parameters. For combustion turbine units only, the cost-based energy offer will include a 10 percent adder only for the 2022/2023 Delivery Year.

Projected PJM Market Revenues:

"Projected PJM Market Revenues" shall mean a component of the Market Seller Offer Cap calculated in accordance with Tariff, Attachment DD, section 6.

Proportional Multi-Driver Project:

"Proportional Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Provisional Interconnection Service:

"Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting an Interconnection Customer's Customer Facility, including a Customer Facility to be used to serve Eligible Load, to Transmission

Provider's Transmission System and enabling 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 and, if applicable, the Tariff, Part VIII, Subpart L, section 439.

Pseudo-Tie:

"Pseudo-Tie" shall have the same meaning provided in the Operating Agreement.

Public Policy Objectives:

"Public Policy Objectives" shall have the same meaning provided in the Operating Agreement.

Public Policy Requirements:

"Public Policy Requirements" shall have the same meaning provided in the Operating Agreement.

Qualifying Transmission Upgrade:

"Qualifying Transmission Upgrade" shall mean a proposed enhancement or addition to the Transmission System that: (a) will increase the Capacity Emergency Transfer Limit into an LDA by a megawatt quantity certified by the Office of the Interconnection; (b) the Office of the Interconnection has determined will be in service on or before the commencement of the first Delivery Year for which such upgrade is the subject of a Sell Offer in the Base Residual Auction; (c) is the subject of a Facilities Study Agreement executed before the conduct of the Base Residual Auction for such Delivery Year and (d) a New Service Customer is obligated to fund through a rate or charge specific to such facility or upgrade.

Queue Position:

"Queue Position" shall mean the priority assigned to an Interconnection Request, a Completed Application, or an Upgrade Request pursuant to applicable provisions of Tariff, Part VI.

Definitions – R - S

Ramping Capability:

"Ramping Capability" shall mean the sustained rate of change of generator output, in megawatts per minute.

Rating Agency:

"Rating Agency" shall mean a Nationally Recognized Statistical Rating Organization that assesses the financial condition, strength and stability of companies and governmental entities and their ability to timely make principal and interest payments on their debts and the likelihood of default, and assigns a rating that reflects its assessment of the ability of the company or governmental entity to make the debt payments.

Real-time Congestion Price:

"Real-time Congestion Price" shall mean the Congestion Price resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Real-time Loss Price:

"Real-time Loss Price" shall mean the Loss Price resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Real-time Energy Market:

"Real-time Energy Market" shall mean the purchase or sale of energy and payment of Transmission Congestion Charges for quantity deviations from the Day-ahead Energy Market in the Operating Day.

Real-time Offer:

"Real-time Offer" shall mean a new offer or an update to a Market Seller's existing cost-based or market-based offer for a clock hour, submitted for use after the close of the Day-ahead Energy Market.

Real-time Prices:

"Real-time Prices" shall mean the Locational Marginal Prices resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Real-time Settlement Interval:

"Real-time Settlement Interval" shall mean the interval used by settlements, which shall be every five minutes.

Real-time System Energy Price:

"Real-time System Energy Price" shall mean the System Energy Price resulting from the Office of the Interconnection's dispatch of the PJM Interchange Energy Market in the Operating Day.

Reasonable Efforts:

"Reasonable Efforts" shall mean, with respect to any action required to be made, attempted, or taken by an Interconnection Party or by a Construction Party under Tariff, Part IV or Tariff, Part VI, an Interconnection Service 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.

Receiving Party:

"Receiving Party" shall mean the entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

Referral:

"Referral" shall mean a formal report of the Market Monitoring Unit to the Commission for investigation of behavior of a Market Participant, of behavior of PJM, or of a market design flaw, pursuant to Tariff, Attachment M, section IV.I.

Reference Resource:

For Delivery Years up to and including the 2025/2026 Delivery Year, "Reference Resource" shall mean a combustion turbine generating station, configured with a single General Electric Frame 7HA turbine with evaporative cooling, Selective Catalytic Reduction technology, dual fuel capability, and a heat rate of 9.134 Mmbtu/ MWh. For the 2026/2027 Delivery Year and subsequent Delivery Years, "Reference Resource" shall mean, for all CONE Areas, a combustion turbine generating station, configured with a single General Electric Frame 7HA turbine with evaporative cooling, Selective Catalytic Reduction technology, dual fuel capability, and a heat rate of 9.189 Mmbtu/MWh.

Regional Entity:

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

Regional Network Integration Transmission Service:

"Regional Network Integration Transmission Service" shall mean firm transmission service taken by Network Customers that involves the delivery of energy and/or capacity from Network Resources physically interconnected to the Transmission Provider's transmission system to Network Load physically interconnected to the Transmission Provider's transmission system.

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.

Regional Transmission Group (RTG):

"Regional Transmission Group" or "RTG" shall mean a voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

Regulation:

"Regulation" shall mean the capability of a specific generation resource or Demand Resource with appropriate telecommunications, control and response capability to separately increase and decrease its output or adjust load in response to a regulating control signal, in accordance with the specifications in the PJM Manuals.

Regulation Requirement:

"Regulation Requirement" shall mean the required megawatts of performance-adjusted Regulation capability to be maintained in a Regulation Zone. The Regulation Requirement is defined as a set megawatt value by commitment interval and can increase to account for additional operational uncertainty, in accordance with the PJM Manuals.

Regulation Zone:

"Regulation Zone" shall mean any of those one or more geographic areas, each consisting of a combination of one or more Control Zone(s) as designated by the Office of the Interconnection in the PJM Manuals, relevant to provision of, and requirements for, regulation service.

Relevant Electric Retail Regulatory Authority:

"Relevant Electric Retail Regulatory Authority" shall mean an entity that has jurisdiction over and establishes prices and policies for competition for providers of retail electric service to end-customers, such as the city council for a municipal utility, the governing board of a cooperative utility, the state public utility commission or any other such entity.

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.

Reliability Pricing Model Auction:

"Reliability Pricing Model Auction" or "RPM Auction" shall mean the Base Residual Auction or any Incremental Auction.

Required Transmission Enhancements:

"Regional Transmission Enhancements" shall mean enhancements and expansions of the Transmission System that (1) a Regional Transmission Expansion Plan developed pursuant to Operating Agreement, Schedule 6 or (2) any joint planning or coordination agreement between PJM and another region or transmission planning authority set forth in Tariff, Schedule 12-Appendix B ("Appendix B Agreement") designates one or more of the Transmission Owner(s) to construct and own or finance. Required Transmission Enhancements shall also include enhancements and expansions of facilities in another region or planning authority that meet the definition of transmission facilities pursuant to FERC's Uniform System of Accounts or have been classified as transmission facilities in a ruling by FERC addressing such facilities constructed pursuant to an Appendix B Agreement cost responsibility for which has been assigned at least in part to PJM pursuant to such Appendix B Agreement.

Reserved Capacity:

"Reserved Capacity" shall mean the maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Tariff, Part II. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

Reserve Penalty Factor:

"Reserve Penalty Factor" shall mean the cost, in $/MWh, associated with being unable to meet a specific reserve requirement in a Reserve Zone or Reserve Sub-zone. A Reserve Penalty Factor will be defined for each reserve requirement in a Reserve Zone or Reserve Sub-zone.

Reserve Sub-zone:

"Reserve Sub-zone" shall mean any of those geographic areas wholly contained within a Reserve Zone, consisting of a combination of a portion of one or more Control Zone(s) as designated by the Office of the Interconnection in the PJM Manuals, relevant to provision of, and requirements for, reserve service.

Reserve Zone:

“Reserve Zone” shall mean any of those geographic areas consisting of a combination of one or more Control Zone(s), as designated by the Office of the Interconnection in the PJM Manuals, relevant to provision of, and requirements for, reserve service.

Residual Auction Revenue Rights:

“Residual Auction Revenue Rights” shall mean incremental stage 1 Auction Revenue Rights created within a Planning Period by an increase in transmission system capability, including the return to service of existing transmission capability, that was not modeled pursuant to Operating Agreement, Schedule 1, section 7.5 and the parallel provisions of Tariff, Attachment K-Appendix, section 7.5 in compliance with Operating Agreement, Schedule 1, section 7.4.2 (h) and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.2(h), and, if modeled, would have increased the amount of stage 1 Auction Revenue Rights allocated pursuant to Operating Agreement, Schedule 1, section 7.4.2 and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.2; provided that, the foregoing notwithstanding, Residual Auction Revenue Rights shall exclude: 1) Incremental Auction Revenue Rights allocated pursuant to Tariff, Part VI; and 2) Auction Revenue Rights allocated to entities that are assigned cost responsibility pursuant to Operating Agreement, Schedule 6 for transmission upgrades that create such rights.

Residual Metered Load:

“Residual Metered Load” shall mean all load remaining in an electric distribution company’s fully metered franchise area(s) or service territory(ies) after all nodally priced load of entities serving load in such area(s) or territory(ies) has been carved out.

Resource Substitution Charge:

“Resource Substitution Charge” shall mean a charge assessed on Capacity Market Buyers in an Incremental Auction to recover the cost of replacement Capacity Resources.

Restricted Collateral:

“Restricted Collateral” shall mean Collateral, held by PJM or PJMSettlement, which cannot be used, netted, credited or spent by the Participant to satisfy any other obligations.

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.

Revenue Data for Settlements:

“Revenue Data for Settlements” shall mean energy quantities used in accounting and billing as determined pursuant to Tariff, Attachment K-Appendix and the corresponding provisions of Operating Agreement, Schedule 1.

RPM Seller Credit:

"RPM Seller Credit" shall mean an additional form of Unsecured Credit defined in Tariff, Attachment Q, section VI.

Scheduled Incremental Auctions:

"Scheduled Incremental Auctions" shall refer to the First, Second, or Third Incremental Auction.

Schedule of Work:

"Schedule of Work" shall mean that schedule attached to the Interconnection Construction Service Agreement setting forth the timing of work to be performed by the Constructing Entity pursuant to the Interconnection Construction Service Agreement, based upon the Facilities Study 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 attached as a schedule to the Interconnection Construction Service Agreement and to be performed by the Constructing Entity(ies) pursuant to the Interconnection Construction Service Agreement, 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.

Seasonal Capacity Performance Resource:

"Seasonal Capacity Performance Resource" shall have the same meaning specified in Tariff, Attachment DD, section 5.5A.

Secondary Reserve:

"Secondary Reserve" shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within 30 minutes (less the capability of such resources to provide Primary Reserve), from the request of the Office of the Interconnection, regardless of whether the equipment providing the reserve is electrically synchronized to the Transmission System or not.

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.

Second Incremental Auction:

"Second Incremental Auction" shall mean an Incremental Auction conducted ten months before the Delivery Year to which it relates**.**

Security:

"Security" shall mean the security provided by the New Service Customer pursuant to Tariff, section 212.4 or Tariff, Part VI, section 213.4 to secure the New Service Customer's responsibility for Costs under the Interconnection Service Agreement or Upgrade Construction Service Agreement and Tariff, Part VI, section 217.

Segment:
"Segment" shall have the same meaning as described in Operating Agreement, Schedule 1, section 3.2.3(e), and the parallel provisions of Tariff, Attachment K-Appendix, section 3.2.3(e).

Self-Supply:

"Self-Supply" shall mean Capacity Resources secured by a Load-Serving Entity, by ownership or contract, outside a Reliability Pricing Model Auction, and used to meet obligations under this Attachment or the Reliability Assurance Agreement through submission in a Base Residual Auction or an Incremental Auction of a Sell Offer indicating such Market Seller's intent that such Capacity Resource be Self-Supply. Self-Supply may be either committed regardless of clearing price or submitted as a Sell Offer with a price bid. A Load Serving Entity's Sell Offer with a price bid for an owned or contracted Capacity Resource shall not be deemed "Self-Supply," unless it is designated as Self-Supply and used by the LSE to meet obligations under this Attachment or the Reliability Assurance Agreement.

Self-Supply Entity:

"Self-Supply Entity" shall mean the following types of Load Serving Entity that operate under long-standing business models: single customer entity, public power entity, or vertically integrated utility, where "vertically integrated utility" means a utility that owns generation, includes such generation in its regulated rates, and earns a regulated return on its investment in such generation or receives any cost recovery for such generation through bilateral contracts; "single customer entity" means a Load Serving Entity that serves at retail only customers that are under common control with such Load Serving Entity, where such control means holding 51% or more of the voting securities or voting interests of the Load Serving Entity and all its retail customers; and "public power entity" means cooperative and municipal utilities, including public power supply entities comprised of either or both of the same and rural electric cooperatives, and joint action agencies.

Self-Supply Seller:

"Self-Supply Seller" shall mean, for purposes of evaluating Buyer-Side Market Power, the following types of Load Serving Entities that operate under long-standing business models:

vertically integrated utility or public power entity, where "vertically integrated utility" means a utility that owns generation, includes such generation in its state-regulated rates, and earns a state-regulated return on its investment in such generation; and "public power entity" means electric cooperatives that are either rate regulated by the state or have their long-term resource plan approved or otherwise reviewed and accepted by a Relevant Electric Retail Regulatory Authority and municipal utilities or joint action agencies that are subject to direct regulation by a Relevant Electric Retail Regulatory Authority.

Sell Offer:

"Sell Offer" shall mean an offer to sell Capacity Resources in a Base Residual Auction, Incremental Auction, or Reliability Backstop Auction.

Service Agreement:

"Service Agreement" shall mean the initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

Service Commencement Date:

"Service Commencement Date" shall mean the date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Tariff, Part II, section 15.3 or Tariff, Part III, section 29.1.

Short-Term Firm Point-To-Point Transmission Service:

"Short-Term Firm Point-To-Point Transmission Service" shall mean Firm Point-To-Point Transmission Service under Tariff, Part II with a term of less than one year.

Short-term Project:

"Short-term Project" shall have the same meaning provided in the Operating Agreement.

Site:

"Site" shall mean all of the real property, including but not limited to any leased real property and easements, on which the Customer Facility is situated and/or on which the Customer Interconnection Facilities are to be located.

Small Commercial Customer:

"Small Commercial Customer," as used in RAA, Schedule 6 and Tariff, Attachment DD-1, shall mean a commercial retail electric end-use customer of an electric distribution company that participates in a mass market demand response program under the jurisdiction of a RERRA and

satisfies the definition of a "small commercial customer" under the terms of the applicable RERRA's program, provided that the customer has an annual peak demand no greater than 100kW.

Small Generation Resource:

"Small Generation Resource" shall mean an Interconnection Customer's device of 20 MW or less for the production and/or storage for later injection of electricity identified in an Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. This term shall include Energy Storage Resources and/or other devices for storage for later injection of energy.

Small Inverter Facility:

"Small Inverter Facility" shall mean an Energy Resource that is a certified small inverter-based facility no larger than 10 kW.

Small Inverter ISA:

"Small Inverter ISA" shall mean an agreement among Transmission Provider, Interconnection Customer, and Interconnected Transmission Owner regarding interconnection of a Small Inverter Facility under Tariff, Part IV, section 112B.

Special Member:

"Special Member" shall mean an entity that satisfies the requirements of Operating Agreement, Schedule 1, section 1.5A.02, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.02, or the special membership provisions established under the Emergency Load Response and Pre-Emergency Load Response Programs.

Spot Market Backup:

"Spot Market Backup" shall mean the purchase of energy from, or the delivery of energy to, the PJM Interchange Energy Market in quantities sufficient to complete the delivery or receipt obligations of a bilateral contract that has been curtailed or interrupted for any reason.

Spot Market Energy:

"Spot Market Energy" shall mean energy bought or sold by Market Participants through the PJM Interchange Energy Market at System Energy Prices determined as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

Start Additional Labor Costs:

"Start Additional Labor Costs" shall mean additional labor costs for startup required above normal station manning levels.

Start Fuel:

For units without a soak process, "Start Fuel" shall consist of fuel consumed from first fire of the start process to first breaker closing, plus any fuel expended from last breaker opening to shutdown.

For units with a soak process, "Start Fuel" is fuel consumed from first fire of the start process (initial reactor criticality for nuclear units) to dispatchable output (including auxiliary boiler fuel), plus any fuel expended from last breaker opening to shutdown, excluding normal plant heating/auxiliary equipment fuel requirements. Start Fuel included for each temperature state from breaker closure to dispatchable output shall not exceed the unit specific soak time period reviewed and approved as part of the unit-specific parameter process detailed in Tariff, Attachment K-Appendix, section 6.6(c) or the defaults below:

- Cold Soak Time = 0.73 * unit specific Minimum Run Time (in hours)
- Intermediate Soak Time = 0.61 * unit specific Minimum Run Time (in hours)
- Hot Soak Time = 0.43 * unit specific Minimum Run Time (in hours)

Start-Up Costs:

"Start-Up Costs" shall consist primarily of the cost of fuel, as determined by the unit's start heat input (adjusted by the performance factor) times the fuel cost. It also includes operating costs, Maintenance Adders, emissions allowances/adders, and station service cost. Start-Up Costs can vary with the unit offline time being categorized in three unit temperature conditions: hot, intermediate and cold.

For units with a steam turbine and a soak process (nuclear, steam, and combined cycle), "Start Fuel" is fuel consumed from first fire of start process (initial reactor criticality for nuclear units): Start-Up Costs shall mean the net unit costs from PJM's notification to the level at which the unit can follow PJM's dispatch, and from last breaker open to shutdown.

For units without a steam turbine and no soak process (engines, combustion turbines, Intermittent Resources, and Energy Storage Resources): Start-Up Costs shall mean the unit costs from PJM's notification to first breaker close and from last breaker open to shutdown.

State:

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

State Commission:

"State Commission**"** shall mean any state regulatory agency having jurisdiction over retail electricity sales in any State in the PJM Region.

State Estimator:

"State Estimator" shall mean the computer model of power flows specified in Operating Agreement, Schedule 1, section 1.11A and the parallel provisions of Tariff, Attachment K-Appendix, section 1.11A.

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.

State of Charge Management:

"State of Charge Management" shall mean the control of State of Charge of an Energy Storage Resource Market Participant or a storage component of a Hybrid Resource using minimum and maximum discharge (and, as applicable, charge) limits, changes in operating mode (as applicable), discharging (and, as applicable, charging) offer curves, and self-scheduling of non-dispatchable sales (and, as applicable, purchases) of energy in the PJM markets. State of Charge Management shall not interfere with the obligation of a Market Seller of an Energy Storage Resource Model Participant or of a Hybrid Resource to follow PJM dispatch, consistent with all other resources.

State Subsidy:

"State Subsidy" shall mean a direct or indirect payment, concession, rebate, subsidy, non-bypassable consumer charge, or other financial benefit that is as a result of any action, mandated process, or sponsored process of a state government, a political subdivision or agency of a state, or an electric cooperative formed pursuant to state law, and that

(1) is derived from or connected to the procurement of (a) electricity or electric generation capacity sold at wholesale in interstate commerce, or (b) an attribute of the generation process for electricity or electric generation capacity sold at wholesale in interstate commerce; or

(2) will support the construction, development, or operation of a new or existing Capacity Resource; or

(3) could have the effect of allowing the unit to clear in any PJM capacity auction.

Notwithstanding the foregoing, State Subsidy shall not include (a) payments, concessions, rebates, subsidies, or incentives designed to incent, or participation in a program, contract or other arrangement that utilizes criteria designed to incent or promote, general industrial development in an area or designed to incent siting facilities in that county or locality rather than another county or locality; (b) state action that imposes a tax or assesses a charge utilizing the parameters of a regional program on a given set of resources notwithstanding the tax or cost having indirect benefits on resources not subject to the tax or cost (e.g., Regional Greenhouse Gas Initiative); (c) any indirect benefits to a Capacity Resource as a result of any transmission project approved as part of the Regional Transmission Expansion Plan; (d) any contract, legally

enforceable obligation, or rate pursuant to the Public Utility Regulatory Policies Act or any other state-administered federal regulatory program (e.g., the Cross-State Air Pollution Rule); (e) any revenues from the sale or allocation, either direct or indirect, to an Entity Providing Supply Services to Default Retail Service Provider where such entity's obligations was awarded through a state default procurement auction that was subject to independent oversight by a consultant or manager who certifies that the auction was conducted through a non-discriminatory and competitive bidding process, subject to the below condition, and provided further that nothing herein would exempt a Capacity Resource that would otherwise be subject to the minimum offer price rule pursuant to this Tariff; (f) any revenues for providing capacity as part of an FRR Capacity Plan or through bilateral transactions with FRR Entities; or (g) any voluntary and arm's length bilateral transaction (including but not limited to those reported pursuant to Tariff, Attachment DD, section 4.6), such as a power purchase agreement or other similar contract where the buyer is a Self-Supply Entity and the transaction is (1) a short term transaction (one-year or less) or (2) a long-term transaction that is the result of a competitive process that was not fuel-specific and is not used for the purpose of supporting uneconomic construction, development, or operation of the subject Capacity Resource, provided however that if the Self-Supply Entity is responsible for offering the Capacity Resource into an RPM Auction, the specified amount of installed capacity purchased by such Self-Supply Entity shall be considered to receive a State Subsidy in the same manner, under the same conditions, and to the same extent as any other Capacity Resource of a Self-Supply Entity. For purposes of subsection (e) of this definition, a state default procurement auction that has been certified to be a result of a non-discriminatory and competitive bidding process shall:

(i) have no conditions based on the ownership (except supplier diversity requirements or limits), location (except to meet PJM deliverability requirements), affiliation, fuel type, technology, or emissions of any resources or supply (except state-mandated renewable portfolio standards for which Capacity Resources are separately subject to the minimum offer price rule or eligible for an exemption);

(ii) result in contracts between an Entity Providing Supply Services to Default Retail Service Provider and the electric distribution company for a retail default generation supply product and none of those contracts require that the retail obligation be sourced from any specific Capacity Resource or resource type as set forth in subsection (i) above; and

(iii) establish market-based compensation for a retail default generation supply product that retail customers can avoid paying for by obtaining supply from a competitive retail supplier of their choice.

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.

Sub-meter:

"Sub-meter" shall mean a metering point for electricity consumption that does not include all electricity consumption for the end-use customer as defined by the electric distribution company account number. PJM shall only accept sub-meter load data from end-use customers for measurement and verification of Regulation service as set forth in the Economic Load Response rules and PJM Manuals.

Summer-Period Capacity Performance Resource:

"Summer-Period Capacity Performance Resource" shall have the same meaning specified in Tariff, Attachment DD, section 5.5A.

Surplus Interconnection Customer:

"Surplus Interconnection Customer" shall mean either an Interconnection Customer whose Generating Facility is already interconnected 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. A Surplus Interconnection Customer is not a New Service Customer.

Surplus Interconnection Request:

"Surplus Interconnection Request" shall mean a request submitted by a Surplus Interconnection Customer, pursuant to Tariff, Attachment RR, 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, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Switching and Tagging Rules:

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

Synchronized Reserve:

"Synchronized Reserve" shall mean the reserve capability of generation resources that can be converted fully into energy or Economic Load Response Participant resources whose demand can be reduced within ten minutes from the request of the Office of the Interconnection

dispatcher, and is provided by equipment that is electrically synchronized to the Transmission System.

Synchronized Reserve Event:

"Synchronized Reserve Event" shall mean a request from the Office of the Interconnection to generation resources and/or Economic Load Response Participant resources able, assigned or self-scheduled to provide Synchronized Reserve in one or more specified Reserve Zones or Reserve Sub-zones, within ten minutes, to increase the energy output or reduce load by a directed amount of the assigned or self-scheduled Synchronized Reserve.

Synchronized Reserve Requirement:

"Synchronized Reserve Requirement" shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone as Synchronized Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty. The Synchronized Reserve Requirement is calculated in accordance with the PJM Manuals. This requirement can only be satisfied by Synchronized Reserve resources.

System Condition:

"System Condition" shall mean a specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Tariff, Part II, section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

System Energy Price:

"System Energy Price" shall mean the energy component of the Locational Marginal Price, which is the price at which the Market Seller has offered to supply an additional increment of energy from a resource, calculated as specified in Operating Agreement, Schedule 1, section 2 and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

System Impact Study:

"System Impact Study" shall mean an assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a Completed Application, an Interconnection Request or an Upgrade Request, (ii) whether any additional costs may be incurred in order to provide such transmission service or to accommodate an Interconnection Request, and (iii) with respect to an Interconnection Request, an estimated date that an Interconnection Customer's Customer Facility can be interconnected with the Transmission System and an estimate of the Interconnection Customer's cost responsibility for the interconnection; 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 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 Customer Facility, and (ii) the Customer 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 Customer Facility.

Definitions – T – U - V

Tangible Net Worth:

"Tangible Net Worth" shall mean total assets less goodwill and other intangible assets, minus total liabilities.

Target Allocation:

"Target Allocation" shall mean the allocation of Transmission Congestion Credits as set forth in Operating Agreement, Schedule 1, section 5.2.3, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.3, or the allocation of Auction Revenue Rights Credits as set forth in Operating Agreement, Schedule 1, section 7.4.3, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.4.3.

Third Incremental Auction:

"Third Incremental Auction" shall mean an Incremental Auction conducted three months before the Delivery Year to which it relates.

Third-Party Sale:

"Third-Party Sale" shall mean any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service but not including a sale of energy through the PJM Interchange Energy Market established under the PJM Operating Agreement.

Tie Line:

"Tie Line" shall mean a circuit connecting two balancing authority areas, Control Areas or fully metered electric system regions. Tie Lines may be classified as external or internal as set forth in the PJM Manuals.

Total Lost Opportunity Cost Offer:

"Total Lost Opportunity Cost Offer" shall mean the applicable offer used to calculate lost opportunity cost credits. For pool-scheduled resources specified in PJM Operating Agreement, Schedule 1, section 3.2.3(f-1), and the parallel provisions of Tariff, Attachment K-Appendix, section 3.2.3(f-1), the Total Lost Opportunity Cost Offer shall equal the Real-time Settlement Interval offer integrated under the applicable offer curve for the LOC Deviation, as determined by the greater of the Committed Offer or last Real-Time Offer submitted for the offer on which the resource was committed in the Day-ahead Energy Market for each hour in an Operating Day. For all other pool-scheduled resources, the Total Lost Opportunity Cost Offer shall equal the Real-time Settlement Interval offer integrated under the applicable offer curve for the LOC Deviation, as determined by the offer curve associated with the greater of the Committed Offer or Final Offer for each hour in an Operating Day. For self-scheduled generation resources, the Total Lost

Opportunity Cost Offer shall equal the Real-time Settlement Interval offer integrated under the applicable offer curve for the LOC Deviation, where for self-scheduled generation resources (a) operating pursuant to a cost-based offer, the applicable offer curve shall be the greater of the originally submitted cost-based offer or the cost-based offer that the resource was dispatched on in real-time; or (b) operating pursuant to a market-based offer, the applicable offer curve shall be determined in accordance with the following process: (1) select the greater of the cost-based day-ahead offer and updated cost-based Real-time Offer; (2) for resources with multiple cost-based offers, first, for each cost-based offer select the greater of the day-ahead offer and updated Real-time Offer, and then select the lesser of the resulting cost-based offers; and (3) compare the offer selected in (1), or for resources with multiple cost-based offers the offer selected in (2), with the market-based day-ahead offer and the market-based Real-time Offer and select the highest offer.

Total Net Obligation:

"Total Net Obligation" shall mean all unpaid billed Net Obligations plus any unbilled Net Obligation incurred to date, as determined by PJMSettlement on a daily basis, plus any other Obligations owed to PJMSettlement at the time.

Total Net Sell Position:

"Total Net Sell Position" shall mean all unpaid billed Net Sell Positions plus any unbilled Net Sell Positions accrued to date, as determined by PJMSettlement on a daily basis.

Total Operating Reserve Offer:

"Total Operating Reserve Offer" shall mean the applicable offer used to calculate Operating Reserve credits. The Total Operating Reserve Offer shall equal the sum of all individual Real-time Settlement Interval energy offers, inclusive of Start-Up Costs (shut-down costs for Demand Resources) and No-load Costs, for every Real-time Settlement Interval in a Segment, integrated under the applicable offer curve up to the applicable megawatt output as further described in the PJM Manuals. The applicable offer used to calculate day-ahead Operating Reserve credits shall be the Committed Offer, and the applicable offer used to calculate balancing Operating Reserve credits shall be lesser of the Committed Offer or Final Offer for each hour in an Operating Day.

Trade Reference:

"Trade Reference" shall mean a reference from a contact or firm that had or has a material business relationship with a Participant.

Transmission Congestion Charge:

"Transmission Congestion Charge" shall mean a charge attributable to the increased cost of energy delivered at a given load bus when the transmission system serving that load bus is operating under constrained conditions, or as necessary to provide energy for third-party transmission losses which shall be calculated and allocated as specified in Operating Agreement,

Schedule 1, section 5.1 and the parallel provisions of Tariff, Attachment K-Appendix, section 5.1.

Transmission Congestion Credit:

"Transmission Congestion Credit" shall mean the allocated share of total Transmission Congestion Charges credited to each FTR Holder, calculated and allocated as specified in Operating Agreement, Schedule 1, section 5.2, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.2.

Transmission Constraint Penalty Factor:

"Transmission Constraint Penalty Factor" shall mean the maximum cost of the re-dispatch incurred to control the flows across a transmission constraint and establishes the maximum limit on the Marginal Value.

Transmission Customer:

"Transmission Customer" shall mean any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission a proposed unexecuted Service Agreement, to receive transmission service under Tariff, Part II. This term is used in Tariff, Part I and Tariff, Part VI to include customers receiving transmission service under Tariff, Part II and Tariff, Part III.

Where used in Tariff, Attachment K-Appendix and the parallel provisions of Operating Agreement, Schedule 1, Transmission Customer shall mean an entity using Point-to-Point Transmission Service.

Transmission Facilities:

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

Transmission Facility Rating:

"Transmission Facility Rating" shall mean the maximum transfer capability, or the maximum or minimum voltage, current, frequency, or real or reactive power flow, through a Transmission Facility that does not violate the applicable rating of relevant transmission equipment. Transmission Facility Ratings are computed in accordance with a written Transmission Facility Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits). Relevant transmission equipment may include, but is not limited to, circuit breakers, line traps, and transformers. Transmission Facility Ratings also encompass AARs, AAR Exceptions, and Temporary Conditional Transmission Facility Ratings.

Transmission Forced Outage:

"Transmission Forced Outage" shall mean an immediate removal from service of a transmission facility by reason of an Emergency or threatened Emergency, unanticipated failure, or other cause beyond the control of the owner or operator of the transmission facility, as specified in the relevant portions of the PJM Manuals. A removal from service of a transmission facility at the request of the Office of the Interconnection to improve transmission capability shall not constitute a Forced Transmission Outage.

Transmission Injection Rights:

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

Transmission Interconnection Customer:

"Transmission Interconnection Customer" shall mean an entity that submits an Interconnection 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 or an entity that submits an Upgrade Request for Merchant Network Upgrades (including accelerating the construction of any transmission enhancement or expansion, other than Merchant Transmission Facilities, that is included in the Regional Transmission Expansion Plan prepared pursuant to Operating Agreement, Schedule 6).

Transmission Interconnection Facilities Study:

"Transmission Interconnection Facilities Study" shall mean a Facilities Study related to a Transmission Interconnection Request.

Transmission Interconnection Feasibility Study:

"Transmission Interconnection Feasibility Study" shall mean a study conducted by the Transmission Provider in accordance with Tariff, Part IV, section 36.2.

Transmission Interconnection Request:

"Transmission Interconnection Request" shall mean a request by a Transmission Interconnection Customer pursuant to Tariff, Part IV 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 Loading Relief:

"Transmission Loading Relief" shall mean NERC's procedures for preventing operating security limit violations, as implemented by PJM as the security coordinator responsible for maintaining transmission security for the PJM Region.

Transmission Loss Charge:

"Transmission Loss Charge" shall mean the charges to each Market Participant, Network Customer, or Transmission Customer for the cost of energy lost in the transmission of electricity from a generation resource to load as specified in Operating Agreement, Schedule 1, section 5, and the parallel provisions of Tariff, Attachment K-Appendix, section 5.

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 Attachment Facilities:

"Transmission Owner Attachment Facilities" shall mean that portion of the Transmission Owner Interconnection Facilities comprised of all Attachment Facilities on the Interconnected Transmission Owner's side of the Point of Interconnection.

Transmission Owner Interconnection Facilities:

"Transmission Owner Interconnection Facilities" shall mean all Interconnection Facilities that are not Customer Interconnection Facilities and that, after the transfer under Tariff, Attachment P, Appendix 2, section 5.5 to the Interconnected Transmission Owner of title to any Transmission Owner Interconnection Facilities that the Interconnection Customer constructed, are owned, controlled, operated and maintained by the Interconnected Transmission Owner on the Interconnected Transmission Owner's side of the Point of Interconnection identified in appendices to the Interconnection Service Agreement and to the Interconnection Construction Service Agreement, including any modifications, additions or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System or interconnected distribution facilities.

Transmission Owner Upgrade:

"Transmission Owner Upgrade" shall have the same meaning provided in the Operating Agreement.

Transmission Planned Outage:

"Transmission Planned Outage" shall mean any transmission outage scheduled in advance for a pre-determined duration and which meets the notification requirements for such outages specified in Operating Agreement, Schedule 1, and the parallel provisions of Tariff, Attachment K-Appendix or the PJM Manuals.

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 Provider's Monthly Transmission System Peak:

"Transmission Provider's Monthly Transmission System Peak" shall mean the maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

Transmission Service:

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

Transmission Service Request:

"Transmission Service Request" shall mean a request for Firm Point-To-Point Transmission Service, Network Integration Transmission Service, Interim Network Integration 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 Transmission Service or Network Integration Transmission Service (including Interim Network Integration Service) under Tariff, Parts II, Part III, and XI.

Transmission Withdrawal Rights:

"Transmission Withdrawal Rights" shall mean Firm Transmission Withdrawal Rights and Non-Firm Transmission Withdrawal Rights.

Turn Down Ratio:

"Turn Down Ratio" shall mean the ratio of a generating unit's economic maximum megawatts to its economic minimum megawatts.

Unconstrained LDA Group:

"Unconstrained LDA Group" shall mean a combined group of LDAs that form an electrically contiguous area and for which a separate Variable Resource Requirement Curve has not been established under Tariff, Attachment DD, section 5.10. Any LDA for which a separate Variable Resource Requirement Curve has not been established under Tariff, Attachment DD, section 5.10 shall be combined with all other such LDAs that form an electrically contiguous area.

Unforced Capacity:

"Unforced Capacity" shall have the meaning specified in the Reliability Assurance Agreement.

Unsecured Credit:

"Unsecured Credit" shall mean any credit granted by PJMSettlement to a Participant that is not secured by Collateral.

Unsecured Credit Allowance:

"Unsecured Credit Allowance" shall mean Unsecured Credit extended by PJMSettlement in an amount determined by PJMSettlement's evaluation of the creditworthiness of a Participant. This is also defined as the amount of credit that a Participant qualifies for based on the strength of its own financial condition without having to provide Collateral. See also: "Working Credit Limit."

Updated VRR Curve:

"Updated VRR Curve" shall mean the Variable Resource Requirement Curve for use in the Base Residual Auction of the relevant Delivery Year, updated to reflect any change in the Reliability Requirement from the Base Residual Auction to such Incremental Auction, and for Delivery Years through May 31, 2018, the Short-term Resource Procurement Target applicable to the relevant Incremental Auction.

Updated VRR Curve Decrement:

"Updated VRR Curve Decrement" shall mean the portion of the Updated VRR Curve to the left of a vertical line at the level of Unforced Capacity on the x-axis of such curve equal to the net Unforced Capacity committed to the PJM Region as a result of all prior auctions conducted for such Delivery Year and adjusted, if applicable, by a change in Unforced Capacity commitments associated with the transition provision of Tariff, Attachment DD, section 5.14C, Tariff, Attachment DD, section 5.14D (as related to the 2016/2017 Delivery Year), Tariff, Attachment

DD, section 5.14E, and Tariff, Attachment DD, section 5.5A(c)(i)(B), and RAA, Schedule 6, section L.9.

Updated VRR Curve Increment:

"Updated VRR Curve Increment" shall mean the portion of the Updated VRR Curve to the right of a vertical line at the level of Unforced Capacity on the x-axis of such curve equal to the net Unforced Capacity committed to the PJM Region as a result of all prior auctions conducted for such Delivery Year and adjusted, if applicable, by a change in Unforced Capacity commitments associated with the transition provision of Tariff, Attachment DD, section 5.14C, Tariff, Attachment DD, section 5.14D (as related to the 2016/2017 Delivery Year), Tariff, Attachment DD, section 5.14E and Tariff, Attachment DD, section 5.5A(c)(i)(B), and RAA, Schedule 6, section L.9.

Upgrade Construction Service Agreement:

"Upgrade Construction Service Agreement" shall mean that agreement entered into by an Eligible Customer, Upgrade Customer or Interconnection Customer proposing Merchant Network Upgrades, a Transmission Owner, and the Transmission Provider, pursuant to Tariff, Part VI, Subpart B, and in the form set forth in Tariff, Attachment GG.

Upgrade Customer:

"Upgrade Customer" shall mean a customer that submits an Upgrade Request pursuant to Operating Agreement, Schedule 1, section 7.8, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.8.

Upgrade Feasibility Study:

"Upgrade Feasibility Study" shall mean a study conducted by the Transmission Provider in accordance with Tariff, Part IV, section 36.3.

Upgrade-Related Rights:

"Upgrade-Related Rights" shall mean Incremental Auction Revenue Rights, Incremental Available Transfer Capability Revenue Rights, Incremental Deliverability Rights, and Incremental Capacity Transfer Rights.

Upgrade Request:

"Upgrade Request" shall mean a request submitted in the form prescribed in Tariff, Attachment EE, for evaluation by the Transmission Provider of the feasibility and estimated costs of (a) a Merchant Network Upgrade or (b) the Customer-Funded Upgrades that would be needed to provide Incremental Auction Revenue Rights specified in a request pursuant to Operating Agreement, Schedule 1, section 7.8, and the parallel provisions of Tariff, Attachment K-Appendix, section 7.8.

Up-to Congestion Counterflow Transaction:

"Up-to Congestion Counterflow Transaction" shall mean an Up-to Congestion Transaction will be deemed an Up-to Congestion Counterflow Transaction if the following value is negative: (a) when bidding, the lower of the bid price and the prior Up-to Congestion Historical Month's average real-time value for the transaction; or (b) for cleared Virtual Transactions, the cleared day-ahead price of the Virtual Transactions.

Up-to Congestion Historical Month:

"Up-to Congestion Historical Month" shall mean a consistently-defined historical period nominally one month long that is as close to a calendar month as PJM determines is practical.

Up-to Congestion Prevailing Flow Transaction:

An Up-to Congestion Transaction shall mean an "Up-to Congestion Prevailing Flow Transaction" if it is not an Up-to Congestion Counterflow Transaction.

Up-to Congestion Reference Price:

"Up-to Congestion Reference Price" for an Up-to Congestion Transaction, shall be the specified percentile price differential between source and sink (defined as sink price minus source price) for real-time prices experienced over the prior Up-to Congestion Historical Month, averaged with the same percentile value calculated for the second prior Up-to Congestion Historical Month. Up-to Congestion Reference Prices shall be calculated using the following historical percentiles:

For Up-to Congestion Prevailing Flow Transactions: 30^{th} percentile
For Up-to Congestion Counterflow Transactions when bid: 20^{th} percentile
For Up-to Congestion Counterflow Transactions when cleared: 5^{th} percentile

Up-to Congestion Transaction:

"Up-to Congestion Transaction" shall have the meaning specified in Operating Agreement, Schedule 1, section 1.10.1A, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.1A.

Variable Loads:

"Variable Loads" shall have the meaning specified in Operating Agreement, Schedule 1, section 1.5A.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.6.

Variable Resource Requirement Curve:

"Variable Resource Requirement Curve" shall mean a series of maximum prices that can be cleared in a Base Residual Auction for Unforced Capacity, corresponding to a series of varying resource requirements based on varying installed reserve margins, as determined by the Office of

the Interconnection for the PJM Region and for certain Locational Deliverability Areas in accordance with the methodology provided in Tariff, Attachment DD, section 5.

Virtual Credit Exposure:
"Virtual Credit Exposure" shall mean the amount of potential credit exposure created by a market participant's bid submitted into the Day-ahead market, as defined in Tariff, Attachment Q.

Virtual Transaction:

"Virtual Transaction" shall mean a Decrement Bid, Increment Offer and/or Up-to Congestion Transaction.

Virtual Transaction Screening:

"Virtual Transaction Screening" shall be the process of reviewing the Virtual Credit Exposure of submitted Virtual Transactions against the Credit Available for Virtual Transactions. If the credit required is greater than credit available, then the Virtual Transactions will not be accepted.

Virtual Transactions Net Activity:

"Virtual Transactions Net Activity" shall mean the aggregate net total, resulting from Virtual Transactions, of (i) Spot Market Energy charges, (ii) Transmission Congestion Charges, and (iii) Transmission Loss Charges, calculated as set forth in Tariff, Attachment K-Appendix, and the parallel provisions of Operating Agreement, Schedule 1. Virtual Transactions Net Activity may be positive or negative.

Voltage Reduction Action:

"Voltage Reduction Action" shall mean a notification during capacity deficient conditions in which PJM notifies Members to reduce voltage on the distribution system in order to reduce demand and therefore provide a sufficient amount of reserves, maintain tie flow schedules and preserve limited energy sources.

Voltage Reduction Alert:

"Voltage Reduction Alert" shall mean a notification from PJM to alert Members that a voltage reduction may be required during a future critical period.

Voltage Reduction Warning:

"Voltage Reduction Warning" shall mean a notification from PJM to warn Members that PJM's available Synchronized Reserve is less than the Synchronized Reserve Requirement and that present operations have deteriorated such that a voltage reduction may be required.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

References to section numbers in this Part III refer to sections of this Part III, unless otherwise specified.

General

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which each Transmission Owner utilizes the Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Tariff, Part II. PJMSettlement shall be the Counterparty to the Network Integration Transmission Service transactions under this Tariff. As set forth in Tariff, Attachment K, section D, Network Integration Transmission Service transactions may give rise to several component charges and credits, which may offset one another, and such component charges and credits are not separate transactions from Network Integration Transmission Service transactions.

Requests for Cross-Border Network Integration Transmission Service must be made through the Transmission Provider. These requests shall (a) require the filing of an Application as set forth in Tariff, Part III, section 29.1 and Tariff, Part III, section 29.2, (b) be submitted on the OASIS, and (c) be submitted in accordance with the applicable terms and conditions in the Tariff.

Requests for Regional Network Integration Transmission Service shall (a) not require the filing of an Application as set forth in Tariff, Part III, section 29.2, (b) not be required to be submitted on the OASIS, and (c) be submitted in accordance with the applicable terms and conditions contained in the Tariff.

The amount of Regional Network Integration Transmission Service provisioned to Network Customers for serving Large Loads are at levels specified in an effective Service Agreement or, if not specified therein, as reflected on the Large Load Registry per the terms of the Reliability Assurance Agreement, Schedule 11.B.1.

An Interconnection Customer or Generation Project Developer with an Interconnection Service Agreement or Generation Interconnection Agreement effective prior to December 18, 2025 that serves or plans to serve Co-Located Load with the Customer Facility or Generating Facility subject to such agreement must submit electronically through PJM's website in accordance with PJM's Manuals notice of that fact and the identity of the Eligible Customer that will take transmission service on behalf of that Co-Located Load. Transmission Provider will post the information concerning the Co-Located Load and Eligible Customer on its website.

Any Interconnection Customer or Generation Project Developer with an effective Interconnection Service Agreement or Generation Interconnection Agreement that plans to use an existing Customer Facility or Generating Facility to serve Eligible 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). An Interconnection Customer or Generation Project Developer with an effective Interconnection Service Agreement or Generation Interconnection Agreement is prohibited from serving Eligible Load from its Customer Facility or Generating Facility until the complete scope of work required in their Interconnection Service Agreement or Generation Interconnection Agreement, as revised following the Necessary Studies, is completed.

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the PJM Region and any additional load that may be designated pursuant to Tariff, Part III, section 31.3. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

Subject to the terms of the Tariff, Part III, Eligible Customers taking service on behalf of Eligible Load or Large Load may also receive Network Integration Transmission Service.

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Tariff, Part III, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer and the Transmission Provider in coordination with the affected Transmission Owners, complete the technical arrangements set forth in Tariff, Part III, section 29.3 and Tariff, Part III, section 29.4; (ii) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Tariff, Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement; and (iii) a party requesting Network Integration Transmission Service and taking Network Integration Transmission Service shall otherwise execute, if necessary, and comply with the PJM Governing Agreements, including but not limited to the "PJM Credit Policy" in Tariff, Attachment Q.

For Firm Cross-Border Network Integration Transmission Service: An Eligible Customer that requests to use interface capability to deliver from a resource not located on the Transmission Provider's Transmission System in accordance with Tariff, Part III, section 30.1 or to deliver to network load not physically interconnected with the Transmission Provider in accordance with Tariff, Part III, section 31.3 must also satisfy the following conditions to receive service.

(i) The Eligible Customer shall enter a request for service on the Transmission Provider's OASIS.

(ii) If requested by the Transmission Provider in the event the Transmission Provider does not already have access to the data or information set forth in Tariff, Part III, section 29.2, the Eligible Customer shall complete an Application for service as provided under Tariff, Part III, section 29.2, and

(iii) If the resource is designated in accordance with Tariff, Part III, section 30.1 or if the designated load is not in the Transmission Provider's Transmission System as described in Tariff, Part III, section 31.3, the Eligible Customer shall execute a Service Agreement pursuant to Tariff, Attachment F for service under Tariff, Part III or request in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission.

For Regional Network Integration Transmission Service: Any Eligible Customer that requests to deliver from a resource located on the Transmission Provider's Transmission System or network load physically interconnected with the Transmission Provider must also satisfy one of the following conditions to receive service.

(i) Execute a Service Agreement pursuant to Tariff, Attachment F-1 for state required retail access program and provide the information required under that Service Agreement; or

(ii) Execute a Service Agreement pursuant to Tariff, Attachment F-3 or Tariff, Attachment F-3A, as applicable.

Any Eligible Customer taking service on behalf of Eligible Load or Large Load must also satisfy the following conditions to receive Network Integration Transmission Service.

(iii) The Eligible Customer has been designated to take transmission service on behalf of an Eligible Load or Large Load in the Application and Study Agreement, the Interconnection Service Agreement, or the Generation Interconnection Agreement for the Eligible Generating Facility, as applicable.

(iv) The Eligible Customer must designate the individual Eligible Load or Large Load on whose behalf the Eligible Customer will take Network Integration Transmission Service. The Eligible Load or Large Load shall be specified in the Service Agreement for Network Integration Transmission Service (Attachment F-3A).

The Network Integration Transmission Service for Eligible Customers taking transmission service on behalf of Eligible Load or Large Load shall be Regional Network Integration Transmission Service, not Cross-Border Network Integration Transmission Service.

29.2 Application Procedures:

An Eligible Customer requesting service under Tariff, Part III, including an Eligible Customer taking service on behalf of Eligible Load or Large Load, must submit an Application to the Transmission Provider as far as possible in advance of the month in which service is to commence.

Unless subject to the procedures in Tariff, Part I, section 2, Completed Applications for Network Integration Transmission Service will be assigned a Project Identifier according to the date and time the Application is received, with the earliest Application receiving the highest priority. For Transmission Service requests that require a Phase I System Impact Study, a Completed Application must be submitted and received by the Transmission Provider by the cycle Application Deadline in order to be assigned a Project Identifier in such cycle.

If requested by Transmission Provider, Applications should be submitted by entering the information listed below (except for applications for Network Integration Transmission Service pursuant to state required retail access programs for which Transmission Customers shall provide the information required under the Service Agreement) on the Transmission Provider's OASIS. For applications pursuant to state required retail access programs, the information required under the Service Agreement should be submitted on the Transmission Provider's specified electronic information system established for such programs. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. If requested by Transmission Provider, a Completed Application (other than applications for Network Integration Transmission Service pursuant to a state required retail access program, which shall be governed by Tariff, Attachment F-1 and the specifications thereto) shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the party requesting service;

(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource

- VAR capability (both leading and lagging) of all generators

- Operating restrictions

    - Any periods of restricted operations throughout the year

    - Maintenance schedules

    - Minimum loading level of unit

    - Normal operating level of unit

    - Any must-run unit designations required for system reliability or contract reasons

- Approximate variable generating cost ($/MWH) for redispatch computations

- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Areas, where only a portion of unit output is designated as a Network Resource

- For each off-system Network Resource, such description shall include:

    - Identification of the Network Resource as an off-system resource

- Amount of power to which the customer has rights

    - Identification of the control area from which the power will originate

    - Delivery point(s) to the Transmission Provider's Transmission System

    - Transmission arrangements on the external transmission system(s)

- Operating restrictions, if any

    - Any periods of restricted operations throughout the year

    - Maintenance schedules

- Minimum loading level of unit

- Normal operating level of unit

- Any must-run unit designations required for system reliability or contract reasons

- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider

- Operating restrictions needed for reliability

- Operating guides employed by system operators

- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources

- Location of Network Resources described in subsection (v) above

- 10 year projection of system expansions or upgrades

- Transmission System maps that include any proposed expansions or upgrades

- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year except that, for service provided with respect to a state required retail access program, the minimum term is one day;

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Tariff, Part III, section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Tariff, Part III; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

(ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Operating Agreement, Schedule 6.

In addition, a party requesting Transmission Service shall provide the information specified in, and otherwise comply with, the "PJM Credit Policy" set forth in Tariff, Attachment Q hereto.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new Project Identifier consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

After the next Business Day after the close of Decision Point II of Cycle 01, Transmission Provider shall process the request in accordance with Tariff, Part VIII.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Tariff, Part III or Tariff, Part VIII, as applicable, including, but not limited to, any information provided under Tariff, Part III, section 29.2(ix) pursuant to the Transmission Provider's planning process in Operating Agreement, Schedule 6. The Network Customer also shall provide the Transmission Provider with timely written or electronic notice of material changes in any other information listed in Tariff, Part III, section 29.2 or provided in its Application relating to the Network Customer's Network Load, Eligible Load, Large Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

In addition to this requirement, Eligible Customers taking service on behalf of Eligible Load or Large Load must provide the Transmission Provider with annual updates of (i) the demand characteristics of the Eligible Load or Large Load and (ii) the supply characteristics of the designated Eligible Generating Facility, if applicable, each consistent with the information included in its Application under Tariff, Part III.

34.2 Netting of Retail Behind The Meter Generation.

A. The daily load of a Network Customer does not include load served by operating Behind The Meter Generation. The daily load of a Network Customer shall not be reduced by energy injections into the transmission system by the Network Customer.

B. Beginning on December 18, 2025, unless Retail Behind The Meter Generation qualifies for an exemption from this limit pursuant to one or more of the following subsections, the load excluded from a Network Customer's daily load pursuant to subsection A may not exceed 50 MW at a single electrical site, behind one or more points of interconnection, where for configurations involving multiple affiliated load facilities or multiple points of interconnection with affiliated load facilities behind them, all affiliated load facilities within a one-mile radius will be considered a single electrical site as further described in the PJM Manuals.

C. For Retail Behind The Meter Generation that was used to serve a Network Customer's retail load as of December 18, 2025, the 50 MW limit set forth in subsection B shall not apply for a transition period through December 18, 2028. After December 18, 2028, the 50 MW limit in subsection B shall apply.

D. Retail Behind The Meter Generation that a Network Customer's retail load owns and/or operates or is contracted for as of December 18, 2025, is exempt from subsections B and C above for the current term remaining under any contract set forth in subsection D.b (including any renewal, amendment, or extension per the contract's terms), subject to the following requirements:

   a. The retail load that is planned for the Retail Behind The Meter Generation is on the Large Load Registry in accordance with Reliability Assurance Agreement, Schedule 11.

   b. The retail load that is planned for the Retail Behind The Meter Generation had a contract (including, but not limited to, a bilateral agreement, interconnection agreement (e.g., Interconnection Service Agreement or Generation Interconnection Agreement or its equivalent), utility service agreement, or engineering, procurement, and construction contract) that was effective as of December 18, 2025, to effectuate the Retail Behind the Meter Generation arrangement.

   c. The Retail Behind The Meter Generation is registered with Transmission Provider in accordance with the procedures set forth in the PJM Manuals.

   d. Network Customer complies with any Transmission Provider request(s) for additional information to verify eligibility for this subsection.

E. Retail Behind The Meter Generation that is (1) a Cogeneration Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations, and (2) is integrated with the retail load it serves such that if the Cogeneration Facility trips offline the retail load follows, is exempt from subsection B and C above, subject to the following requirements:

a. The retail load served by the Retail Behind The Meter Generation is on the Large Load Registry in accordance with Reliability Assurance Agreement, Schedule 11.

b. The Retail Behind The Meter Generation is registered with Transmission Provider in accordance with the procedures set forth in the PJM Manuals.

c. Network Customer certifies, pursuant to the procedures set forth in the PJM Manuals, that the retail load being served by the Retail Behind The Meter Generation is (1) a Cogeneration Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations, and (2) is integrated with the retail load it serves such that if the Cogeneration Facility trips offline the retail load follows.

d. Network Customer complies with any Transmission Provider request(s) for additional information to verify eligibility for this subsection.

e. Network Customer updates Transmission Provider pursuant to the procedures in the PJM Manuals if the Retail Behind The Meter Generation no longer qualifies for the exemption in this subsection.

F. Transmission Provider may, but is not required to, periodically audit compliance with this section. Network Customer shall comply with any request for information from Transmission Provider to assess compliance with this section.

34.3 Netting of Non-Retail Behind The Meter Generation.

The daily load of a Network Customer does not include load served by operating Non-Retail Behind The Meter Generation. Netting of Behind The Meter Generation for Network Customers with regard to Non-Retail Behind The Meter Generation shall be subject to the following limitations:

For calendar year 2006, 100 percent of the operating Non-Retail Behind The Meter Generation shall be netted, provided that the total amount of Non-Retail Behind The Meter Generation in the PJM Region does not exceed 1500 megawatts ("Non-Retail Threshold"). For each calendar year thereafter, the Non-Retail Threshold shall be proportionately increased based on load growth in the PJM Region but shall not be greater than 3000 megawatts. Load growth shall be determined by Transmission Provider based on the most recent forecasted weather-adjusted coincident summer peak of the PJM Region divided by the weather-adjusted coincident peak for the previous summer for the same area. After the load growth factor is applied, the Non-Retail Threshold will be rounded up or down to the nearest whole megawatt and the rounded number shall be the Non-Retail Threshold for the current year and shall be the base amount for calculating the Non-Retail Threshold for the succeeding year. If the total amount of Non-Retail Behind The Meter Generation in the PJM Region exceeds the Non-Retail Threshold, the amount of operating Non-Retail Behind The Meter Generation that the Network Customer may net shall be adjusted according to the following formula:

Network CustomerNetting Credit = (NRT / PJM NRBTMG) * Network Customer operating NRBTMG

Where:NRBTMG is Non-Retail Behind The Meter Generation

NRT is the Non-Retail Threshold

PJM NRBTMG is the total amount of Non-Retail Behind The Meter Generation in the PJM Region

The total amount of Non-Retail Behind The Meter Generation that is eligible for netting in the PJM Region is 3000 megawatts. Once this 3000 megawatt limit is reached, any additional Non-Retail Behind The Meter Generation which operates in the PJM Region will be ineligible for netting under this section.

In addition, the Network Customer NRBTMG Netting Credit shall be adjusted pursuant to Tariff, Schedule 15, if applicable.

A Network Customer shall be required to report to the Transmission Provider such information as is required to facilitate the determination of its NRBTMG Netting Credit in accordance with the procedures set forth in the PJM Manuals.

The annual peaks for purposes of the above calculation shall be determined from the twelve month period ending October 31 of the calendar year preceding the calendar year in which the billing

month occurs. For new Network Load that was not connected to the Transmission System during such entire twelve month period, the Transmission Provider in coordination with the affected Transmission Owners and electric distribution companies shall determine the appropriate peak load responsibility to be used until the annual peaks are determined for the next twelve month period ending October 31.

(b) Nothing herein shall entitle any Transmission Owner or Network Customer to establish a zone that is smaller than or a portion of a Zone set forth in Tariff, Attachment J.

212 Interconnection Service Agreement:

Notwithstanding any other provision of the Tariff, this section 212 shall apply only to Interconnection Customers, excluding those that are proposing Merchant Network Upgrades only for which Tariff, Part VI, Subpart B, section 213 shall apply. Upon completion of the Facilities Study (or, if no Facilities Study was required, upon completion of the System Impact Study), the Transmission Provider shall tender to each Interconnection Customer an Interconnection Service Agreement (in the form included in Tariff, Attachment O) to be executed by the Interconnection Customer, the Interconnected Transmission Owner and the Transmission Provider. The Transmission Provider shall provide the Interconnected Transmission Owner with a copy of the Interconnection Service Agreement when this agreement is provided to the Interconnection Customer for execution. In order to exercise Option to Build, as set forth in Interconnection Construction Service Agreement, Tariff, Attachment P, Appendix 2, section 3.2.3.1, Interconnection Customer must provide Transmission Provider and the Interconnected Transmission Owner with written notice of its election to exercise the option no later than thirty (30) days from the date the Interconnection Customer receives the results of the Facilities Study (or, if no Facilities Study was required, completion of the System Impact Study). Interconnection Customer may not elect Option to Build after such date. Any Interconnection Customer with an effective Interconnection Service Agreement may utilize the relevant provisions of Part VIII of the Tariff to request Necessary Studies of planned modifications to its Customer Facility and to request Provisional Interconnection Service. Any Interconnection Customer with an effective Interconnection Service Agreement that plans to use an existing Customer Facility to serve Eligible Load must provide Transmission Provider and Interconnected Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b).

Tariff, Part VII, Subpart A, section 300
Definitions B

Base Project:

"Base Project" shall mean: (1) a Generating Facility, Customer Facility, or Participant Facility with an executed and effective Generation Interconnection Agreement, Interconnection Service Agreement, or Wholesale Market Participation Agreement that has demonstrated commercial operation; (2) a commercially operational generation resource with a form of Commission-jurisdictional interconnection-related service agreement; or (3) a project with a valid Generation Interconnection Request that has been submitted and is subject to an interconnection study in a Cycle prior to Transition Cycle #2.

Behind The Meter Generation:

"Behind The Meter Generation" shall mean either Retail Behind the Meter Generation or Non-Retail Behind The Meter Generation and refers 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 VII, 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 VII 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 VII, Subpart A, section 300
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 Tariff, Part VII. 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.

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 Generation Interconnection 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 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, 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, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Generation Interconnection Agreement or a Construction 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 VII 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 VII.

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 VII 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 VII, Subpart D, section 307(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:

"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.

Tariff, Part VII, Subpart A, section 300
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, Tariff, Part VII, Subpart A, section 301(A)(7)(c), 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 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 Service Request:

"New Service Request" shall mean an Interconnection Request or a Completed Application.

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 VII, Subpart A, section 300
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 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 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.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer 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 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 identified in 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, 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:

"Provisional Interconnection Service" shall mean interconnection service provided by Transmission Provider associated with interconnecting the Project Developer's Generating Facility, including an Eligible Generating Facility to be used to serve Eligible Load, to Transmission Provider's Transmission System and enabling the Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant

to the terms of the Generation Interconnection Agreement and Tariff, Part VIII, Subpart L, section 439.

Tariff, Part VII, Subpart A, section 301
Transition Introduction

A. Introduction

1. Transition Cycle Overview

Tariff, Part VII sets forth the procedures and other terms governing the Transmission Provider's administration of the transition to the new Cycle-process, including: procedures and other terms regarding studies and other processing of New Service Requests within the Transition Cycle; the nature and timing of the agreements required within the Transition Cycle in connection with the studies and construction of required facilities; and the terms and conditions relating to the rights available to Project Developers and Eligible Customers in the Transition Cycle. For purposes of this Tariff, Part VII, the term Project Developer shall include an Interconnection Customer as defined in Tariff, Part I. The Transition Cycle shall be comprised of two separate Transition Cycles (Transition Cycle No. 1; and Transition Cycle No. 2), and shall include the processing of backlogged New Service Requests received up to and including the AH1 queue.

2. Tariff, Part VII applies to: (1) any project for which the Project Developer, Eligible Customer or Upgrade Customer has submitted a New Service Request between April 1, 2018 and September 30, 2021, and for which, as of the Transition Date, Transmission Provider has not tendered for execution an Interconnection Service Agreement, Wholesale Market Participation Agreement or Upgrade Construction Service Agreement; and (2) RRI Projects.

   a. As of the Transition Date, valid AE1-AG1 projects that have not either executed or received for execution a final Interconnection Service Agreement or Wholesale Market Participation Agreement will have to demonstrate readiness pursuant to Tariff, Part VII, Subpart A, section 301(A)(3)(b), in order to move forward in the interconnection transition process.

      i. As set forth in Tariff, Part VII, those projects that have demonstrated readiness and met additional eligibility may be able to advance using the Expedited Process.

   b. Priority for projects in the Transition Cycle process is determined by the specific Transition Cycle in which a project's valid New Service Request was assigned.

      i. Transition Cycle No. 1 will include re-queued AE1, AE2, AF1, AF2 and AG1 projects.

         (a) Transition Cycle No. 1 will include: Phase I, Decision Point I, Phase II, Decision Point II, Phase III, Decision Point III, and the Final Agreement Negotiation Phase.

(b) Phase III of Transition Cycle #1 will not start until after all valid projects in the Expedited Process have executed their relevant Generator Interconnection Agreement or Wholesale Market Participation Agreement.

ii. Transition Cycle No. 2 will include re-queued AG2 and AH1 projects.

(a) Transition Cycle No. 2 will include: the Application Review Phase, Phase I, Decision Point I, Phase II, Decision Point II, Phase III, Decision Point III, and the Final Agreement Negotiation Phase.

(b) The Phase I Base Case data release of Transition Cycle No. 2 will not start until after all Transition Cycle No. 1 Decision Point No. II activities have been completed.

(c) Phase II of Transition Cycle No. 2 will not start until after all Transition Cycle No. 1 Decision Point No. III activities have been completed.

(d) Phase III of Transition Cycle No. 2 will not start until after all Transition Cycle No. 1 Final Agreement Negotiation Phase activities have been completed.

3. Required Study Deposits and Readiness Deposits.

a. Study Deposits. Pursuant to Tariff, Part VII, Subpart C, section 306(A)(5), each New Service Request must submit with its Application a Study Deposit, the amount of which will be determined based upon the MWs requested in such Application. Ten percent of the Study Deposit is non-refundable. Project Developer and Eligible Customers are responsible for actual study costs, which may exceed the Study Deposit amount.

i. If any Study Deposit monies remain after all System Impact Studies are completed and any outstanding monies owed by Project Developer or Eligible Customer in connection with outstanding invoices related to the present or prior New Service Requests have been paid, such remaining deposit monies shall be returned to the Project Developer or Eligible Customer at the conclusion of the required studies for the New Service Request.

b. Readiness Deposits. Readiness Deposits are funds committed by the Project Developer or Eligible Customer based upon the MW size of the project and, where applicable, the study results.

i. Readiness Deposits are due at the following Phases of a Cycle:

(a) Readiness Deposit No. 1: Application Submission

(b) Readiness Deposit No. 2: Decision Point I; and

(c) Readiness Deposit No. 3: Decision Point II

ii. 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.

iii. Readiness Deposit refunds will be handled as follows:

(a) 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 VII, Subpart D, section 311(B)(3)(c).

(b) When all Cycle New Service Requests have either entered into final agreements and the Decision Point III Site Control requirements have been met, or have been withdrawn, remaining Readiness Deposit funds will be dispositioned as follows:

(i) 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.

(ii) 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.

(iii) 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.

c. Study Deposits and Readiness Deposits are separate financial obligation, and non-transferrable and cannot be commingled. Under no circumstances may refundable or non-refundable Study Deposit or Readiness Deposit monies for a specific New Service Request be applied in whole or in part to a different New Service Request.

4. 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 VII, Subpart D, sections 309 and 312 and Tariff, Part IX, Subpart C.

5. 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.

6. Prior to entering into a final agreement from Tariff, Part IX, a Project Developer or Eligible Customer may assign its New Service Request to another entity only if the acquiring entity:

   a. 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;

   b. and/or as applicable, accepts, as applicable, the same receipt and delivery points or the same source and sink points as stated in the New Service Request for such project.

7. Additional Interconnection-Related Agreements. In connection with interconnection with the Transmission System pursuant to Tariff, Part VII, Project Developer may be required, or may elect, to enter into one or more of the following interconnection-related agreements:

   a. Cost Responsibility Agreement. A Project Developer with an existing generating facility that is not a party to an interconnection agreement with Transmission Provider and the relevant Transmission Owner, that desires to enter into a GIA with Transmission Provider and Transmission Owner, shall be required to enter into a Cost Responsibility Agreement in the form set forth in Tariff, Part IX, Subpart F. The Cost Responsibility Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform certain modeling, studies or analysis to determine whether the Project Developer may enter into a GIA with Transmission Provider and Transmission Owner.

   b. Engineering and Procurement Agreement. A Project Developer that wishes to advance the implementation of its Interconnection Request during Phase III of a Cycle may enter into an Engineering and Procurement Agreement with Transmission Provider and Transmission Owner, in the form set forth in Tariff, Part IX, Subpart D, to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. An Engineering and Procurement Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades. An Engineering and Procurement Agreement can only be requested by a Project Developer, and can only be requested in Phase III.

c. Necessary Study Agreement. A Project Developer that has entered into a GIA that plans to undertake modifications pursuant to that GIA to its Generating Facility or Merchant Transmission Facility shall be required to enter into a Necessary Study Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. The Necessary Study Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer to pay Transmission Provider's actual costs to perform the Necessary Study(ies) to determine: (a) the type and scope of the permanent material impact, if any, the change will have on the Transmission System; (b) the additions, modifications, or replacements to the Transmission System required to accommodate the change; and (c) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the change. Any Generation Project Developer with an effective Generation Interconnection 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).

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 refers 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 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.

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 Generation Interconnection 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 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, 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, Transmission Owner, or other Interconnection Party or Construction Party to another such party prior to the execution of an Generation Interconnection Agreement or a Construction 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:

"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.

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

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 Studies Agreement.

Eligible Generating Facility:

"Eligible Generating Facility" shall mean a Co-Located Generating Facility or 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 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.

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 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 Service Request:

"New Service Request" shall mean an Interconnection Request or a Completed Application.

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 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 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.

Parties:

"Parties" shall mean the Transmission Provider, as administrator of the Tariff, and the Transmission Customer 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 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 identified in 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, 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:

"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 the Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant to the terms of the Generation Interconnection Agreement and, 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,

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.

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

A. New Cycle Process

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

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

C. A Project Developer that proposes to (i) interconnect a Generating Facility to the Transmission System in the PJM Region, including an Eligible Generating Facility to serve an Eligible Load; (ii) increase the capability of a Generating Facility in the PJM Region, including to serve an Eligible Load; (iii) interconnect Merchant Transmission Facilities with the Transmission System; (iv) increase the capability of existing Merchant Transmission Facilities interconnected to the Transmission System, or (v) interconnect a Generating Facility to distribution facilities located in the PJM Region that are used for transmission of power in interstate commerce, and to make wholesale sales using the output of the Generating Facility, shall request interconnection with the Transmission System pursuant to, and shall comply with, the terms, conditions, and procedures set forth in Tariff, Part VIII and related portions of the PJM Manuals. Notwithstanding the above, the process under Tariff, Part VIII, Subpart E, section 414 is available for Surplus Interconnection Requests from resources seeking to receive electric energy from the grid and store it for later injection to the grid and for Surplus Interconnection Requests from Surplus Project Developers seeking to use 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 must submit with its Application a Study Deposit, the amount of which will be determined based upon the MWs requested in such Application. Ten percent of the Study Deposit is non-refundable. Project Developer and Eligible

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

a. If any Study Deposit monies remain after all System Impact Studies are completed and any outstanding monies owed by Project Developer or Eligible Customer in connection with outstanding invoices related to the present or prior New Service Requests have been paid, such remaining deposit monies shall be returned to the Project Developer or Eligible Customer at the conclusion of the required studies for the New Service Request.

2. Readiness Deposits. Readiness Deposits are funds committed by the Project Developer or Eligible Customer based upon the MW size of the project and, where applicable, the study results.

a. Readiness Deposits are due at the following Phases of a Cycle:

i. Readiness Deposit No. 1: Application Submission

ii. Readiness Deposit No. 2: Decision Point I; and

iii. Readiness Deposit No. 3: Decision Point II

b. Readiness Deposits No. 2 and/or No. 3 may equal an amount equal to or greater than zero, but may never be a negative dollar amount.

c. Readiness Deposit refunds will be handled as follows:

i. If the project is withdrawn or terminated, the Readiness Deposit refunds for the project will be determined by the study phase at which the project was withdrawn or terminated, and adverse study results tests, as set forth below in Tariff, Part VIII, Subpart C, section 408(B)(3)(c).

ii. When all Cycle New Service Requests have either entered into final agreements and met the Decision Point III Site Control requirements, or have withdrawn, remaining Readiness Deposit funds will be dispositioned as follows:

(a) Transmission Provider will incorporate all project withdraws and retool analysis results to provide a final determination on the Network Upgrades that are required for the Cycle.

(b) Underfunded Network Upgrades will be identified as those where one or more withdrawn New Service Requests that were identified as having a cost allocation in the Phase III analysis results. In the event that there are no underfunded Network Upgrades, all Readiness Deposits will be refunded.

(c) Readiness Deposits will be applied to underfunded Network Upgrades on a pro-rata share of funds missing from the

Phase III cost allocation. In the event that all underfunded Network Upgrades are made whole relative to the withdrawn New Service Requests, remaining Readiness Deposits will be refunded on a pro-rata share.

3. Study Deposits and Readiness Deposits are separate financial obligation, and non-transferrable and cannot be commingled. Under no circumstances may refundable or non-refundable Study Deposit or Readiness Deposit monies for a specific New Service Request be applied in whole or in part to a different New Service Request.

E. If Project Developer is proposing a Generating Facility that will physically connect to non-jurisdictional distribution or sub-transmission facilities for the purpose of engaging in wholesale sales in the PJM markets, such Project Developer must provide additional required information and documentation associated with the non-jurisdictional arrangements, as set forth in Tariff, Part VIII, Subpart C, sections 406 and 410 and Tariff, Part IX, Subpart F.

F. A Project Developer or Eligible Customer cannot combine, swap or exchange all or part of a New Service Request with any other New Service Request within the same or a different Cycle.

G. Prior to entering into a final agreement from Tariff, Part IX, a Project Developer or Eligible Customer may assign its New Service Request to another entity only if the acquiring entity:

1. as applicable, accepts and acquires the rights to the same Point of Interconnection and Point of Change of Ownership as identified in the New Service Request for such project; and/or

2. as applicable, accepts, the same receipt and delivery points or the same source and sink points as stated in the New Service Request for such project.

H. 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:

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.

2. Engineering and Procurement Agreement. A Project Developer that wishes to advance the implementation of its Interconnection Request during Phase III of a

Cycle may enter into an Engineering and Procurement Agreement with Transmission Provider and Transmission Owner, in the form set forth in Tariff, Part IX, Subpart D, to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. An Engineering and Procurement Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades. An Engineering and Procurement Agreement can only be requested by a Project Developer, and can only be requested in Phase III.

3. Necessary Studies Agreement.

a. A Project Developer that has entered into a Generation Interconnection Agreement that plans to undertake modifications pursuant to that Generation 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 Studies Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. The Necessary Studies 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 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 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.

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 B, section 403
Application Rules

A. Application Submission

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

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

1. Generation Interconnection Request Requirements

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

a. Provide all Applicant information required in the Application, including parent company information and banking and wire transfer information.

b. Specify the location of the proposed Point of Interconnection to the Transmission System, including the substation name or the name of the line to be tapped (including the voltage), the estimated distance from the substation endpoints of a line tap, address, and GPS coordinates.

c. Provide information about the Generating Facility project, including whether it is (1) a proposed new Generating Facility, (2) an increase in

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

d. Indicate the type of Interconnection Service requested, whether (1) Energy Resource only or (2) Capacity Resource (includes Energy Resource) with Capacity Interconnection Rights.

e. Specify the project location and provide a detailed site plan.

f. Submit required evidence of Generating Facility Site Control (including the location of the main step-up transformer), including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.

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

h. Submit required information and documentation if the Generating Facility will share Applicant's Interconnection Facilities with another Generating Facility.

i. For a new Generating Facility, specify requested Maximum Facility Output and Capacity Interconnection Rights.

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

k. Provide a detailed description of the equipment configuration and electrical design specifications for the Generating Facility.

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

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

n. If the Generating Facility will include a storage component, provide detailed information about (1) whether and how the storage device(s) will charge using energy from the Transmission System, (2) the primary frequency response operating range for the storage device(s), (3) the MWh stockpile, and (4) the hour class, as applicable.

o. Specify the proposed date that the project or uprate associated with the Application will be in service.

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

q. Indicate the level of Interconnection Service requested, including whether Project Developer requests Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve 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) merchant A.C., (2) Merchant D.C. Transmission Facilities, or (3) Controllable A.C. Merchant Transmission Facilities.

g. If Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities, specify whether Applicant elects to receive (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR) or (2) Incremental Delivery Rights, Incremental Auction Revenue Rights, and/or Incremental Capacity Transfer Rights.

    i. If Applicant elects to receive TIRs or TWRs, specify (1) total project MWs to be evaluated as Firm (capacity) injection for TIR; (2) total project MWs to be evaluated as Non-firm (energy) injection for TIR; (3) total project MWs to be evaluated as Firm (capacity) withdrawal for TWR; and (4) total project MWs to be evaluated as Non-firm (energy) withdrawal for TWR.

    ii. If Applicant elects to receive Incremental Delivery Rights, specify the location on the Transmission System where it proposes to receive Incremental Delivery Rights associated with its proposed facilities.

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

i. Specify the site where Applicant intends to install its major equipment, and provide a detailed site plan.

j. Submit required evidence of Site Control for the major equipment, including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.

k. Provide evidence acceptable to Transmission Provider that Applicant has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting, as applicable. Applicant shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Applicant fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

5. Additional Requirements Applicable to All Applications

a. Study Deposit: For Transmission Provider to consider an Application complete, Transmission Provider must receive from the Applicant the required Study Deposit by wire transfer, the amount of which is based on the size of the project as described below. Applicant's wire transfer must specify the Application reference number to which the Study Deposit corresponds, or Transmission Provider will not review or process the Application.

i. Ten percent of the Study Deposit is non-refundable. If Applicant withdraws its New Service Request, or the New Service Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request;

(b) Any restudies required as a result of the rejection, termination, and/or withdrawal of such New Service Request; and/or

(c) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

ii. Ninety percent of the Study Deposit is refundable, and Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Application review;

(b) The dollar amount of Applicant's cost responsibility for the System Impact Study; and

(c) If the New Service Request is modified, rejected, terminated, and/or withdrawn, refundable deposit money shall be applied to cover all of the costs incurred by Transmission Provider up to the point of the New Service Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification, rejection, termination, and/or withdrawal of the New Service Request;

(ii) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request; and/or

(iii) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to Applicant in accordance with the PJM Manuals.

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

(a) Applicant is responsible for, and must pay, all actual study costs.

(b) If Transmission Provider sends Applicant notification of additional study costs, then Applicant must either: (i) pay all additional study costs within 20 Business Days of Transmission Provider sending the notification of such

additional study costs or (ii) withdraw its New Service Request. If Applicant fails to complete either (i) or (ii), then Transmission Provider shall deem the New Service Request to be terminated and withdrawn.

iv. The Study Deposit shall be calculated as follows, based on the number of MW energy (e.g., Maximum Facility Output) or MW capacity (e.g., Capacity Interconnection Rights), whichever is greater:

(a) Up to 20 MW: $75,000;

(b) Over 20 MW up to 50 MW: $200,000;

(c) Over 50 MW up to 100 MW: $250,000;

(d) Over 100 MW up to 250 MW: $300,000;

(e) Over 250 MW up to 750 MW: $350,000; and

(f) Over 750 MW: $400,000.

b. Readiness Deposit: For Transmission Provider to consider an Application complete, Applicant must submit to Transmission Provider the required Readiness Deposit by wire transfer or letter of credit. Applicant's wire transfer or letter of credit must specify the Application reference number to which the Readiness Deposit corresponds, or Transmission Provider will not review or process the Application. Readiness Deposit No. 1 shall be an amount equal to $4,000 per MW energy (e.g., Maximum Facility Output) or per MW capacity (e.g., Capacity Interconnection Rights), whichever is greater, as specified in the Application.

B. Application Review Phase

1. After the close of the Application Deadline, Transmission Provider will begin the Application Review Phase, wherein Transmission Provider reviews Applications received from Project Developers for completeness and then establishes the validity of such submitted Applications, beginning with a deficiency review, as follows:

a. Transmission Provider will exercise Reasonable Efforts to inform Applicant of Application deficiencies within 15 Business Days after the Application Deadline.

b. Applicant then has 10 Business Days to respond to Transmission Provider's deficiency determination.

c. Transmission Provider then will exercise Reasonable Efforts to review Applicant's response within 15 Business Days, and then will either validate or reject the Application.

2. After the close of the Application Deadline, Transmission Provider will begin the Application Review Phase, wherein Transmission Provider reviews Applications received from Eligible Customers for completeness and then establishes the validity of such submitted Applications.

3. Transmission Provider will only review an Application during the Application Review Phase following the Application Deadline for which the Application was submitted and deemed complete, which will extend for 90 days or the amount of time it takes to complete all Application review activities for the relevant Cycle, whichever is greater.

4. During the Application Review Phase, and at least 30 days prior to initiating Phase I of the Cycle, Transmission Provider will post the Phase I Base Case data for review, subject to CEII protocols.

5. In the case of an Application for a Generating Facility, the Application Review Phase will include a Site Control review for the Generating Facility. Specifically, Applicant shall provide Site Control evidence, as set forth in Tariff, Part VIII, Subpart A, section 402, for at least a one-year term beginning from the Application Deadline, for 100 percent of the Generating Facility Site including the location of the high-voltage side of the Generating Facility's main power transformer(s). In addition, Applicant shall provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further, at Transmission Provider's request, Applicant shall provide copies of landowner attestations or county recordings. The Site Control requirement in the Application includes an acreage requirement for the Generating Facility, as set forth in the PJM Manuals.

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

C. Scoping Meetings

1. During the Application Review Phase, Transmission Provider may hold a single, or several, scoping meetings for projects in each Transmission Owner zone, which are optional and may be waived by Applicants or Transmission Owner.

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

D. Other Requirements

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

2. When an Application results in a valid New Service Request, Transmission Provider shall confirm the assigned Project Identifier to the New Service Request, in accordance with Tariff, Part VIII, Subpart E, section 412. Applicant and Transmission Provider shall reference the Project Identifier in all correspondence, submissions, wire transfers, documents, and other materials relating to the New Service Request.

Tariff, Part VIII, Subpart C, section 404
Introduction

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

1. Introduction

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

a. Phase I System Impact Study

b. Decision Point I

c. Phase II System Impact Study

d. Decision Point II

e. Phase III System Impact Study

f. Decision Point III.

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

2. Overview of System Impact Studies

a. The Phase I, Phase II and Phase III System Impact Studies are a regional analysis of the effect of adding to the Transmission System the new facilities and services proposed by valid New Service Requests and an evaluation of their impact on deliverability to the aggregate of PJM Network Load.

i. These studies identify the system constraints, identified with specificity by transmission element or flowgate, relating to the New Service Requests included therein and any resulting Interconnection Facilities, Network Upgrades, and/or Contingent Facilities required to accommodate such New Service Requests.

ii. These studies provide estimates of cost responsibility and construction lead times for new facilities required to interconnect the project and system upgrades.

iii. Transmission Provider, in its sole discretion, can aggregate multiple New Service Requests at the same Point of Interconnection for purposes of Phase I, Phase II and Phase III System Impact Studies.

iv. The scope of the studies may include (a) an assessment of sub-area import deliverability, (b) an assessment of sub-area export deliverability, (c) an assessment of project related system stability issues (only occurs in Phase II and Phase III); (d) an assessment of project-related short circuit duty issues (only occurs in Phase II and Phase III), (e) a contingency analysis consistent with NERC's and each Applicable Regional Entity's reliability criteria and the transmission planning criteria, methods and procedures described in the "FERC Form No. 715 - Annual Transmission Planning and Evaluation Report" for each Applicable Regional Entity, (f) an assessment of regional transmission upgrades that most effectively meet identified needs, and (g) an analysis to determine cost allocation responsibility for required facilities and upgrades.

v. For purposes of determining necessary Interconnection Facilities and Network Upgrades, these studies shall consider the level of service requested in the New Service Request, including Project Developer requests for Interconnection Service below the full generating capability of a new Generating Facility or the requested increase in generation capability of an existing Generating Facility to serve 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 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.

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

A. Requirements

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

1. For a New Service Request to remain in the Cycle, it must either proceed as set forth immediately below, or, if Transmission Provider determines a New Service Request qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX), such New Service Request must meet the requirements set forth below in Tariff, Part VIII, Subpart C, section 406(A)(2).

    a. For a New Service Request that is not otherwise eligible to accelerate to a final interconnection related agreement (from Tariff, Part IX) to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point I:

        i. The applicable Readiness Deposit No. 2

            (a) The Decision Point I Readiness Deposit No. 2 is to be paid cumulatively, i.e., in addition to the Readiness Deposit No. 1 that was submitted with the New Service Request at the Application Phase. The Decision Point I Readiness Deposit No. 2 will be calculated by the Transmission Provider during Phase I, and shall not be reduced or refunded based upon subsequent New Service Request modifications or cost allocation changes.

            (b) At Decision Point I, the Readiness Deposit No. 2 required shall be an amount equal to:

                (i) the greater of (i) 10 percent of the cost allocation for the Network Upgrades as calculated in Phase I or (ii) the Readiness Deposit No. 1 paid by the Project Developer with its New Service Request during the Application Phase; minus

                (ii) the Readiness Deposit No. 1 amount paid by the Project Developer with its New Service Request during the Application Phase

(c) The Readiness Deposit No. 2 amount due can be zero, but cannot be a negative number (i.e., there will not be any refunded amounts associated with Readiness Deposit No. 2).

b. Project Developers must provide evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

i. Generating Facility or Merchant Transmission Facility Site Control evidence for an additional one-year term beginning from last day of the relevant Cycle, Phase I.

(a) Such Site Control evidence shall continue to cover 100 percent of the Generating Facility or Merchant Transmission Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s). Any modifications to Site Control must adhere to Tariff, Part VIII, Subpart C, section 406(B)(5) (Generating Facility or Merchant Transmission Facility Site Changes).

(b) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a one-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 50 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.

(c) If applicable, Interconnection Switchyard Site Control evidence for a one-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 50 percent of the acreage required for the identified required Interconnection Switchyard facilities associated with a New Service Request.

c. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such

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

d. Evidence of air and water permits (if applicable)

e. For state-level, non-jurisdictional interconnection projects, evidence of participation in the state-level interconnection process with the applicable entity.

f. Submission of New Service Request data for Phase II System Impact Study.

g. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 406(A)(1)(a) through (f) above, before the close of the Decision Point I Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.

h. If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 406(A)(1)(a) through (f) above, then, at the close of the Decision Point I, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 406(A)(1)(b) through (e) above, as follows:

   i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

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

   iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or include the New Service Request in Phase II.

   iv. Transmission Provider's review of the above required elements may run co-extensively with Phase II.

2. Acceleration at Decision Point I. Only New Service Requests that have no cost allocation for Network Upgrades and do not require further studies are eligible for acceleration. New Service Requests eligible for acceleration include a request from a Project Developer seeking to build a new Generating Facility or to increase the generation capability of an existing Generating Facility to serve 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 agreement with respect to its New Service Request

      iii. Project Developer must provide evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

         (a) Generating Facility or Merchant Transmission Facility Site Control evidence for an additional three-year term beginning from last day of the relevant Cycle, Phase I.

            (i) Such Site Control evidence shall be identical to the Generating Facility or Merchant Transmission Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

         (b) Interconnection Facilities (to the Point of Interconnection) Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 100 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.

(c) If applicable, Interconnection Switchyard Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase I.

(i) Such Site Control evidence shall cover 100 percent of the acreage required identified required Interconnection Switchyard associated with a New Service Request.

iv. If Project Developer fails to produce all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above, then Project Developer must provide evidence acceptable to Transmission Provider demonstrating that Project Developer is in negotiations with appropriate entities to meet the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above.

(a) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 406(A)(2)(a)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.

(1) Such condition precedent shall not be extended under any circumstances for any reason.

b. Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls

any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.

c. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle.

d. For a non-jurisdictional project, evidence of a fully executed state level interconnection agreement with the applicable entity.

e. If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above (noting the exception provided for Site Control), before the close of the Decision Point I Phase, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.

f. If Project Developer or Eligible Customer subject to Acceleration at Decision Point I submits all elements in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above, then, at the close of the Decision Point I, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 406(A)(2)(a) through (d) above, as follows:

    i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

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

    iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within 10 Business Days, and then will either terminate and withdraw the

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

3. For a New Service Request for a non-jurisdictional project that qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX) but which has not yet secured a fully executed state level interconnection agreement with the applicable entity before the close of Decision Point I to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements, before the close of Decision Point III:

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

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

   c. Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402 and is also in accordance with the following additional specifications:

      i. Generating Facility Site Control evidence is required to be maintained for an additional term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

         (a) Such Site Control evidence shall be identical to the Generating Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

      ii. Interconnection Facilities (to the Point of Interconnection) Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(a) Such Site Control evidence shall cover 100 percent of the linear distance for the identified required Interconnection Facilities associated with a New Service Request.

iii. If applicable, Interconnection Switchyard Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase I that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(a) Such Site Control evidence shall cover 100 percent of the acreage required for the identified required Interconnection Switchyard associated with a New Service Request.

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

(i) Such condition precedent shall not be extended under any circumstances for any reason.

d. For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Project Developer fails to maintain its interconnection request positions with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn, and will be removed from the Cycle

e. Evidence of a fully executed state level Interconnection Agreement with the applicable entity

f. Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.

g. If Project Developer fails to submit all of the criteria in Tariff, Part VIII, section 406(A)(3)(a) through (f) above (noting the exception provided for Site Control), before the close of the Decision Point III Phase, Project Developer's New Service Request shall be deemed terminated and withdrawn.

h. When Project Developer meets all of the requirements above, then, at the point at which the last required piece of evidence as set forth in Tariff, Part VIII, section 406(A)(3)(a) through (f) above was submitted, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, section 406(A)(3)(a) through (f) above, as follows:

i. Transmission Provider will exercise Reasonable Efforts to inform Project Developer of deficiencies within 10 Business Days after the close of Decision Point I.

ii. Project Developer then has five Business Days to respond to Transmission Provider's deficiency determination.

iii. Transmission Provider then will exercise Reasonable Efforts to review Project Developer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or proceed to a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.

4. New Service Request Withdraw or Termination at Decision Point I

a. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point I. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point I, the Transmission Provider must receive before the close of the Decision Point I Phase written notification from the Project Developer or Eligible Customer of Project Developer's or Eligible Customer's decision to withdraw its New Service Request.

b. Transmission Provider may deem a New Service Request terminated and withdrawn for failing to meet any of the Decision Point I requirements, as set forth in this Tariff, Part VIII, Subpart C, section 406.

c. If a New Service Request is either withdrawn or deemed terminated and withdrawn, it will be removed from the relevant Cycle, and Readiness Deposits and Study Deposits will be disbursed as follows:

i. For Readiness Deposits:

(a) At the conclusion of Transmission Provider's deficiency review for Decision Point I or upon voluntary withdrawal of a New Service Request, refund to the Project Developer or Eligible Customer 50 percent of Readiness Deposit No. 1 paid by the Project Developer or Eligible Customer with its New Service Request during the Application Phase, and 100 percent of Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer during this Decision Point I; and

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

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

B. New Service Request Modification Requests at Decision Point I

1. Project Developer or Eligible Customer may not request a modification that is not expressly allowed. To the extent Project Developer or Eligible Customer desires a modification that is not expressly allowed, Project Developer or Eligible Customer must withdraw its New Service Request and resubmit the New Service Request with the proposed modification in a subsequent Cycle.

2. Reductions in Maximum Facility Output and/or Capacity Interconnection Rights. Project Developer may reduce the previously requested New Service Request Maximum Facility Output and/or Capacity Interconnection Rights values, up to 100 percent of the requested amount

3. Fuel Changes. The fuel type specified in the New Service Request may not be changed or modified in any way for any reason, except that for New Service Requests that involve multiple fuel types, removal of a fuel type through these reduction rules will not constitute a fuel type change.

4. Point of Interconnection.

a. The Point of Interconnection must be finalized before the close of the Decision Point I Phase.

i. Project Developer may only move the location of the Point of Interconnection 1) along the same segment of transmission line, as defined by the two electrical nodes located on the transmission line as modeled in the Phase I Base Case Data, or 2) move the location of the Point of Interconnection to a different breaker position within the same substation, subject to Transmission Owner review and approval. Project Developer may not modify its Point of Interconnection to/from a transmission line from/to a direct connection into a substation.

(a) Project Developer must notify Transmission Provider in writing of any changes to its Point of Interconnection prior

to the close of Decision Point I. No modifications to the Point of Interconnection will be accepted for any reason after the close of Decision Point I.

5. Generating Facility or Merchant Transmission Facility Site Changes

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

a. The initial Site and the proposed Site are adjacent parcels or evidence of easements between locations is provided; and

b. Such Site Control is subject to the verification procedures set forth in Tariff, Subpart C, sections 406(A)(1) and 406(A)(3).

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

6. Equipment Changes

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

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

A. Requirements

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

1. For a New Service Request to remain in the Cycle, it must either proceed as set forth immediately below, or, if Transmission Provider determines a New Service Request qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX), such new Service Request must meet the requirements set forth below in Tariff, Part VIII, Subpart C, section 408(A)(2)(d).

    a. For a New Service Request that is not otherwise eligible to accelerate to a final interconnection related agreement (from Tariff, Part IX) to remain in the Cycle, Transmission Provider must receive from the Project Developer or Eligible Customer all of the following required elements before the close of Decision Point II:

    b. The applicable Readiness Deposit No. 3

        i. The Decision Point II Readiness Deposit No. 3 to be paid cumulatively, i.e., in addition to the Readiness Deposit No. 1 that was submitted with the New Service Request at the Application Phase, and the Readiness Deposit No. 2 that was submitted at Decision Point I. The Decision Point II Readiness Deposit No. 3 will be calculated by the Transmission Provider during Phase II, and shall not be reduced or refunded based upon subsequent New Service Request modifications or cost allocation changes.

        ii. The Decision Point II Readiness Deposit No. 3 required amount shall be an amount equal to the greater of:

            (a) (i) 20 percent of the cost allocation for the Network Upgrades as calculated in Phase II or (ii) the Readiness Deposit No. 1 paid by the Project Developer or Eligible Customer with its New Service Request during the Application Phase plus the Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer with its New Service Request during Decision Point I; minus

(b) the Readiness Deposit No. 1 amount paid by the Project Developer with its New Service Request during the Application Phase, plus the Readiness Deposit No. 2 amount paid by the Project Developer or Eligible Customer with its New Service Request during Decision Point I.

iii. The Readiness Deposit No. 3 amount due can be zero, but cannot be a negative number (i.e., there will not be any refunded amounts associated with Readiness Deposit No. 3).

c. Notification in writing that Project Developer or Eligible Customer elects to exercise the Option to Build for Stand Alone Network Upgrades identified with respect to its New Service Request.

d. Evidence of Site Control. There are no Site Control evidentiary requirements at Decision Point II.

e. Evidence of air and water permits (if applicable).

f. For state-level, non-jurisdictional interconnection projects, evidence of participation in the state-level interconnection process with the applicable entity.

g. Submission of New Service Request data required for Phase III System Impact Study.

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 with respect to its New Service Request

(c) Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

(i) Generating Facility or Merchant Transmission Facility Site Control evidence for an additional three-year term beginning from last day of the relevant Cycle, Phase II.

(1) Such Site Control evidence shall be identical to the Generating Facility or Merchant Transmission Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

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

(1) Such Site Control evidence shall cover 100 percent of the linear distance for identified required Interconnection Facilities associated with a New Service Request.

(iii) If applicable, Interconnection Switchyard Site Control evidence for a three-year term beginning from the last day of the relevant Cycle, Phase II.

(1) Such Site Control evidence shall cover 100 percent of the acreage required for the identified required Interconnection

Switchyard associated with a New Service Request.

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

i. If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 402 and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(c)(i), (ii) and (iii) above, shall be met or, otherwise, such agreement shall automatically be deemed terminated and cancelled, and the related New Service Request shall automatically be deemed terminated and withdrawn from the Cycle.

(a) Such condition precedent shall not be extended under any circumstances for any reason.

(b) Project Developer must provide evidence that it has: (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections; (ii) obtained any necessary local, county, and state site permits; and (iii) signed a memorandum of understanding for the acquisition of major equipment.

(c) For a Project Developer that has submitted a Transmission Interconnection Request, Project Developer shall provide evidence acceptable to the Transmission Provider that Project Developer has submitted and maintained a valid corresponding interconnection request with any required adjacent Control Area(s) in which it is interconnecting or is required to interconnect with as part of such Transmission Interconnection Request. Project Developer shall maintain its interconnection request positions with such adjacent

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

(d) For a non-jurisdictional project, evidence of a fully executed state level interconnection agreement with the applicable entity.

(e) If Project Developer or Eligible Customer fails to submit all of the criteria in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above (noting the exception provided for Site Control), before the close of Decision Point II, Project Developer's or Eligible Customer's New Service Request shall be deemed terminated and withdrawn.

(f) If Project Developer or Eligible Customer submits all elements in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above, then, at the close of the Decision Point II, Transmission Provider will begin the deficiency review of the elements set forth in Tariff, Part VIII, Subpart C, section 408(A)(2)(e)(i)(a) through (d) above, as follows:

(i) Transmission Provider will exercise Reasonable Efforts to inform Project Developer or Eligible Customer of deficiencies within 10 Business Days after the close of Decision Point I.

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

(iii) Transmission Provider then will exercise Reasonable Efforts to review Project Developer's or Eligible Customer's response within 10 Business Days, and then will either terminate and withdraw the New Service Request, or proceed to a final interconnection related agreement (from Tariff, Part IX). The final interconnection related agreement

shall be negotiated and issued in accordance with the rules set forth in Tariff, Part VIII, Subpart D, section 411.

(g) For a New Service Request for a non-jurisdictional project that qualifies to accelerate to a final interconnection related agreement (from Tariff, Part IX) but which has not yet secured a fully executed state level interconnection agreement with the applicable entity before the close of Decision Point II to remain in the Cycle, Transmission Provider must receive from the Project Developer all of the following required elements, before the close of Decision Point III:

(h) Security. Security shall be calculated for New Service Requests based upon based upon Network Upgrades costs allocated pursuant to the Phase II System Impact Study Results.

(i) Notification in writing that Project Developer elects to proceed to a final agreement with respect to its New Service Request

(j) Evidence of Site Control that is in accordance with the Site Control rules set forth above in Tariff, Part VIII, Subpart A, section 402, and is also in accordance with the following additional specifications:

(i) Generating Facility Site Control evidence is required to be maintained for an additional term beginning from last day of the relevant Cycle, Phase II that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(1) Such Site Control evidence shall be identical to the Generating Facility Site Control evidence submitted for a New Service Request in the Application Phase, and shall continue to cover 100 percent of the Generating Facility Site, including the location of the high-voltage side of the Generating Facility's main power transformer(s).

(ii) Interconnection Facilities (to the Point of Interconnection) Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase II that extends through the full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(1) Such Site Control evidence shall cover 100% percent of linear distance for the identified required Interconnection Facilities associated with a New Service Request.

(iii) If applicable, Interconnection Switchyard Site Control evidence is required to be maintained for a term beginning from last day of the relevant Cycle, Phase II that extends through full execution date of the relevant state level interconnection agreement with the applicable entity, plus three years beyond such full execution date of the relevant state level interconnection agreement with the applicable entity.

(1) Such Site Control evidence shall cover 100 percent of acreage required for the identified required Interconnection Switchyard associated with a New Service Request.

(iv) Transmission Provider may request evidence of the required Site Control at any point beginning from last day of the relevant Cycle, Phase II through a date that extends three years beyond the full execution date of the relevant state level interconnection agreement with the applicable entity

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

Control rules set forth in Tariff, Part VIII, Subpart A, section 402, and in accordance with Tariff, Part VIII, Subpart C, section 408(A)(2)(j)(i), (ii) and (iii) above.

(1) If Transmission Provider determines that the evidence of such negotiations is acceptable, then Transmission Provider shall add a condition precedent in the New Service Request final interconnection related agreement (from Tariff, Part IX) requiring that within 180 days from the effective date of such final agreement, all required Site Control evidence in accordance with the Site Control rules set forth in Tariff, Part VIII, Subpart A, section 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

1. A Project Developer or Eligible Customer may withdraw its New Service Request during Decision Point II. If the Project Developer or Eligible Customer elects to withdraw its New Service Request during Decision Point II, the Transmission Provider must receive before the close of the Decision Point II Phase written notification from the Project Developer or Eligible Customer of Project Developer's or Eligible Customer's decision to withdraw its New Service Request.

2. Transmission Provider may deem a New Service Request terminated and withdrawn for failing to meet any of the Decision Point II requirements, as set forth in this Tariff, Part VIII, Subpart C, section 408.

3. If a New Service Request is either withdrawn or deemed terminated and withdrawn, it will be removed from the relevant Cycle, and Readiness Deposits and Study Deposits will be disbursed as follows:

   a. For Readiness Deposits:

      i. At the conclusion of Transmission Provider's deficiency review for Decision Point II, refund to Project Developer or Eligible Customer 100 percent of Readiness Deposit No. 2 paid by the Project Developer or Eligible Customer during Decision Point I;

      ii. At the conclusion of the Cycle, refund to Project Developer or Eligible Customer up to 100 percent of Readiness Deposit No. 1 pursuant to Tariff, Part VIII, Subpart A, section 401(D)(2)(c).

   b. For Study Deposits:

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

   c. Adverse Study Impact Calculation. Notwithstanding the refund provisions in Tariff, Part VIII, Subpart C, section 408(B)(3)(a) and (b)(i), Transmission Provider shall refund to Project Developer or Eligible Customer the cumulative Readiness Deposit amounts paid by Project Developer or Eligible Customer at the Application Phase and at the Decision Point I

Phase if the Project Developer's Network Upgrade cost from Phase I to Phase II:

i. increases overall by 25 percent or more; and

ii. increases by more than $10,000 per MW.

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

4. New Service Request Modification Requests at Decision Point II

a. Project Developer or Eligible Customer may not request a modification that is not expressly allowed. To the extent Project Developer or Eligible Customer desires a modification that is not expressly allowed, Project Developer or Eligible Customer must withdraw its New Service Request and resubmit the New Service Request with the proposed modification in a subsequent Cycle.

b. Reductions in Maximum Facility Output and/or Capacity Interconnection Rights. Project Developer may reduce the previously requested New Service Request Maximum Facility Output and/or Capacity Interconnection Rights values, up to 10 percent of the values studied in Phase II.

c. Fuel Changes. The fuel type specified in the New Service Request may not be changed or modified in any way for any reason, except that for New Service Requests that involve multiple fuel types, removal of a fuel type through these reduction rules will not constitute a fuel type change.

d. Point of Interconnection. The Point of Interconnection may not be changed or modified in any way for any reason at this point in the Cycle process.

e. Generating Facility or Merchant Transmission Facility Site Changes. Project Developer may pursue changes during this time, however, demonstration of Site Control is not required during Decision Point II. Any changes made to Site Control during Decision Point II will be subject to and evaluated consistent with the modification requirements at Decision Point III.

f. Equipment Changes

During Decision Point II, Project Developer is limited to modifying its New Service Request to Permissible Technological Advancement changes only. Project Developer shall submit machine modeling data as specified in the PJM Manuals associated with the Permissible Technological Advancement before the close of Decision Point II.

Tariff, Part VIII, Subpart E, 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 shall issue a Surplus Interconnection Study to the owner of the existing or planned Generating Facility. A revised Interconnection Service Agreement or Generation Interconnection Agreement will be prepared and issued to the owner of the existing or planned Generating Facility within sixty days of issuance of the Surplus Interconnection Study including the terms and conditions for Surplus Interconnection Service. Within sixty days of receipt by the owner of the existing or planned Generating Facility of the revised Interconnection Service Agreement or Generation Interconnection Agreement, the owner of the existing or planned Generating Facility will execute the revised Interconnection Service Agreement or Generation Interconnection Agreement, request dispute resolution or request that the Interconnection Service Agreement or Generator Interconnection Agreement be filed unexecuted in accordance.

3. If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study.

4. Deactivation of Existing Generating Facility

    a. Surplus Interconnection Service cannot be offered if the existing Generating Facility from which Surplus Interconnection is provided is deactivated or has submitted a Notice to Deactivate to Transmission Provider consistent

with Tariff, Part V, before the surplus generating unit has commenced commercial operation.

b. Limited Operation. A Generating Facility receiving Surplus Interconnection Service may continue to receive Surplus Interconnection Service for a period not to exceed one year after the existing Generating Facility's Deactivation Date under the following conditions:

i. The surplus generating unit must have been studied by the Transmission Provider for the sole operation at the Point of Interconnection; and

ii. The owner of the existing Generating Facility must agree in writing that the Surplus Project Developer may continue to operate at either its limited share of the existing Generating Facility's capability under its Interconnection Service Agreement or 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 Generator Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or Generator Interconnection Agreement terms of termination for a deactivated Generating Facility.

Tariff, Part VIII, Subpart 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, sections 440 – 499
[Reserved]

Tariff, Part IX, Subpart G

FORM OF
NECESSARY STUDIES AGREEMENT

Service Agreement No. [ ]

(Project Identifier #___)(Queue # ___)

NECESSARY STUDIES AGREEMENT
By And Among
PJM INTERCONNECTION, L.L.C.
And
_____

Service Agreement No. [ ]

Necessary Studies Agreement
By and Among
PJM Interconnection, L.L.C.
and

_____

(Project Identifier #___)(Queue # ___)

RECITALS

1. This Necessary Studies Agreement ("NSA") entered into by and between _____ ("Project Developer"/"Interconnection Customer") and PJM Interconnection, L.L.C. ("PJM" or "Transmission Provider") (individually, a "Party" and together, the "Parties") is effective as of the date this NSA is fully executed by the Parties, subject to any necessary regulatory acceptance ("Effective Date"). Capitalized terms used in this NSA, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Open Access Transmission Tariff ("Tariff"), or Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"). For purposes of this NSA, the terms "Generation Interconnection Procedures" or "GIP" will refer to the interconnection procedures set forth in {Instructions: use Tariff, Part VI if this is an Interconnection Service Agreement, use Tariff, Part VII if this is a transition period agreement, use Part VIII if this is a new rules period agreement}.

2. Consistent with the GIP, and pursuant to that certain [Generation Interconnection Agreement/Interconnection Service Agreement] related to [PJM Project Identifier # _____/Queue # _____], designated as [Original, First Revised, etc.] Service Agreement No. ____, with an effective date of [Date] [and filed with the Federal Energy Regulatory Commission ("FERC") in Docket No. _____] [which was a conforming agreement reported to the Federal Energy Regulatory Commission ("FERC") in PJM's Electric Quarterly Reports] (the "Service Agreement"), [Project Developer/Interconnection Customer] has notified the Interconnection Parties that it plans to undertake modifications to its Customer Facility, Generating Facility or Merchant Transmission Facility and/or any associated Interconnection Facilities, located at _____ that, upon completion, reasonably may have a material impact on the Transmission System or would constitute a Material Modification ("Planned Modifications").

   Subject to this NSA, sections 4 through 14, [Project Developer/Interconnection Customer] shall provide sufficient information regarding the Planned Modifications, including but not limited to relevant data, drawings, models, plans, and specifications, to enable Transmission Provider to evaluate the impact, if any, on the Transmission System of the Planned Modifications. The Planned Modifications consist of

_____. This NSA, Attachment 1 contains a detailed description of the Planned Modifications.

3. [Project Developer/Interconnection Customer] represents and warrants that the information provided in section 2 above is accurate and complete as of the Effective Date.

4. The obligation(s) of Transmission Provider are conditioned on receipt from [Project Developer/Interconnection Customer] of all required information regarding the Planned Modifications within 30 days of the Effective Date. [Project Developer/Interconnection Customer] is obligated to update the data following any requests from PJM. If [Project Developer/Interconnection Customer] does not provide all required information regarding the Planned Modifications within 30 days of the Effective Date, this NSA shall be null and void and any and all obligations on the part of Transmission Provider shall cease.

PURPOSE OF THE NECESSARY STUDIES UNDER THIS NSA

5. Consistent with [Tariff, Part IX, Subpart B, Appendix 2, section 3,/Tariff, Attachment O, Appendix 2, section 3] and the Service Agreement, Transmission Provider agrees to conduct the necessary studies to determine whether the Planned Modifications 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 ("Necessary Studies"). The Necessary Studies are expected to include, but are not limited to, a _____. Upon completion of the Necessary Studies, Transmission Provider shall provide [Project Developer/Interconnection Customer] with preliminary determinations of: (i) the type and scope of the permanent material impact, if any, the Planned Modifications will have on the Transmission System; (ii) the additions, modifications, or replacements to the Transmission System required to accommodate the Planned Modifications; and (iii) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the Planned Modifications. In the event that Transmission Provider is unable to complete the Necessary Studies within 270 days of the date the Transmission Provider approves the dynamic model and data submitted by the [Project Developer/Interconnection Customer] and Transmission Provider's receipt of the information required under this NSA, section 3, Transmission Provider shall notify [Project Developer/Interconnection Customer] and explain the reasons for the delay.

CONFIDENTIALITY

6. Subject to section 7 below, information provided pursuant to this NSA that is Confidential Information as defined by the Tariff, and to the extent consistent with PJM's confidentiality obligations in Operating Agreement, section 18.17, shall be and remain confidential. To the extent Transmission Provider contracts with consultants or with one or more Transmission Owner(s) for services or expertise in the preparation of the

Necessary Studies, the consultants and/or Transmission Owner(s) shall keep all information provided by [Project Developer/Interconnection Customer] confidential and shall use such information solely for the purpose of the study for which it was provided and for no other purpose.

7. [Project Developer/Interconnection Customer] acknowledges that, consistent with the GIP, Transmission Provider may contract with consultants, including Transmission Owner(s), to provide services or expertise in the study process and that Transmission Provider may disseminate information to Transmission Owner(s).

8. During the longer of the terms of this NSA or the Service Agreement, and for a period of three years after the expiration or termination thereof, and except as otherwise provided herein, each Party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by the other Party.

9. 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 NSA, the Tariff, or the Operating Agreement; or (vi) is required, in accordance with this NSA, 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 this NSA. Information designated as Confidential Information shall no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

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

11. 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 the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

12. 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 Party under this NSA or the Tariff.

13. 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 the GIP or any applicable agreement entered into pursuant to the GIP. 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 that, 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.

14. Notwithstanding anything in this NSA to the contrary, and pursuant to 18 C.F.R. § 1b.20, if the FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this NSA or the Service Agreement, 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. The providing Party is prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The providing Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

COST RESPONSIBILITY

15. [Project Developer/Interconnection Customer] shall provide to Transmission Provider, as of the Effective Date, an initial deposit of $25,000 for the performance of the Necessary Studies. Transmission Provider's good faith estimate for the time of completion of the Necessary Studies is within 270 days of the date Transmission Provider approves the dynamic model and data submitted by [Project Developer/Interconnection Customer], and Transmission Provider's receipt of the information under this NSA, section 3.

    a. If [Project Developer/Interconnection Customer] fails to submit an initial deposit of $25,000 for the performance of the Necessary Studies, this NSA shall be deemed to be terminated and withdrawn effective as of the end of the next Business Day after the date by which the initial deposit was due to be paid to Transmission Provider.

b. If any additional study costs beyond the initial deposit of $25,000 are anticipated, then, prior to conducting any of the Necessary Studies, Transmission Provider shall provide an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by Transmission Provider. Regardless of whether Transmission Provider provides [Project Developer/Interconnection Customer] with estimated additional studies, [Project Developer/Interconnection Customer] is responsible for and must pay all actual study costs.

i. If Transmission Provider sends notification to [Project Developer/Interconnection Customer] of estimated additional study costs, then [Project Developer/Interconnection Customer] must either:

(a) Withdraw the request for the Necessary Studies; or

(b) Pay all estimated additional study costs within 10 days of such estimate being sent to [Project Developer/Interconnection Customer] by Transmission Provider.

ii. If [Project Developer/Interconnection Customer] fails to complete either section 15(b)(i)(a) or section 15(b)(i)(b), above, this NSA shall be deemed to be terminated and withdrawn effective as of the end of the next Business Day after the date by which the additional study costs were due to be paid to Transmission Provider.

c. Within 120 days after Transmission Provider completes and delivers the Necessary Studies, Transmission Provider shall provide a final invoice that will include an accounting of the actual costs incurred in performing the Necessary Studies ("Final Invoice"). Within 20 days of receiving the Final Invoice, [Project Developer/Interconnection Customer] shall make any payment due to Transmission Provider. If [Project Developer/Interconnection Customer] withdraws its Necessary Studies request and terminates this NSA prior to the completion of the Necessary Studies or analysis work, [Project Developer/Interconnection Customer] agrees to pay Transmission Provider actual costs of the modeling, studies, or analysis performed up until the time of such request to withdraw and terminate.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

16. In analyzing and preparing the Necessary Studies, Transmission Provider, Transmission Owner(s), and any other subcontractors employed by Transmission Provider shall have to rely on information provided by [Project Developer/Interconnection Customer] and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, TRANSMISSION OWNER(S),

NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE NECESSARY STUDIES. [Project Developer/Interconnection Customer] acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this NSA nor the Necessary Studies performed hereunder are intended, nor shall either be interpreted, to constitute agreement by Transmission Provider or Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of [Project Developer/Interconnection Customer] either at this point in time or in the future.

17. In no event will Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this NSA or otherwise, even if Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, Transmission Owner(s), or other subcontractors employed by Transmission Provider be liable for any delay in delivery of,
or of the non-performance or delay in performance of, Transmission Provider's obligations under this NSA. Without limitation of the foregoing, [Project Developer/Interconnection Customer] further agrees that Transmission Owner(s) and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Necessary Studies shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

18. Any notice, demand, or request required or permitted to be given by any Party to another and any instrument required or permitted to be tendered or delivered by any Party in writing to another may be so given, tendered, or delivered electronically, or by recognized national courier or by depositing the same with the United States Postal Service, with postage prepaid for delivery by certified or registered mail addressed to the Party, or by personal delivery to the Party, at the address specified below.

Transmission Provider

PJM Interconnection, L.L.C.
2750 Monroe Blvd. Audubon, PA 19403-
2497
interconnectionagreementnotices@pjm.com

[Project Developer/Interconnection Customer]

_____
_____
_____
Attn: _____
Phone_____
Email _____

19. No waiver by either Party of one or more defaults by the other in performance of any of the provisions of this NSA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

20. This NSA, or any part thereof, may not be amended, modified, or waived other than by a writing signed by all Parties.

Parties acknowledge that, subsequent to execution of this NSA, errors may be corrected by replacing the page of this NSA containing the error with a corrected page, as agreed to and signed by the parties without modifying or altering the original date of execution or obligations contained therein.

21 Breach, Cure and Default

21.1 Breach:

A Breach of this NSA shall include:

(a) The failure to pay any amount when due;

(b) The failure to comply with any material term or condition of this NSA, including but not limited to any material breach of a representation, warranty or covenant;

(c) Assignment of this NSA in a manner inconsistent with its terms; or

(d) Failure of a Party to provide information or data required to be determined under to another Party for such other Party to satisfy its obligations under this NSA.

21.2 Notice of Breach:

A Party not in Breach shall give written notice of an event of Breach to the Breaching Party, to Transmission Provider and to other persons that the Breaching Party identifies in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach,
and where known and applicable, the steps necessary to cure such Breach. In the event of a Breach by [Project Developer/Interconnection Customer], Transmission Provider agrees to provide notice of such Breach and in the same manner as its notice to [Project Developer/Interconnection Customer], to any Project Finance Entity provided that the [Project

Developer/Interconnection Customer] has provided the notifying Party with notice of an assignment to such Project Finance Entity(ies) and identifies such Project Finance Entity(ies).

21.3 Cure and Default:

A Party that commits a Breach and does not take steps to cure the Breach pursuant to this section 21.3 is automatically in Default of this NSA, and its project and this NSA shall be deemed terminated and withdrawn. Transmission Provider shall take all necessary steps to effectuate this termination, including submitted the necessary filings with FERC.

21.4.1 Cure of Breach:

21.4.1.1 Except for the event of Breach set forth in this NSA, section 21.1(a), the Breaching Party (a) may cure the Breach within 30 days of the time the non-Breaching Party sends such notice; or (b) if the Breach cannot be cured within 30 days, may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such 30 day time period and thereafter diligently pursue such action to completion pursuant to a plan to cure, which shall be developed and agreed to in writing by the Parties. Such agreement shall not be unreasonably withheld.

21.4.1.2 In an event of Breach set forth in this NSA, section 21.1(a), the Breaching Party shall cure the Breach within five days from the receipt of notice of the Breach. If the Breaching Party is the [Project Developer/Interconnection Customer], and the [Project Developer/Interconnection Customer] fails to pay an amount due within five days from the receipt of notice of the Breach, Transmission Provider may use Security to cure such Breach. If Transmission Provider uses Security to cure such Breach, [Project Developer/Interconnection Customer] shall be in automatic Default and its project and this Agreement shall be deemed terminated and withdrawn.

21.5 Right to Compel Performance:

Notwithstanding the foregoing, upon the occurrence of a Default, a non-Defaulting Party shall be entitled to exercise such other rights and remedies as it may have in equity or at law. No remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

22. This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors, and assigns.

23. Neither this Agreement nor the Necessary Studies performed hereunder shall be construed as an application for any service under the Tariff.

24. All portions of the Tariff and Operating Agreement pertinent to the subject matter of this Agreement and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.

25. Unless otherwise defined in this NSA, all capitalized terms herein shall have the meanings as set forth in the definitions of such terms as stated in the PJM Tariff.

26. In addition to this NSA, section 21, this Agreement may be terminated by the following means:

    a. By Mutual Consent: This NSA may be terminated as of the date on which the Parties mutually agree to terminate this NSA.

    b. By [Project Developer/Interconnection Customer]: [Project Developer/Interconnection Customer] may unilaterally terminate this NSA in accordance with the terms set forth in this NSA, section 15(b)(i)(a) or pursuant to Applicable Laws and Regulations upon providing Transmission Provider 30 days prior written notice thereof, provided that [Project Developer/Interconnection Customer] is not in breach under this NSA.

    c. By Transmission Provider: Transmission Provider may unilaterally terminate this NSA in accordance with Applicable Laws and Regulations upon providing [Project Developer/Interconnection Customer] 30 days prior written notice thereof.

27. This NSA or any part thereof may not be amended, modified, or waived other than by a writing signed by all Parties hereto.

28. The provisions of the GIP are incorporated herein and made a part hereof.

29. Governing Law, Regulatory Authority, and Rules: This NSA shall be deemed a contract made under, and the interpretation and performance of this NSA and each of its provisions shall be governed and construed in accordance with, the applicable Federal and/or laws of the State of Delaware without regard to conflicts of laws provisions that would apply the laws of another jurisdiction. This NSA is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

IN WITNESS WHEREOF, the Parties have caused this NSA to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that company and have actual and/or apparent authority to bind the respective company to this NSA.

Transmission Provider:

By:_____ _____ _____
Name Title Date

Printed name of signer: _____

[Project Developer/Interconnection Customer]:

By:_____ _____ _____
Name Title Date

Printed name of signer: _____

ATTACHMENT 1

Planned Modifications

{Describe Planned Modifications.}

{If [Project Developer/Interconnection Customer] plans to become an Eligible Generating Facility that will serve Eligible Load, pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), [Project Developer/Interconnection Customer] must provide:

(a) the proposed Eligible Load configuration, including a single-line diagram,

(b) the reduction in Capacity Interconnection Rights resulting from the Eligible configuration, and

(c) to the extent available, 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}

{If [Project Developer/Interconnection Customer] plans to become an Eligible Generating Facility that will serve Eligible Load, pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), the following information must also be included:}

Pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), [Project Developer/Interconnection Customer] seeks to modify its Interconnection Service Agreement or Generation Interconnection Agreement to serve Eligible Load.

_____ YES

_____ NO

If Yes, the modifications to its [Customer Facility/Generating Facility] located at _____ associated with the service to Eligible Load, upon completion, reasonably may have a material impact on the Transmission System ("Planned Modifications").

Subject to this NSA, sections 4 through 14, [Project Developer/Interconnection Customer] shall provide sufficient information regarding the Planned Modifications, including but not limited to relevant data, drawings, models, plans, and specifications, to
enable Transmission Provider to evaluate the impact, if any, on the Transmission System
of the Planned Modifications. The Planned Modifications consist of _____. This NSA, Attachment 1 contains a detailed description of the Planned Modifications and of the Eligible Load.

If Yes, designate requested Transmission Service type(s) :

____ Regional Network Transmission Service

____ Interim Regional Network Transmission Service

OR

If Yes, designate the Eligible Customer that will take service on behalf of the Eligible Load and provide its name, address, telephone number, and e-mail address.

Eligible Customer

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Tariff, Part X, Subpart A, section 601
Expedited Interconnection Track Overview, Availability, and Eligibility

A. Expedited Interconnection Track Overview. Tariff, Part X sets forth the procedures and other terms governing the Transmission Provider's administration of the Expedited Interconnection Track process. The Expedited Interconnection Track process is a separate process outside of, and operating in parallel with, Transmission Provider's Cycle process under Tariff, Part VII and Tariff, Part VIII, except that provisions of Tariff, Part VIII and Tariff, Part IX relevant to Generation Interconnection Agreements, Necessary Studies, Provisional Interconnection Service, and Surplus Interconnection Service shall apply to EIT Projects.

B. Availability. Tariff, Part X applies to:

1. A request for interconnection to the Transmission System for an EIT Project that is supported by evidence of state commitment in the form of, at a minimum, the commitment of a Primary Siting Authority to support a request to expedite, if necessary, consideration of the EIT Project's siting to meet a targeted deadline that will enable the EIT Project to meet its proposed commercial operation date, provided that a Primary Siting Authority's commitment to expedite consideration is not a commitment to grant siting approval of the EIT Project.

2. Transmission Provider will accept and study no more than ten (10) completed and valid Applications for EIT Projects per calendar year.

C. Eligibility. All of the following criteria must be met for a Generation Project Developer's submission of an EIT Request to be valid and accepted by the Transmission Provider.

1. Generation Project Developer's EIT Request must include a request for Capacity Resource status along with Capacity Interconnection Rights relevant to the fuel type of the EIT Project.

2. A Generation Project Developer may not submit an EIT Request for an increase in the generating capacity of a Generating Facility that already has a Generation Interconnection Request for that Generating Facility in Transmission Provider's Cycle process under Tariff, Part VII or Tariff, Part VIII without an effective Generation Interconnection Agreement. If the EIT Project is an increase in the generating capacity of a Generating Facility with an effective Generation Interconnection Agreement or Interconnection Service Agreement, the legal entity submitting the EIT Request and the legal entity named as the Generation Project Developer in the Generation Interconnection Agreement for that Generating Facility must be the same.

3. Generation Project Developer must submit a critical path construction schedule showing that the EIT Project will achieve commercial operation within 36 months of the date the EIT Request is submitted and how it plans to achieve that commercial operation date, which must be set forth in the schedule, an attestation executed by an officer or authorized representative of the Generation Project Developer, verifying the accuracy of the information, including all dates, and

certifying that the Generation Project Developer will exercise commercially reasonable best efforts to achieve these dates, and an independent engineer certification that the schedule is feasible in light of future construction, siting, permitting, and supply chain conditions. If the Generation Project Developer elects in its Application to exercise the Option to Build for Stand-Alone Network Upgrades identified with respect to its EIT Request, the critical path construction schedule must include relevant dates for the exercise of the Option to Build. An EIT Request that does not include the critical path construction schedule and required attestation and certification shall not be considered complete.

a. Notwithstanding the requirement for the EIT Project to achieve commercial operation within 36 months of the date the Generation Project Developer submits its EIT Request, the EIT Project's output to the Transmission System upon its completion still may be limited based on the completion of any Network Upgrades necessitated by the interconnection of the EIT Project. The EIT Project's GIA shall include a milestone requiring the Generation Project Developer to take Provisional Interconnection Service subject to Tariff, Part VIII, Subpart L, section 439 in the event completion of Network Upgrades necessitated by the interconnection of the EIT Project is delayed.

4. The EIT Project must interconnect at a Point of Interconnection to the Transmission System and have at the time it submits its EIT Request 100% Site Control, as defined in Tariff, Part VIII, Subpart A, section 400, for each of the Generating Facility, Interconnection Facilities, and Interconnection Switchyard in the state in which the EIT Project will be sited.

5. An EIT Request must be for a large scale EIT Project that, as of the time the EIT Request is submitted, has a generating capacity equal to or greater than 250 MW of Accredited UCAP value, as defined in the most recently published forward-looking Preliminary Class Ratings for the Delivery Year in which the EIT Project proposes to achieve commercial operation. Subject to the requirements of this Tariff, Part X, Subpart A, section 601, and of Tariff, Part X, Subpart B, section 602, all fuel types, including electric storage, are eligible for the Expedited Interconnection Track process.

D. Sunset of Tariff, Part X. The provisions of this Tariff, Part X shall sunset and no new EIT Requests will be processed after the end of the calendar year following the year in which the Commission accepts this Part X. The provisions of this Tariff, Part X shall continue in effect until Transmission Prover has completed processing of all valid EIT Requests accepted prior to the sunset date.

PART XI

TRANSMISSION SERVICES AVAILABLE FOR ELIGIBLE CUSTOMERS TAKING SERVICE ON BEHALF OF ELIGIBLE LOADS AND LARGE LOADS

Tariff, Part XI, Subpart A

INTERIM NETWORK INTEGRATION TRANSMISSION SERVICE

700 Provision of Interim Network Integration Transmission Service

The Transmission Provider may provide Interim Network Integration Transmission Service to an Eligible Customer requesting Network Integration Transmission Service on behalf of a designated Eligible Load or Large Load pursuant to the applicable terms and conditions contained in the Tariff and the Service Agreement for Interim Network Integration Transmission Service, which is provided in Attachment F-3A. PJMSettlement shall be the Counterparty to the Interim Network Integration Transmission Service transactions under this Tariff.

Requests for Interim Network Integration Transmission Service must be made through the Transmission Provider. These requests shall require the filing of an Application as set forth in Tariff, Part VIII, Subpart A, section 403 and be submitted in accordance with the applicable terms and conditions in the Tariff.

Eligible Customers taking service on behalf of Eligible Load or Large Load must take at least one of the following transmission services (1) Network Integration Transmission Service pursuant to Tariff, Part III (or Interim Network Integration Transmission Service pending conversion to Network Integration Transmission Service, pursuant to Tariff, Part XI), (2) Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B, or (3) Non-Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B.

701 Nature of Interim Network Integration Transmission Service

701.1 Scope of Service

Interim Network Integration Transmission Service is a transmission service that allows an Eligible Customer taking service on behalf of a designated Eligible Load or Large Load that has requested Network Integration Transmission Service pursuant to Tariff, Part III, to receive, at a specified Delivery Point, consistent with Tariff, Part XI, Subpart A, section 702.1, transmission service on behalf of a designated Eligible Load on a non-firm, interruptible basis for the period until the transmission upgrades required to provide the requested level of Network Integration Transmission Service are completed and placed in service.

The Eligible Customer taking Interim Network Integration Transmission Service on behalf of a designated Eligible Load or Large Load must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

701.2 Interim Network Integration Transmission Service

The Transmission Provider may provide non-firm, interruptible transmission service over the Transmission System to the Eligible Customer for the delivery of energy to a Delivery Point specified in the Transmission Service Agreement to serve the Eligible Load or Large Load.

701.3 Exclusions

An Eligible Customer taking transmission service on behalf of a designated Eligible Load or Large Load may not take Network Integration Transmission Service or Interim Network Integration Transmission Service for that Eligible Load or Large Load at the same time it is taking Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service on behalf of that Eligible Load.

701.4 Restrictions on Use of Service

The Eligible Customer shall not use Interim Network Integration Transmission Service for (i) sales of energy to loads other than the Eligible Load or Large Load designated in its Service Agreement for Interim Network Integration Transmission Service, or (ii) direct or indirect provision of transmission service by the Eligible Customer to third parties.

701.5 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Interim Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making or supporting modifications, upgrades, maintenance or repairs on Transmission Owner or Generation Owner lines, substations, generators or facilities, and in cases where the continuance of Interim Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission

Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Interim Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s); (ii) prevent damage to generating or transmission facilities; or (iii) expedite restoration of service. The Transmission Provider will give the Eligible Customer as much advance notice as is practicable in the event of such Curtailment.

702 Initiating Service

702.1 Application Procedures

An Eligible Customer seeking Network Integration Transmission Service may apply for Network Integration Transmission Service and Interim Network Integration Transmission Service at the same time. However, an Eligible Customer shall not apply for Interim Network Integration Service without applying for Network Integration Transmission Service. An Eligible Customer seeking Interim Network Integration Transmission Service must submit an Application pursuant to the procedures in Tariff, Part VIII.

702.2 Transmission Service Agreement

The Service Agreement for Interim Network Integration Transmission Service shall be in the form provided in Attachment F-3A to the Tariff.

702.3 Conditions Precedent for Receiving Service

Subject to the terms and conditions of Tariff, Part XI, the Transmission Provider may provide Interim Network Integration Transmission Service to any Eligible Customer taking transmission service on behalf of a designated Eligible Load or Large Load, provided that:

(i) The Eligible Customer has requested Network Integration Transmission Service pursuant to Tariff, Part III on behalf of the designated Eligible Load or Large Load;

(ii) The Eligible Customer has applied for Interim Network Integration Service in accordance with section 702.1 and the procedures in Tariff, Part VIII;

(iii) The Eligible Customer has provided the information specified in, and otherwise complied with, the "PJM Credit Policy" set forth in Tariff, Attachment Q hereto;

(iv) The Eligible Customer executes a Service Agreement for Interim Network Integration Transmission Service with the Transmission Provider pursuant to Tariff, Attachment F-3A, or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement for Interim Network Integration Transmission Service. Such Transmission Service Agreement shall include (a) the operational procedures necessary to implement necessary control technologies and protection systems approved by the Transmission Provider that will limit energy withdrawals consistent with the terms of the Transmission Service Agreement; and (b) Eligible Customer's agreement to be curtailed under certain conditions set forth in the Transmission Service Agreement and in the PJM Tariff;

(v) The Eligible Customer has certified, in accordance with the PJM Manuals, that it is willing and able to limit energy withdrawals from the Transmission System for the designated Eligible Load or Large Load when requested by the Transmission Provider; and

(vi) The Eligible Customer is in compliance with all technical requirements in Tariff, Part XI, Subpart C, section 718 and the Transmission Service Agreement;

(vii) The Eligible Customer has constructed any facilities on its side of the Delivery Point necessary to reliably deliver energy from the Transmission Provider's Transmission System to the Eligible Customer's designated Eligible Load or Large Load, with respect to service provided pursuant to a state required retail access program, otherwise arranged for the delivery of its energy from the Delivery Point or interconnection; and

(viii) An Eligible Customer requesting Interim Network Integration Transmission Service and taking Interim Network Integration Transmission Service shall otherwise execute, if necessary, and comply with the PJM Governing Agreements.

702.4 Termination of Interim Network Integration Transmission Service

Although the Service Agreement for Interim Network Integration Transmission Service is presumed to continue without expiration, it may be terminated as follows:

(a) Once the required transmission upgrades to provide Network Integration Transmission Service under Tariff, Part III are completed and placed in service in accordance with the terms of the Transmission Service Agreement and Transmission Provider has performed an updated analysis to confirm the Transmission System can support firm load and updated the relevant systems pursuant to its internal procedures, the Interim Network Integration Transmission Service provided to the Eligible Customer will terminate and automatically be converted to Network Integration Transmission Service and the Eligible Load or Large Load will be designated as Network Load under Tariff, Part III, section 31.1.

(b) An Eligible Customer is disqualified from receiving service under Tariff, Part XI on behalf of a designated Eligible Load or Large Load pursuant to Part XI, Subpart C, section 719.5;

(c) The Eligible Customer is in breach of its obligations under the Transmission Service Agreement or the Tariff, Part XI. For example, to the extent any material changes to the gross demand of the Eligible Load or Large Load or the design, configuration, or output of the Eligible Generating Facility occur without being studied by the Transmission Provider to determine whether such changes would affect the Transmission Provider's ability to reliably provide the level of service specified in the Eligible Customer's Service Agreement for Interim Network Integration Transmission Service, the Eligible Customer may be considered in breach of its obligations and the agreement may be subject to termination in accordance with the provisions of this Tariff and/or the Transmission Service Agreement; or

(d) On such other date as mutually agreed upon by the parties.

703 Rates and Charges

703.1 Monthly Demand Charge

[Reserved]

703.2 Redispatch Charge

The Eligible Customer shall pay any redispatch costs as set forth in Tariff, Attachment K.

703.3 Stranded Cost Recovery

Any Transmission Owner may seek to recover stranded costs from the Eligible Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Owner must separately file any proposal to recover stranded costs under section 205 of the Federal Power Act.

703.4 Other Charges

Eligible Customer shall pay administrative service charges under Tariff, Schedule 1A; Tariff, Schedule 9; and Tariff, Schedule 10, consistent with the charges assessed to loads taking Network Integration Transmission Service.

Eligible Customer shall pay Ancillary Services charges in accordance with Tariff, Part I, section 3.

Eligible Customer shall pay Black Start Service charges in accordance with Tariff, Schedule 6A.

Eligible Customer shall pay any applicable Transmission Enhancement Charges in accordance with Tariff, Schedule 12.

703.5 Penalty for Unreserved Use of Interim Network Integration Transmission Service

[Reserved].

704-705 RESERVED FOR FUTURE USE

[Reserved]

707 RESERVED FOR FUTURE USE

[Reserved]

Tariff, Part XI, Subpart B

CONTRACT DEMAND TRANSMISSION SERVICES

708 Provision of Contract Demand Transmission Services

(a) The Transmission Provider will provide Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, to an Eligible Customer taking service on behalf of a designated Eligible Load or Large Load pursuant to the applicable terms and conditions contained in Tariff, Part XI and the Service Agreement for Contract Demand Transmission Services, provided in Attachment F-4. Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service are for an Eligible Customer taking service on behalf of an Eligible Load or Large Load that is willing and able to limit withdrawals of energy from the Transmission System consistent with the terms of the Service Agreement for Contract Demand Transmission Service and when required by the Transmission Provider.

(b) Firm Contract Demand Transmission Service is for the transfer of capacity and energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider, using capacity and energy procured by the Transmission Provider. Non-Firm Contract Demand Transmission Service is for the transfer of energy to an Eligible Customer on behalf of a designated Eligible Load or Large Load, on an as-available basis, up to a defined, predetermined megawatt level of transmission service as requested by the Eligible Customer and confirmed by the Transmission Provider, using energy procured by the Transmission Provider. PJMSettlement shall be the Counterparty to the Firm Contract Demand Transmission Service and Non-Firm Contract Demand Transmission Service transactions under this Tariff.

(c) Eligible Customers taking service on behalf of Eligible Load or Large Load must take at least one of the following transmission services (1) Network Integration Transmission Service pursuant to Tariff, Part III (or Interim Network Integration Transmission Service pending conversion to Network Integration Transmission Service, pursuant to Tariff, Part XI), (2) Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B, or (3) Non-Firm Contract Demand Transmission Service pursuant to Tariff, Part XI, Subpart B.

709 Nature of Firm and Non-Firm Contract Demand Transmission Service

709.1 Scope of Service

(a) Firm Contract Demand Transmission Service allows an Eligible Customer taking service on behalf of an Eligible Load or Large Load to receive firm transmission service for energy and capacity on behalf of that Eligible Load or Large Load up to a defined, predetermined megawatt level pursuant to the applicable terms and conditions contained in the Tariff and the Service Agreement for Contract Demand Transmission Service provided in Tariff, Attachment F-4. The Eligible Customer taking Firm Contract Demand Transmission Service must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

(b) Non-Firm Contract Demand Transmission Service allows an Eligible Customer taking service on behalf of an Eligible Load or Large Load to obtain non-firm, interruptible transmission service for energy on behalf of an Eligible Load, and receive that service up to defined, predetermined megawatt level of service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement for Contract Demand Transmission Service, provided in Tariff, Attachment F-4. An Eligible Customer with an effective Transmission Service Agreement will be eligible to obtain Non-Firm Contract Demand Transmission Service on a given Operating Day on an as-available basis. The Eligible Customer taking Non-Firm Contract Demand Transmission Service must obtain or provide Ancillary Services pursuant to Tariff, Part I, section 3.

709.2 Priority of Service

Firm Contract Demand Transmission Service will always have priority over Non-Firm Contract Demand Transmission Service, Interim Network Integration Transmission Service, and Non-Firm Point to Point Transmission Service under the Tariff. All Firm Contract Demand Transmission Service will have equal priority with Network Integration Transmission Service and Firm Point to Point Transmission Service. Additional detail about priority of service appears in Tariff, Part XI, Section 719.

709.3 Eligibility for Service

For any given Eligible Load or Large Load, once an Eligible Customer has taken, or has a pending application for, Network Integration Transmission Service or Interim Network Integration Transmission Service on behalf of such Eligible Load or Large Load, an Eligible Customer shall not be eligible to apply for or take Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service for that same Eligible Load or Large Load.

Eligible Customers taking Service on behalf of Eligible Load or Large Load may take a combination of Firm Contract Demand Transmission Service and Non-Firm Contract Demand Transmission Service at the same time. To the extent system upgrades are needed to render Firm Contract Demand Transmission Service, Eligible Customer may take Non-Firm Contract Demand Transmission on an interim basis pending completion of the necessary system upgrades. For any given portion of an Eligible Load or Large Load

served by Firm Contract Demand Transmission Service, the Eligible Customer, or its successor, shall not be eligible for Non-Firm Contract Demand Transmission Service for five (5) years following the effective date of the Service Agreement for Contract Demand Transmission Service.

709.4 Restrictions on Use of Service

The Eligible Customer shall not use Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service for (i) sales of capacity and energy to loads other than the Eligible Load or Large Load designated in its Transmission Service Agreement for Contract Demand Transmission Service, or (ii) the direct or indirect provision of transmission service by the Eligible Customer to third parties.

709.5 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service or both without liability on the Transmission Provider's part for the purpose of making or supporting modifications, upgrades, maintenance or repairs on Transmission Owner or Generation Owner lines, substations, equipment, or Generating Facilities, and in cases where the continuance of Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Eligible Customer as much advance notice as is practicable in the event of such Curtailment.

710 Initiating Service

710.1 Application Procedures

An Eligible Customer seeking to take service on behalf of a designated Eligible Load or Large Load may apply for Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, pursuant to the procedures in Tariff, Part VIII; provided that an entity that seeks to serve Eligible Load or Large Load entirely through co-located generation and does not wish to take Transmission Service still must submit an Application pursuant to the procedures in Tariff, Part VIII for study under those procedures and enter into a Service Agreement for Non-Firm Contract Demand Service for zero MW of such service. After an Eligible Customer has submitted an Application for Contract Demand Transmission Service for a specified Eligible Load or Large Load, any material change in the megawatt level of the gross-demand of the Eligible Load or Large Load or in the megawatt level of the Eligible Generating Facility dedicated to the Eligible Load will require a new Application.

710.2 Transmission Service Agreement

The Transmission Service Agreement for Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service shall be in the form provided in Attachment F-4 to the Tariff.

710.3 Conditions Precedent for Receiving Service

Subject to the terms and conditions of Tariff, Part XI, the Transmission Provider will provide Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service, or both, to any Eligible Customer taking transmission service on behalf of Eligible Load or Large Load, provided that:

(i) The Eligible Customer has made a valid request for Contract Demand Transmission Service on behalf of the designated Eligible Load or Large Load pursuant to Tariff, Part XI, section 710.1 and Tariff, Part VIII;

(ii) The Eligible Customer has verified that the designated Eligible Load or Large Load has not been served by any Eligible Customer taking, or applying to take, Network Integration Transmission Service or Interim Network Integration Transmission Service;

(iii) The Eligible Customer has provided the information specified in, and otherwise complied with, the "PJM Credit Policy" set forth in Tariff, Attachment Q hereto;

(iv) The Eligible Customer has executed a Service Agreement for Contract Demand Transmission Service with the Transmission Provider pursuant to Tariff, Attachment F-4, or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement for Contract Demand Transmission Service; such Transmission Service Agreement shall

include (a) the operational procedures necessary to implement necessary control technologies and protection systems approved by the Transmission Provider that will limit energy withdrawals consistent with the terms of the Transmission Service Agreement; and (b) its agreement to be curtailed under certain conditions set forth in the Transmission Service Agreement and in the PJM Tariff;

(v) The Eligible Customer is in compliance with all applicable technical requirements in Tariff, Part XI, Subpart C, section 718 and the Transmission Service Agreement;

(vi) The Eligible Customer constructed any facilities on its side of the Delivery Point necessary to reliably deliver energy from the Transmission Provider's Transmission System to the Eligible Customer's designated Eligible Load or Large Load or, with respect to service provided pursuant to a state required retail access program, otherwise arranged for the delivery of its energy from the Delivery Point or interconnection;

(vii) The Eligible Customer has completed other certification requirements provided in the PJM Manuals, including to be an Electric Distributor, as applicable;

(viii) The Eligible Customer taking Contract Demand Transmission Service on behalf of an Eligible Load or Large Load shall otherwise execute, if necessary, and comply with the PJM Governing Agreements; and

For Eligible Load, the Eligible Customer verifies that no portion of the Eligible Generating Facility dedicated to serving the Eligible Load has Capacity Injection Rights.

711 Termination

Although the Service Agreement for Contract Demand Transmission Service is presumed to continue without expiration, it may be terminated where:

(a) An incumbent Eligible Customer will be replaced by a successor Eligible Customer, in which case the incumbent's service shall only terminate if the successor agrees to commence the taking of the service, the appropriate Transmission Service Agreement is executed, and all other applicable terms and conditions of the Tariff and PJM Governing Agreements are satisfied;

(b) An incumbent Eligible Customer seeks to terminate its Firm Contract Demand Transmission Service and no successor Eligible Customer exists, in which case the incumbent must provide PJM with forty-two (42) months' notice prior to the commencement of a Delivery Year in which Eligible Customer seeks the termination, subject to receiving all necessary regulatory approvals for such termination, if any;

(c) An Eligible Customer is disqualified from receiving service under Tariff, Part XI on behalf of a designated Eligible Load or Large Load pursuant to Part XI, Subpart C, section 719.5;

(d) The Eligible Customer is in breach of its obligations under the Transmission Service Agreement or the Tariff, Part XI. For example, to the extent any material changes to the gross demand of the Eligible Load or the design, configuration, or output of the Eligible Generating Facility occur without being studied by the Transmission Provider to determine whether such changes would affect the Transmission Provider's ability to reliably provide the level of service specified in the Eligible Customer's Service Agreement for Contract Demand Transmission Service, the Eligible Customer may be considered in breach of its obligations and the agreement may be subject to termination in accordance with the provisions of this Tariff and/or the Service Agreement for Contract Demand Transmission Service;

(e) On such other date as mutually agreed upon by the parties; or

(f) To the extent an Eligible Customer takes Non-Firm Contract Demand Transmission Service on behalf of Eligible Load or Large Load pending completion of upgrades necessary to provide Firm Contract Demand Transmission Service, the Non-Firm Contract Demand Transmission Service shall terminate and be converted to Firm Contract Demand Transmission Service once the required upgrades are completed and placed in service in accordance with the terms of the Transmission Service Agreement and Transmission Provider has performed an updated analysis to confirm the Transmission System can support firm load and updated the relevant systems pursuant to its internal procedures.

712 RESERVED FOR FUTURE USE

[Reserved]

713 Penalty for Unreserved Use of Contract Demand Transmission Service

[Reserved]

Tariff, Part XI, Subpart C

COMMON SERVICE PROVISIONS FOR INTERIM NETWORK INTEGRATION TRANSMISSION SERVICE AND CONTRACT DEMAND SERVICES

716 Eligible Customer Facilities

Transmission Service under Tariff, Part XI shall be conditioned upon the Eligible Customer constructing, maintaining, and operating the facilities (i) on its side of the Delivery Point necessary to reliably deliver and receive energy and capacity; and (ii) implementing the necessary control technologies and protection systems required pursuant to Tariff, Part XI, Subpart C, section 717 and specified in the Transmission Service Agreement, as Transmission Provider may require. Nothing herein precludes the installation of any Transmission Owner-side protection facilities.

The Eligible Customer shall be solely responsible for constructing or installing all facilities on the Eligible Customer's side of each such Delivery Point or, with respect to service provided pursuant to a state required retail access program, for otherwise arranging for the delivery of its energy from the Delivery Point.

717 Necessary Control Technologies and Protection Systems

To ensure protection of the Transmission System and that the Eligible Customer limits its energy withdrawals from the Transmission System to the level of Transmission Service provided in its Transmission Service Agreement, including during a period in which the Transmission Provider has directed Curtailment or Load Shedding, prior to the Service Commencement Date, the Transmission Provider, affected Transmission Owner(s), and the Eligible Customer shall establish necessary control technologies and fully redundant protection schemes in accordance with the PJM Manuals, which may include a remedial action scheme, for each Transmission Service Agreement for Interim Network Integration Transmission Service, Firm Contract Demand Transmission Service, or Non-Firm Contract Demand Transmission Service. These necessary control technologies shall also include telemetry, data exchange, and metering technology to allow Transmission Provider to monitor the Eligible Customer's use of the Transmission System, limit withdrawals, and ensure relay settings are consistent with necessary control technologies and/or protection systems. The necessary control technologies and protection systems must be developed in accordance with the PJM Manuals, consistent with Transmission Owner technical requirements, and be approved by the Transmission Provider. The necessary control technologies and protection systems may be functionally modified from time to time. Any functional modification to the necessary control technologies and protection systems must be developed with the affected Transmission Owner(s) and approved by the Transmission Provider.

718 Technical Requirements

718.1 Technical Requirements Prior to Commencement of Service

Transmission Service on behalf of a designated Eligible Load or Large Load under this Part XI shall not commence until the Transmission Provider, the affected Transmission Owner(s), and the Eligible Customer, or a third party, have completed installation of all equipment specified under the Transmission Service Agreement, as provided in Attachment F-3A or Attachment F-4, consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider and the affected Transmission Owner(s) are to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

The technical requirements may include, but are not limited to: (i) installation of necessary hardware and software to limit energy withdrawals, including metering equipment and any facilities necessary to implement the necessary control technologies and protection systems associated with the provisions of the Transmission Service Agreement for Interim Network Integration Transmission Service or Contract Demand Transmission Service; (ii) provision of an operations center and operational contact and backup contact for the Eligible Customer, available twenty-four (24) hours a day and seven (7) days a week; (iii) certification from the Eligible Customer that the operations center is staffed with PJM Certified Operators (PJM Manual 40); (iv) demonstration from the Eligible Customer of its ability to receive voice and electronic signals from the Transmission Provider; (v) demonstration that the Eligible Customer has operational control to respond to operating instructions from the Transmission Provider to reduce energy withdrawals or disconnect the Eligible Load or Large Load within five (5) minutes or as specified in the PJM Manuals; (vi) satisfaction of any technical requirements identified by the applicable Transmission Owner(s); and (vii) as applicable, demonstration that the Eligible Customer has operational control of the necessary control technologies and protection systems required pursuant to Tariff, Part XI, Subpart C, section 717 and set forth in the Transmission Service Agreement for Interim Network Integration Transmission Service or Contract Demand Transmission Service.

719 Load Shedding and Curtailments

719.1 General

Prior to the Service Commencement Date, the Eligible Customer shall demonstrate its ability to fully comply with the Load Shedding and Curtailment procedures pursuant to this Part XI, Subpart C, the PJM Manuals, and the Transmission Service Agreement, as provided in Attachment F-4 or Attachment F-3A. The Eligible Customer shall implement any Load Shedding and/or Curtailment directive given by Transmission Provider. To the extent practicable, the Transmission Provider will notify the Eligible Customer and applicable Transmission Owner(s) of any Curtailment in a timely manner. Eligible Customers must respond to any real time instruction to curtail or otherwise reduce load within five (5) minutes. Curtailments will be made on a non-discriminatory basis. Any requests by the Transmission Provider to Curtail will be consistent with Good Utility Practice.

719.2 Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Eligible Customer to shed load at the designated Eligible Load or Large Load, the Eligible Customer shall shed load in accordance with previously established procedures under the Transmission Service Agreement for Firm Contract Demand Transmission Service.

719.3 Curtailment of Firm Contract Demand Transmission Service

For purposes of Curtailment, Firm Contract Demand Transmission Service shall be treated as the equivalent of Network Integration Transmission Service and Firm Point-to-Point Transmission Service.

719.4 Curtailment of Interim Network Transmission Service and Non-Firm Contract Demand Transmission Service

Interim Network Integration Transmission Service and Non-Firm Contract Demand Transmission Service shall be Curtailed before Network Integration Transmission Service, Firm Contract Demand Transmission Service, and Firm Point-to-Point Transmission Service. For purposes of Curtailment, Interim Network Integration Transmission Service shall have the same priority as Non-Firm Point-to-Point Transmission Service and Non-Firm Contract Demand Service and will be curtailed as described in the PJM Manuals. The Transmission Provider shall curtail Interim Network Integration Service and Non-Firm Contract Demand Transmission Service to maintain Transmission System facilities within facility operating limits in accordance with the PJM Manuals. The Transmission Provider shall curtail Interim Network Integration Transmission Service and Non-Firm Contract Demand Transmission Service prior to dispatching the Pre-Emergency Load Response Program as further set forth in the PJM Manuals, or in response to a transfer capability shortage as a result of system reliability conditions or for capacity or reserve shortages. If Transmission Provider determines it must Curtail some amount of Transmission Services that are equivalent for purposes of Curtailment, PJM will prioritize reservations for

Curtailment based on that service's contribution to exceedance of the Transmission System facilities' limits in accordance with the Curtailment procedures described in the PJM Manuals. If an Eligible Customer taking Interim Network Integration Transmission Service on behalf of Co-Located Load is curtailed, the Co-Located Load may be served by its Co-Located Generation Facility provided either: (1) the Co-Located Generation Facility has yet to obtain Interconnection Service or has obtained only interim deliverability, or (2) the Co-Located Generation Facility is not a Capacity Resource.

719.5 Consequences of Failure to Follow Instructions or Misoperation of Necessary Control Technologies and Protection Systems

(a) In the first instance that an Eligible Customer taking Transmission Service under this Part XI on behalf of a designated Eligible Load or Large Load fails to respond to established Load Shedding and Curtailment procedures for that Eligible Load or Large Load, as set forth in this section 719, the Eligible Customer shall be prohibited from taking service under that Transmission Service Agreement for the designated Eligible Load or Large Load or otherwise withdrawing energy from the Transmission System for a period of up to one hundred and twenty (120) days.

In the second instance that an Eligible Customer fails to respond to established Load Shedding and Curtailment procedures for a designated Eligible Load or Large Load, as set forth in this section 719, the Eligible Customer's Transmission Service Agreement for that Eligible Load or Large Load shall be terminated and the Eligible Customer shall be disqualified from taking Transmission Service under Part XI on behalf of that Eligible Load or Large Load.

(b) In the first instance that a necessary control technology or protection system for a given Transmission Service Agreement under this Part XI misoperates, the Eligible Customer shall be prohibited from taking transmission service on behalf of that Eligible Load or Large Load under that Transmission Service Agreement or otherwise withdrawing energy from the Transmission System for a period of up to one hundred and twenty (120) days from such event, which may be shortened or extended per mutual agreement, to allow for an analysis of the operational performance of the necessary control technologies and protection systems.

In the second instance that an Eligible Customer's necessary control technology or protection system for a given Transmission Service Agreement under this Part XI misoperates, the Eligible Customer's Transmission Service Agreement for that Eligible Load or Large Load shall be terminated and the Eligible Customer shall be disqualified from taking Transmission Service under Part XI on behalf of that Eligible Load or Large Load.

(c) The Transmission Provider may, in its sole discretion and on a prospective basis only, determine that the facts and circumstances demonstrate that Eligible Customer was not at fault for (i) a failure to implement Load Shedding and Curtailment procedures or (ii) a misoperation of the Eligible Customer's necessary control technology or protection system associated with a Transmission Service Agreement. In the event the Transmission

Provider makes such a no fault determination, the precipitating event shall not be considered toward disqualification under this section 719.

720 Ongoing Obligations

720.1 Information Updates

The Eligible Customer shall provide the Transmission Provider with annual updates of (i) the demand characteristics of the Eligible Load or Large Load, and (ii) the supply characteristics of any designated Eligible Generating Facility.

In addition, the Eligible Customer shall have an ongoing obligation to provide the Transmission Provider and applicable Transmission Owner(s) with timely written or electronic notice of material changes, as discussed in the PJM Manuals, in the demand characteristics of the Eligible Load or Large Load, and the supply characteristics of any designated Eligible Generating Facility or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service, and may be required to submit a new Application for Transmission Service if the changes are material and require re-study. Failure to timely inform the Transmission Provider of a material change in (i) the demand characteristics of the Eligible Load or Large Load, or (ii) the supply characteristics of the Eligible Generating Facility may constitute a breach of the Eligible Customer's Transmission Service Agreement and subject the Transmission Service Agreement to termination under Tariff, Part XI, Subpart A, section 702.4 or Tariff, Part XI, Subpart B, section 711.

720.2 Operating Agreement

The Eligible Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Operating Agreement.

The terms and conditions under which the Eligible Customer shall operate its facilities and the technical and operational matters associated with the implementation of Tariff, Part XI shall be specified in the Operating Agreement.

The Operating Agreement shall provide for the Eligible Customer and Transmission Provider to (i) operate and maintain equipment necessary for integrating the Eligible Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment); (ii) transfer data between the Transmission Provider and the Eligible Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for required redispatch, voltage schedules, loss factors and other real time data); (iii) use software programs required for data links and constraint dispatching; (iv) exchange data on forecasted loads and resources necessary for long-term planning; and (v) address any other technical and operational considerations required for implementation of Tariff, Part XI, including scheduling protocols.

Service Agreement No. [Insert]

ATTACHMENT F-3

Transmission Service Agreement For
Regional Network Integration Transmission Service

1.0 This Transmission Service Agreement, dated as of the date the last party executes this agreement, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ ("NetworkCustomer"). [If applicable: This Transmission Service Agreement supersedes the Transmission Service Agreement among Transmission Provider, Counterparty, and [insert prior Network Customer's entity name], [insert Service Agreement Number], effective date [insert], which was filed with the Commission in Docket No. [insert].]

2.0 The Network Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.

3.0 Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, or (2) the date on which upgrades needed to support the Regional Network Integration Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the firm load, and Transmission Provider has updated the relevant systems pursuant to its internal procedures, or (3) such other date as it is permitted to become effective by the Commission. Network Customer taking Regional Network Integration Transmission Service shall take such service on terms that do not expire.

Regional Network Integration Transmission Service shall terminate consistent with Tariff, Part I, section 2.5. Specifically, Regional Network Integration Transmission Service may be terminated where: (1) an incumbent Network Customer will be replaced by a successor Network Customer, in which case the incumbent's service shall only terminate if the successor agrees to commence the taking of the service, the appropriate service agreement is executed, and all other applicable terms and conditions of the PJM Governing Agreements are satisfied; (2) an incumbent Network Customer seeks to terminate its service and no successor Network Customer exists, in which case the incumbent must provide PJM with forty-two (42) months' notice prior to the commencement of a Delivery Year, subject to receiving all necessary regulatory approvals for such termination, if any; or (3) on such other date mutually agreed upon by the Parties.

4.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Transmission Service in accordance with the provisions of the

Tariff, including the Network Operating Agreement (which is incorporated herein by reference), and this Transmission Service Agreement as they may be amended from time to time.

5.0 Any notice or request made to or by either Party regarding this Transmission Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Network Customer:

_____

_____

_____

6.0 The Tariff for Network Integration Transmission Service is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transmission Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Network Customer:

By: _____ _____ _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Network Customer) and that _____ (Network Customer) will not request service under this Transmission Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

_____
(Name)

_____
(Title)

Subscribed and sworn before me this _____ day of _____, _____.

_____

(Notary Public)

My Commission expires:_____

SPECIFICATIONS FOR
REGIONAL NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Description of capacity and/or energy to be transmitted within the PJM Region (including electric control area in which the transaction originates).

_____

2.0 Network Resources:_____

3.0 Network Load:_____

4.0 Designation of party subject to reciprocal service obligation:

_____

5.0 [Reserved]

6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the tariff.)

6.1 Embedded Cost Transmission Charge:_____

_____

6.2 Facilities Study Charge:_____

_____

6.3 Direct Assignment Facilities Charge:_____

_____

6.4 Ancillary Services Charge:_____

_____

6.5 Other Supporting Facilities Charge:_____

_____

Service Agreement No. [Insert]

ATTACHMENT F-3A

Transmission Service Agreement For
Regional Network Integration Transmission Service
And/or
Interim Regional Network Integration Transmission Service
For Eligible Load or Large Load)

1.0 This Transmission Service Agreement, dated as of the date the last party executes this agreement, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJMSettlement Inc. ("Counterparty") as the counterparty, and ("Network Customer"). [If applicable: This Transmission Service Agreement supersedes the Transmission Service Agreement among Transmission Provider, Counterparty, and [insert prior Network Customer's entity name], [insert Transmission Service Agreement Number], effective date [insert], which was filed with the Commission in Docket No. [insert].]

2.0 [Instructions: Choose one of the following]

[The Network Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.]

[or]

[The Network Customer, which is an Eligible Customer taking transmission service on behalf of Eligible Load or Large Load, has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff, except for the condition that facilities must be completed and placed into service. Until PJM's assessment concludes that the required facilities are completed, the Transmission Owner provides a Notice of Completion to PJM, and the facilities are in service, the Eligible Customer may only receive Interim Network Integration Transmission Service subject to the conditions of Part XI of the Tariff.]

3.0 Regional Network Integration Transmission Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, or (2) the date on which construction of all upgrades needed to support the Regional Network Integration Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the firm load, and Transmission Provider has updated the relevant systems pursuant to its internal procedures, or (3) such other date as it is permitted to become effective by the

Commission. Network Customer taking Regional Network Integration Transmission Service shall take such service on terms that do not expire.

Regional Network Integration Transmission Service shall terminate consistent with Tariff, Part I, section 2.5. Specifically, Regional Network Integration Transmission Service may be terminated where: (1) an incumbent Network Customer will be replaced by a successor Network Customer, in which case the incumbent's service shall only terminate if the successor agrees to commence the taking of the service, the appropriate Transmission Service Agreement is executed, and all other applicable terms and conditions of the PJM Governing Agreements are satisfied; (2) an incumbent Network Customer seeks to terminate its service and no successor Network Customer exists, in which case the incumbent must provide PJM with forty-two (42) months' notice prior to the commencement of a Delivery Year, subject to receiving all necessary regulatory approvals for such termination, if any; or (3) on such other date mutually agreed upon by the Parties.

[If applicable] [Interim Network Integration Transmission Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, (2) the date on which any updates needed to support Interim Network Integration Service are completed and placed into service, or (3) such other date as it is permitted to become effective by the Commission. On the date on which construction of all upgrades needed to support the Regional Network Integration Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the firm load, and Transmission Provider has updated the relevant systems pursuant to its internal procedures, Interim Network Integration Transmission Service shall terminate consistent with Tariff, Part XI, and Regional Network Integration Transmission Service shall begin.]

4.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Regional Network Integration Transmission Service, when applicable, and Interim Network Integration Transmission Service, when applicable, in accordance with the provisions of the Tariff, including the Operating Agreement (which is incorporated herein by reference), and this Transmission Service Agreement as they may be amended from time to time. Network Customer shall be prohibited from making any material modification to the Load Facility or, as applicable, the Eligible Generating Facility designated in this Transmission Service Agreement without Transmission Provider's prior written agreement. In the event of a planned modification to the Load Facility or Eligible Generating Facility designated in this Transmission Service Agreement, Eligible Customer, in accordance with Good Utility Practice, shall provide notice to Transmission Provider with sufficient information regarding such modification, including any modification that causes the Load Facility's capacity, location, configuration or technology to differ from any corresponding information provided in the Eligible Customer for Load Request, so that Transmission Provider may evaluate the

potential impact of such modification. Transmission Provider and Eligible Customer shall enter into a Necessary Studies Agreement, a form of which is located in Tariff, Part IX, pursuant to which Transmission Provider agrees to conduct the necessary studies to determine whether the planned modifications will have a permanent material impact on the Transmission System or would constitute a material modification, 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.

Eligible Customer shall provide the information required by the Necessary Study Agreement and provide the required deposit. Transmission Provider, upon completion of the Necessary Studies, shall provide Eligible Customer (i) the type and scope of the permanent material impact, if any, the planned modifications will have on the Transmission System; (ii) the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications; and (iii) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications. In the event such planned modification would have a permanent material impact on the Transmission System or would constitute a material modification, Network Customer shall then withdraw the proposed modification or proceed with a new Eligible Customer for Load Request for such modification. Failure to timely inform the Transmission Provider of or obtain Transmission Provider's written agreement for a material change in (i) the demand characteristics of the Load Facility or (ii) the supply characteristics of the Eligible Generating Facility may constitute a breach of the Eligible Customer's Transmission Service Agreement and this Transmission Service Agreement may be terminated pursuant to Tariff, Part XI, Subpart A, section 702.4.

5.0 The Eligible Customer certifies it is willing and able to limit its usage of the Transmission System consistent with this Transmission Service Agreement and when requested by the Transmission Provider.

6.0 Any notice or request made to or by either Party regarding this Transmission Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.

2750 Monroe Blvd.
Audubon, PA 19403

Network Customer:

_____

_____

_____

7.0 The Tariff for Network Integration Transmission Service, Tariff, Part III, and Interim Network Integration Transmission Service, Tariff, Part XI, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transmission Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Network Customer:

By: _____ _____ _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Network Customer) and that _____ (Network Customer) will not request service under this Transmission Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

_____
(Name)

_____
(Title)

Subscribed and sworn before me this _____ day of _____, _____.

_____

(Notary Public)

My Commission expires:_____

SPECIFICATIONS FOR
REGIONAL NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Regional Network Integration Transmission Service Amount (MW):
_____MW

2.0 Description of Eligible Generating Facility:

_____
_____
_____
_____
_____

Maximum Facility Output of Eligible Generating Facility: _____MW

3.0 Description of Eligible Load or Large Load:

_____
_____
_____
_____
_____

_____

Gross Demand of Eligible Load or Large Load:
_____MW

4.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

4.1 Embedded Cost Transmission Charge:_____

_____

4.2 Facilities Study Charge:_____

_____

4.3 Direct Assignment Facilities Charge:_____

_____

4.4 Ancillary Services Charge:_____

_____

4.5 Other Supporting Facilities Charge:_____

_____

SPECIFICATIONS FOR
INTERIM REGIONAL NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Interim Regional Network Integration Transmission Service Amount (MW): _____MW

Delivery Point:_____

2.0 Description of Eligible Generating Facility:

_____
_____
_____
_____
_____
_____
_____

Maximum Facility Output of Eligible Generating Facility: _____MW

3.0 Description of Eligible Load or Large Load:

_____
_____
_____
_____
_____
_____
_____

Gross Demand of Eligible Load or Large Load: _____MW

4.0 The Eligible Customer will have the following necessary control technologies and protection systems in accordance with Tariff, Part XI, prior to the Service Commencement Date:

_____

_____

_____

5.0 The Eligible Customer will implement the following operating procedures in accordance with Tariff, Part XI:

_____

_____

_____

6.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be in accordance with the Tariff.)

4.1 Embedded Cost Transmission Charge:_____

_____

4.2 Facilities Study Charge:_____

_____

4.3 Direct Assignment Facilities Charge:_____

_____

4.4 Ancillary Services Charge:_____

_____

4.5 Other Supporting Facilities Charge:_____

_____

Schedule A

Single Line Diagram

Service Agreement No. [Insert]

ATTACHMENT F-4

Transmission Service Agreement For
Contract Demand Transmission Service
(For Eligible Load or Large Load)

1.0 This Transmission Service Agreement, dated as of the date the last party executes this agreement, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJMSettlement Inc. ("Counterparty") as the counterparty, and _____ ("Eligible Customer"). [If applicable: This Transmission Service Agreement supersedes the Transmission Service Agreement among Transmission Provider, Counterparty, and [insert prior Eligible Customer's entity name], [insert Service Agreement Number], effective date [insert], which was filed with the Commission in Docket No. [insert].]

2.0 [Instructions: Choose one of the following depending on whether facilities upgrades are needed.]

[If facilities upgrades are not needed] The Eligible Customer, who is taking transmission service on behalf of Eligible Load or Large Load, has been determined by the Transmission Provider to have a valid request for [Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service] under the Tariff and to have satisfied the conditions for service imposed by the Tariff.

[or]

[If facilities upgrades are needed] The Eligible Customer, who is taking transmission service on behalf of Eligible Load or Large Load, has been determined by the Transmission Provider to have a valid request for Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff, except for the condition that facilities must be completed and placed into service. Until PJM's assessment concludes that the required facilities are completed, the Transmission Owner provides a Notice of Completion to PJM, and the facilities are in service, the Eligible Customer may not receive Firm Contract Demand Transmission Service and/or Non-Firm Contract Demand Transmission Service under Tariff, Part XI.

3.0 Contract Demand Transmission Service under this agreement shall commence on the later of: (l) the requested service commencement date of _____, or (2) the date on which construction of all upgrades needed to support the Contract Demand Transmission Service are completed and placed in service, Transmission Provider has performed an updated analysis to confirm the Transmission System can support the load, and Transmission Provider has updated the relevant systems pursuant to its internal procedures, or (3) such other date as it is permitted to become effective by the Commission.

Contract Demand Transmission Service shall terminate consistent with Tariff, Part XI, section 711.

4.0 The Transmission Provider agrees to provide and the Eligible Customer agrees to take and pay for Contract Demand Transmission Service in accordance with the provisions of the Tariff, including the Operating Agreement (which is incorporated herein by reference), and this Transmission Service Agreement, as they may be amended from time to time. Network Customer shall be prohibited from making any material modification to the Load Facility or, as applicable, the Eligible Generating Facility designated in this Transmission Service Agreement without Transmission Provider's prior written agreement. In the event of a planned modification to the Load Facility or Eligible Generating Facility designated in this Transmission Service Agreement, Eligible Customer, in accordance with Good Utility Practice, shall provide notice to Transmission Provider with sufficient information regarding such modification, including any modification that causes the Load Facility's capacity, location, configuration or technology to differ from any corresponding information provided in the Eligible Customer for Load Request, so that Transmission Provider may evaluate the potential impact of such modification. Transmission Provider and Eligible Customer shall enter into a Necessary Studies Agreement, a form of which is located in Tariff, Part IX, pursuant to which Transmission Provider agrees to conduct the necessary studies to determine whether the planned modifications will have a permanent material impact on the Transmission System or would constitute a material modification, 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.

Eligible Customer shall provide the information required by the Necessary Study Agreement and provide the required deposit. Transmission Provider, upon completion of the Necessary Studies, shall provide Eligible Customer (i) the type and scope of the permanent material impact, if any, the planned modifications will have on the Transmission System; (ii) the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications; and (iii) a good faith estimate of the cost of the additions, modifications, or replacements to the Transmission System required to accommodate the planned modifications. In the event such planned modification would have a permanent material impact on the Transmission System or would constitute a material modification, Network Customer shall then withdraw the proposed modification or proceed with a new Eligible Customer for Load Request for such modification. Failure to timely inform the Transmission Provider of a material change of or obtain Transmission Provider's written agreement for (i) the demand characteristics of the Load Facility or (ii) as applicable, the supply characteristics of the Eligible Generating Facility may constitute a breach of the Eligible Customer's Transmission Service Agreement and this

Transmission Service Agreement may be terminated pursuant to Tariff, Part XI, Subpart B, section 710.7.

5.0 The Eligible Customer certifies it is willing and able to limit its usage of the Transmission System consistent with this Transmission Service Agreement and when requested by the Transmission Provider.

6.0 Any notice or request made to or by either Party regarding this Transmission Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Eligible Customer:

_____

_____

_____

7.0 Tariff, Part XI, for Contract Demand Transmission Services, as it may be revised from time to time, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Transmission Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Eligible Customer:

By: _____ _____ _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Eligible Customer) and that _____ (Eligible Customer) will not request service under this Transmission Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

_____
(Name)

_____
(Title)

Subscribed and sworn before me this _____ day of _____, _____.

_____

(Notary Public)

My Commission expires:_____

SPECIFICATIONS FOR
CONTRACT DEMAND TRANSMISSION SERVICE

1.0 Firm Contract Demand Transmission Service Amount (MW): _____MW

Non- Firm Contract Demand Transmission Service Amount (MW):_____MW

Delivery Point:_____

2.0 Description of Eligible Generating Facility:

_____

_____

Maximum Facility Output of Eligible Generating Facility: MW

MW of Eligible Generating Facility dedicated to Eligible Load: _____MW

3.0 Description of Eligible Load or Large Load:

_____

_____

Gross Demand of Eligible Load or Large Load: _____MW

4.0 The Eligible Customer will have the following necessary control technologies and special protection schemes in accordance with Tariff, Part XI, prior to the Service Commencement Date:

_____

_____

_____

5.0 The Eligible Customer will implement the following operating procedures in accordance with Tariff, Part XI:

_____

_____

_____

6.0 Service under this Agreement may be subject to charges specified in the Tariff, which may change from time to time.

Schedule A

Single Line Diagram

SCHEDULE 8

DETERMINATION OF UNFORCED CAPACITY OBLIGATIONS

A. For each billing month during a Delivery Year, the Daily Unforced Capacity Obligation of a Party that has not elected the FRR Alternative for such Delivery Year shall be determined on a daily basis for each Zone as follows:

Daily Unforced Capacity Obligation = OPL x Final Zonal RPM Scaling Factor x FPR

Where:

OPL =Obligation Peak Load, defined as the daily summation of the weather-adjusted coincident summer peak, last preceding the Delivery Year, of the end-users in such Zone (net of operating Behind The Meter Generation for those customers taking Network Integration Transmission Service, but not to be less than zero) for which such Party was responsible on that billing day, as determined in accordance with the procedures set forth in the PJM Manuals, and as adjusted further to include the Obligation Peak Load associated with any Load Adjustment that may be allocated to the Party

Final Zonal RPM Scaling Factor = the factor determined as set forth in sections B and C of this Schedule

FPR = the Forecast Pool Requirement

Netting of Behind The Meter Generation for a Network Customer with regard to Retail Behind The Meter Generation (as defined in the Tariff) shall be subject to the limits set forth in PJM Tariff, Part III, section 34.2.

Netting of Behind the Meter Generation for a Party with regard to Non-Retail Behind the Meter Generation shall be subject to the following limitation:

For the 2006/2007 Planning Period, 100 percent of the operating Non-Retail Behind the Meter Generation shall be netted, provided that the total amount of Non-Retail Behind the Meter Generation in the PJM Region does not exceed 1500 megawatts ("Non-Retail Threshold"). For each Planning Period/Delivery Year thereafter, the Non-Retail threshold shall be proportionately increased based on load growth in the PJM Region but shall not be greater than 3000 megawatts. Load growth shall be determined by the Office of the Interconnection based on the most recent forecasted weather-adjusted coincident summer peak for the PJM Region divided by the weather-adjusted coincident peak for the previous summer for the same area. After the load growth factor is applied, the Non-Retail Threshold will be rounded up or down to the nearest whole megawatt and the rounded number shall be the Non-Retail Threshold for the current Planning Period and the base amount for calculating the Non-Retail Threshold for the succeeding planning period. If the

Non-Retail Threshold is exceeded, the amount of operating Non-Retail Behind the Meter Generation that a Party may net shall be adjusted according to the following formula:

Party Netting Credit = (NRT/ PJM NRBTMG) * Party Operating NRBTMG

Where: NRBTMG is Non-Retail Behind the Meter Generation

NRT is the Non-Retail Threshold

PJM NRBTMG is the total amount of Non-Retail Behind the Meter Generation in the PJM Region

The total amount of Non-Retail Behind the Meter Generation that is eligible for netting in the PJM Region is 3000 megawatts. Once this 3000 megawatt limit is reached, any additional Non-Retail Behind the Meter Generation which operates in the PJM Region will be ineligible for netting under this section.

In addition, the Party NRBTMG Netting Credit shall be adjusted pursuant to Schedule 16 of this Agreement, if applicable.

A Party shall be required to report to PJM such information as is required to facilitate the determination of its NRBTMG Netting Credit in accordance with the procedures set forth in the PJM Manuals.

B. Following the Base Residual Auction for a Delivery Year, the Office of the Interconnection shall determine the Base Zonal RPM Scaling Factor and the Base Zonal Unforced Capacity Obligation for each Zone for such Delivery Year as follows:

Base Zonal Unforced Capacity Obligation = (ZPLDY/RPLDY) * RUCO

and

Base Zonal RPM Scaling Factor = Base Zonal Unforced Capacity Obligation / (Adjusted ZWNSP * FPR)

Where:

ZPLDY = Preliminary Zonal Peak Load Forecast for such Delivery Year

RPLDY = RTO Preliminary Peak Load Forecast for such Delivery Year,

RUCO = the RTO Unforced Capacity Obligation satisfied in the Base Residual Auction for such Delivery Year,

FPR – the Forecast Pool Requirement, and,

Adjusted ZWNSP = Adjusted Zonal Weather Normalized Summer Peak = ZWNSP + [ZLA * (ZWNSP / (ZPLDY - ZLA))]

Where:

ZWNSP = Zonal Weather-Normalized Summer Peak for the summer season concluding four years prior to the commencement of such Delivery Year, and,

ZLA = the total zonal MW quantity of Load Adjustment for such Delivery Year.

For purposes of such determination, PJM shall determine the Preliminary RTO Peak Load Forecast, and the Preliminary Zonal Peak Load Forecasts for each Zone, in accordance with the PJM Manuals for each Delivery Year no later than one month prior to the Base Residual Auction for such Delivery Year. PJM shall determine the Updated RTO and Zonal Peak Load Forecasts in accordance with the PJM Manuals for each Delivery Year no later than one month prior to each of the First, Second, and Third Incremental Auctions for such Delivery Year. PJM shall determine the most recent Weather Normalized Summer Peak for each Zone no later than seven months prior to the start of the Delivery Year, and shall calculate the RTO Weather Normalized Summer Peak as the sum of the Weather Normalized Summer Peaks for all Zones. In addition, for each Zone, PJM shall determine, as applicable, the Adjusted Zonal Weather Normalized Summer Peak as set forth in Section B of this Schedule, where the Obligation Peak Load associated with such Load Adjustment is included. The Obligation Peak Load associated with such Load Adjustment MW will be calculated for each "zone/area" as determined by:

LAOPL = the Obligation Peak Load associated with the total MW quantity of Load Adjustment of a Zone or separate wholesale area within the zone for such Delivery Year = LAMW * (ZWNSP / (ZPLDY - ZLA))

Where:

LAMW = the total MW quantity of Load Adjustment of a Zone or of a separate wholesale area within the Zone for the relevant Delivery Year,

ZWNSP = Zonal Weather-Normalized Summer Peak from most recent summer season,

ZPLDY = Zonal Peak Load Forecast for such Delivery Year, and,

ZLA = the total zonal MW quantity of Load Adjustment for such Delivery Year.

C. This subsection C is effective through the end of the 2024/2025 Delivery Year. The Final RTO Unforced Capacity Obligation for a Delivery Year shall be equal to the sum of the unforced capacity obligations satisfied through the Base Residual Auction and the First, Second, Third, and any Conditional Incremental Auctions

for such Delivery Year. The unforced capacity obligation satisfied in an Incremental Auction may be negative if capacity is decommitted in such auction. The Final Zonal Unforced Capacity Obligation for a Zone shall be equal to such Zone's pro rata share of the Final RTO Unforced Capacity Obligation for the Delivery Year based on the Final Zonal Peak Load Forecast made one month prior to the Third Incremental Auction. The Final Zonal RPM Scaling Factor shall be equal to the Final Zonal Unforced Capacity Obligation divided by (FPR times the Zonal Weather Normalized Summer Peak for the summer concluding prior to the commencement of such Delivery Year).

C1. This subsection C1 is effective beginning with the 2025/2026 Delivery Year. The Final RTO Unforced Capacity Obligation for a Delivery Year shall be equal to the sum of the unforced capacity obligations satisfied through the Base Residual Auction and the First, Second, Third, and any Conditional Incremental Auctions for such Delivery Year. The unforced capacity obligation satisfied in an Incremental Auction may be negative if capacity is de-committed in such auction. The Final Zonal Unforced Capacity Obligation for a Zone shall be equal to such Zone's pro rata share of the Final RTO Unforced Capacity Obligation for the Delivery Year based on the Final Zonal Peak Load Forecast made one month prior to the Third Incremental Auction. The Final Zonal RPM Scaling Factor shall be equal to the Final Zonal Unforced Capacity Obligation divided by (FPR times the Adjusted Zonal Weather Normalized Summer Peak of such Delivery Year).

D. 1. No later than five months prior to the start of each Delivery Year, the Electric Distributor for a Zone shall allocate the most recent Zonal Weather Normalized Summer Peak for such Zone to each "zone/area" in the Zone to determine the Obligation Peak Load for each "zone/area" in such Zone.

2. During the Delivery Year, no later than 36 hours prior to the start of each Operating Day, the Electric Distributor shall provide to PJM for each Party to this Agreement serving load in such Electric Distributor's Zone the Obligation Peak Load for all end-use customers served by such Party in such Zone. The Electric Distributor may submit corrections to the Obligation Peak Load data up to 12:00PM Eastern Prevailing Time of the next Business Day following the Operating Day.

3. For purposes of such allocations, the daily sum of the Obligation Peak Loads of all Parties serving load in a given "zone/area" within the Zone must equal the Obligation Peak Load established for that "zone/area," including any Load Adjustment MW, determined as set forth in section B above.

Attachment B-2

Revisions to the
PJM Open Access Transmission Tariff
with Proposed Indeterminant Effective
Date

(Clean Format)

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

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 the PJM 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 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 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 Generation Interconnection 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, 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 calendar day 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 calendar day 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 calendar day 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, Wholesale Market Participation Agreement, Engineering and Procurement Agreement, Upgrade Construction Service Agreement, Cost Responsibility Agreement, Necessary Studies Agreement, Construction Service Agreement, 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, Wholesale Market Participation Agreement, Engineering and Procurement Agreement, Upgrade Construction Service Agreement, Cost Responsibility Agreement, Necessary Studies 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 Studies Agreement.

Eligible Customer for Load Request

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

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 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 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 Generation Interconnection Request, a Transmission 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 441 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 C 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, 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 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 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 Generation the Project Developer's Generating Facility, including a Generating Facility to be used to serve Eligible Load, to Transmission Provider's Transmission System and enabling the Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection pursuant to the terms of the Generation Interconnection Agreement and, 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 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.

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, section 406(A)(2)(a)(i) and Tariff, Part VIII, Subpart C, section 406(A)(3)(a), and Tariff, Part VIII, Subpart C, section 408(A)(2)(d)(i)(a), and Tariff, Part VIII, Subpart C, section 410(A)(1)(a), and Tariff, Part VIII, Subpart C, section 411(B)(4)(a)(iv) 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 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 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.

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 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 the next Business Day after the close of Decision Point II of Cycle 01, "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 Transmission Service under Tariff, Part II, 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. 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.

Eligible Customers seeking Network Integration Transmission Service or Transmission Service on behalf of an Eligible Load or Large Load will not be required to submit an Eligible Customer for Load Request through PJM's Fast Energization Process with respect to Large Loads or Eligible Loads that have completed the applicable Transmission Owner's, or Transmission Owner's affiliate's, retail load interconnection study by no later than January 1, 2028. Completion of the retail load interconnection study shall be based on the date the retail load study is completed and any relevant retail service agreement and other agreements required by the Transmission Owner in connection with the retail interconnection request have been executed by all applicable parties. Further, during this transition period, Eligible Customers must submit, or shall cause to be submitted, the information required by the Reliability Assurance Agreement, Schedule 11.B.1 to the Office of the Interconnection for any Large Loads that have completed the applicable Transmission Owner's, or Transmission Owner's affiliate's, retail load interconnection study by no later than 30 calendar days after completion of the retail load interconnection study. Any disputes about whether an Eligible Customer must submit an Eligible Customer for Load Request through PJM's Fast Energization Process must be submitted to the Office of the Interconnection by no later than January 14, 2028 at 5:00 p.m. Eastern Prevailing Time, with supporting evidence substantiating completion of the retail load interconnection study and other information as may reasonably be requested by the Office of the Interconnection as set forth in the PJM Manuals. Such disputes will be governed by the Dispute Resolution Procedures set forth in Tariff, Part I, section 12. Any request for relief from the Commission regarding a dispute about inclusion in the Fast Energization Process must be submitted to and accepted for filing by the Federal Energy Regulatory Commission by no later than January 21, 2028, after completion of the Tariff Dispute Resolution Procedures. Failure to submit a dispute to the Office of the Interconnection and the Federal Energy Regulatory Commission by the dates specified here will result in a waiver of the ability to challenge submission into the Fast Energization Process.

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 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; (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, ten 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, if any Study Deposit monies remain after all System Impact Studies are completed and any outstanding monies owed by Project Developer or Eligible Customer in connection with outstanding invoices related to the present or prior New Service Requests have been paid, such remaining deposit monies shall be returned to the Project Developer or Eligible Customer at the conclusion of the required studies for the New Service Request.

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, the greater of 100 percent of the initial Readiness Deposit of $10,000 per MW or 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, are non-transferrable, and cannot be commingled. Under no circumstances may 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. For New Service Requests submitted prior to the next Business Day after the close of Decision Point II of Cycle 01, 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. For New Service Requests submitted on or after the next Business Day after the close of Decision Point II of Cycle 01, 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 evidence of participation in the state-level interconnection process with the applicable entity

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, 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. 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:

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.

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 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.

3. Necessary Studies Agreement.

a. A Project Developer that has entered into a Generation Interconnection Agreement that plans to undertake modifications pursuant to that Generation Interconnection Agreement to its Generating Facility or Merchant Transmission Facility or Project Developer Interconnection Facilities or an Eligible Customer with a Transmission Service Agreement that plans to undertake modifications pursuant to that Transmission Service Agreement to the Eligible Load, Large Load, or Load Facility it serves shall be required to enter into a Necessary Studies 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 Studies Agreement provides the terms, conditions, Study Deposit, and cost responsibility for Project Developer or Eligible Customer 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 or amended Transmission Service Agreement reflecting the results of such studies is fully executed and effective.

b. Project Developer or Eligible Customer 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 or Eligible Customer 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, Generation Interconnection Agreement, or Transmission Service 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 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 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;

   ii. 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;

   iii. Augmentation – no evidence of Site Control required;

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

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

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

i. 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.

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. 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 Developers, 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

        i. Term is the minimum duration required to evidence Site Control. The term 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 Term 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, and maintain 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 term, 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 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 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) Merchant A.C., (2) Merchant D.C. Transmission Facilities, or (3) Controllable A.C. Merchant Transmission Facilities.

g. If Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities, specify whether Applicant elects to receive (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR) or (2) Incremental Delivery Rights, Incremental Auction Revenue Rights, and/or Incremental Capacity Transfer Rights.

    i. If Applicant elects to receive TIRs or TWRs, specify (1) total project MWs to be evaluated as Firm (capacity) injection for TIR; (2) total project MWs to be evaluated as Non-firm (energy) injection for TIR; (3) total project MWs to be evaluated as Firm (capacity) withdrawal for TWR; and (4) total project MWs to be evaluated as Non-firm (energy) withdrawal for TWR.

    ii. If Applicant elects to receive Incremental Delivery Rights, specify the location on the Transmission System where it proposes to receive Incremental Delivery Rights associated with its proposed facilities.

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

i. Specify the site where Applicant intends to install its major equipment, and provide a detailed site plan.

j. Submit required evidence of Site Control for the major equipment, including a certification by an officer or authorized representative of Applicant; and, at Transmission Provider's request, copies of landowner attestations or county recordings.

k. Provide evidence acceptable to Transmission Provider that Applicant has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting, as applicable. Applicant shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Applicant fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

5. Additional Requirements Applicable to All Applications

a. Study Deposit: For Transmission Provider to consider an Application complete, Transmission Provider must receive from the Applicant the required Study Deposit by wire transfer, the amount of which is based on the size of the project as described below. Applicant's wire transfer must specify the Application reference number to which the Study Deposit corresponds, or Transmission Provider will not review or process the Application.

i. Ten percent of the Study Deposit is non-refundable. If Applicant withdraws its New Service Request, or the New Service Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request;

(b) Any restudies required as a result of the rejection, termination, and/or withdrawal of such New Service Request; and/or

(c) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

ii. Ninety percent of the Study Deposit is refundable, and Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Application review;

(b) The dollar amount of Applicant's cost responsibility for the System Impact Study; and

(c) If the New Service Request is modified, rejected, terminated, and/or withdrawn, refundable deposit money shall be applied to cover all of the costs incurred by Transmission Provider up to the point of the New Service Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification, rejection, termination, and/or withdrawal of the New Service Request;

(ii) Any outstanding monies owed by Applicant in connection with outstanding invoices due to Transmission Provider, Transmission Owner(s), and/or third party contractors, as applicable, as a result of any failure of Applicant to pay actual costs associated with the New Service Request; and/or

(iii) Any outstanding monies owed by Applicant in connection with outstanding invoices related to other New Service Requests.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to Applicant in accordance with the PJM Manuals.

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

(a) Applicant is responsible for, and must pay, all actual study costs.

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

iv. The Study Deposit shall be calculated as follows, based on the number of MW energy (e.g., Maximum Facility Output) or MW capacity (e.g., Capacity Interconnection Rights), whichever is greater:

(a) Up to 20 MW: $75,000;

(b) Over 20 MW up to 50 MW: $200,000;

(c) Over 50 MW up to 100 MW: $250,000;

(d) Over 100 MW up to 250 MW: $300,000;

(e) Over 250 MW up to 750 MW: $350,000; and

(f) Over 750 MW: $400,000.

b. Readiness Deposit: For Transmission Provider to consider an Application complete, Applicant must submit to Transmission Provider the required Readiness Deposit by wire transfer or letter of credit. Applicant's wire transfer or letter of credit must specify the Application reference number to which the Readiness Deposit corresponds, or Transmission Provider will not review or process the Application. Readiness Deposit No. 1 shall be an amount equal to $4,000 per MW energy (e.g., Maximum Facility Output) or per MW capacity (e.g., Capacity Interconnection Rights), whichever is greater, as specified in the Application.

B. Application Review Phase for New Service Requests submitted prior to the next Business Day after the close out 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 out 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 out 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 B, section 710.1, 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 Transmission Service (a) electronically submits a Completed Application for Transmission Service following the procedures outlined in Tariff, Parts II and III, 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.

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;

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 these requirements at the time of its Application, these requirements can be addressed through a milestone in the applicable interconnection-related service agreement entered into pursuant to Tariff, Part IX.

(j) [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 and amount 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. [Reserved]

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 Transmission Service Agreement or to prevent such Eligible Generating Facility from injecting energy to the Transmission System in excess of energy injections permitted under the Project Developer's Interconnection Service Agreement or Generation Interconnection 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 through an attestation of an authorized representative 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 and type 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 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 requests to transfer Capacity Interconnection Rights from deactivating resources will be carried over to the New Service Request in the new Cycle 02; 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, Merchant Transmission Interconnection Requests, Completed Applications for Long Term Firm Transmission Service, and, 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, and shall provide notice of each Cycle's Soft Close date no less than 150 days after the commencement of the previous Cycle's System Impact Study Phase. 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. 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 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 required for Phase III System Impact Study.

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 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 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 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 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 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 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.

3. Evaluation of Alternative Transmission Technologies. At Decision Point II, Project Developer or Eligible Customer may request that Transmission Provider evaluate, as part of the System Impact Study, the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Project Developer or Eligible Customer must request in its Decision Point II submission that the evaluation be made and must provide to Transmission Provider by the close of Decision Point II all the requisite model information to allow Transmission Provider to evaluate the requested technology. Failure to provide required technical modeling information, as specified in Manual 14H, by the deadline will terminate the Project Developer's request to evaluate the specific alternative transmission technology.

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 409sets 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.

5. Evaluation of Alternative Technologies.

   i. If requested by a Project Developer or Eligible Customer at the appropriate time and with the requisite information, Transmission Provider will evaluate alternative technologies, as specified in Tariff, Part VIII, Subpart B, section 408(C)(3) for the benefit of all projects in the Cycle.

   ii. Transmission Provider shall evaluate each duly requested alternative transmission technology and determine in its sole discretion whether the specified technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations, as an alternative to traditional network upgrades. Transmission Provider shall include an explanation of the results of the Transmission Provider's evaluation, consistent with its Technical Reference Guides for advanced technologies, for each duly requested technology in the System Impact Study Report.

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 III, and shall run concurrently with the Final Agreement Negotiation Phase. New Service Requests that are studied in Phase III 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.

1. 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 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, 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, 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. 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

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

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.

6. 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.

7. 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.

8. 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 Q.

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. 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 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, PJM shall issue a Surplus Interconnection Study to the owner of the existing or planned Generating Facility. A revised Interconnection Service Agreement or Generation Interconnection Agreement will be prepared and issued to the owner of the existing or planned Generating Facility within sixty days of issuance of the Surplus Interconnection Study including the terms and conditions for Surplus Interconnection Service. Within sixty days of receipt by the owner of the existing or planned Generating Facility of the revised Interconnection Service Agreement or Generation Interconnection Agreement, the owner of the existing or planned Generating Facility will execute the revised Interconnection Service Agreement or Generation Interconnection Agreement, request dispute resolution or request that the Interconnection Service Agreement or Generator Interconnection Agreement be filed unexecuted in accordance.

3. If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study 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 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 Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or Generation 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 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, 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, 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, in order to proceed with 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 have updated the permit matrix provided with its Application and provided 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 Project 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 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.

C. 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 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, 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 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 M

SCHEDULE OF INTERIM DELIVERABILITY

Tariff, Part VIII, Subpart M, 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 setting forth the minimum level 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 potential increases in 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 442 – 499
[Reserved]

Attachment C

Declaration of Donald Bielak, P.E.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.) Docket No. ER27-___-000

DECLARATION OF DONALD BIELAK, P.E. ON BEHALF OF PJM INTERCONNECTION, L.L.C.

1. My name is Donald Bielak, and my business address is 2750 Monroe Blvd., Audubon, Pennsylvania, 19403. I am employed by PJM Interconnection, L.L.C. ("PJM") and my current title is Director – Interconnection Planning.

I. QUALIFICATIONS

2. I joined PJM in September 2004 and have been continuously employed there on a full-time basis since January 2007. Prior to holding my current position, I served as an Engineer in the Engineering Support department, as a Senior Engineer in the Markets Coordination department, as a Reliability Engineer, as Manager – Reliability Engineering, and most recently as Senior Manager/Director – Dispatch.

3. As Director – Interconnection Planning, I am responsible for the interconnection process including project management associated with all New Service Requests, which include Generation Interconnection Requests, and construction implementation. As Senior Manager/Director – Dispatch, I was responsible for the oversight and operation of PJM's Valley Forge and Milford Control Centers. As the Manager for the Reliability Engineering group, I managed the team responsible for coordinating day-ahead and real-time operating plans among PJM, PJM Transmission Owners ("Transmission Owners"), PJM Generation Owners, and neighboring Balancing Authority Areas. As a Reliability Engineer prior to that, I performed these functions

directly. In my previous engineering positions, I supported the Energy Management System and the security constrained economic dispatch application.

4. I am a licensed Professional Engineer and hold a Bachelor of Science degree in Electrical Engineering, a Master of Science degree in Electrical Engineering, and a Master of Science degree in Engineering Management, all from Drexel University.

II. PURPOSE AND OVERVIEW OF DECLARATION

5. I am submitting this declaration on behalf of PJM in support of PJM's filing of revisions to its Open Access Transmission Tariff[1] ("Tariff") and Reliability Assurance Agreement to implement the Fast Energization Process for the interconnection of Generating Facilities and the provision of transmission service to Eligible Customers seeking transmission service, including the new transmission services in accordance with the Federal Energy Regulatory Commission's ("Commission") orders in Docket Nos. EL26-67-000 and EL25-49-000, et al., on behalf of Eligible Loads and Large Loads.

6. The new Fast Energization Process PJM proposes responds to the Commission's directives in the Order Instituting Proceeding Under Section 206 of the Federal Power Act ("Large Load Show Cause Order")[2] to study and provision transmission service to Eligible Loads and Large Loads. The new process also is integral to PJM's Five-Year Strategy, which includes:

- A priority of delivering "accelerated transmission and interconnection processes, supported by next-generation technologies and streamlined processes to meet speed for infrastructure build-out"; and

[1] Capitalized terms used, but not otherwise defined, in this declaration have the meaning provided in, as applicable, the PJM Tariff, the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., or the Reliability Assurance Agreement Among Load-Serving Entities in the PJM Region.

[2] *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, *errata notice*, 196 FERC ¶ 61,122, *order dismissing requests for reh'g & clarification*, 196 FERC ¶ 61,214 (2026).

- Objectives of developing a one-year generation interconnection process and synchronizing regional transmission planning and interconnection processes.

The Fast Energization Process reflects an innovative approach to:

- addressing resource adequacy concerns, by doing what PJM can to get new generation in service faster;
- provisioning new transmission services to load;
- ensuring adequate transmission exists to reliably serve Large Load; and
- leveraging co-location and electrical proximity.

7. Getting generation online faster requires not just leveraging technology to speed up the study process but enhancing readiness requirements for Project Developers to better screen out speculative projects and ensure that projects that go through the study process and enter into an interconnection-related service agreement are truly ready to start construction of their facility, complete construction and commissioning on a timely basis, and get their facility in service.

8. The Fast Energization Process represents the next evolution of PJM's interconnection process and further enhancement to the currently effective Cycle process, but also continues to meet the requirements and objectives of the Commission's Order Nos. 2003,[3] 845,[4] and 2023[5] on interconnection processes as it provides speed to interconnection, readiness requirements, cost certainty, and transparency.

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[3] *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom.*, *Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

[4] *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018), *order on reh'g & clarification*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh'g & clarification*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

[5] *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *limited order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g & clarification*, Order

9. The Fast Energization Process will take half the time of the Cycle process. PJM is advancing the use of technology to speed up the project data review, power flow and dynamic studies, and agreement drafting. PJM also is applying lessons learned.

10. In addition to improving on and speeding up the current New Service Request process, which includes generation and Merchant Transmission Interconnection and Long Term Firm Transmission Service requests, the Fast Energization Process includes the provision of transmission service to Eligible Customers seeking such service on behalf of Eligible Loads and Large Loads (referred to in the Tariff as "Eligible Customer for Load Requests"). Adding transmission service requests to the New Service Request studies allows PJM to optimize upgrades to the Transmission System, eliminating duplicative upgrades, and providing timely transmission service and generator deliverability based on current system topology rather than requiring customers to wait on contingent upgrades to be built.

III. WHY IS PJM CHANGING ITS INTERCONNECTION PROCESS NOW?

11. The current PJM process for provisioning transmission service for Large Loads is subsumed within PJM's Regional Transmission Expansion Plan ("RTEP") and there is an opportunity for greater visibility into the Transmission System build out driven by the addition of Large Loads. PJM seeks more visibility to ensure there is sufficient transmission capability to serve the Large Load in the timeframe in which the Large Load plans to come online. In the current process, system reinforcements and enhancements identified as necessary to provide transmission service to Large Loads are identified

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No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024), *aff'd sub nom.*, *Advanced Energy United v. FERC*, 2026 U.S. App. LEXIS 23001 (D.C. Cir. July 31, 2026).

through separate processes within the Transmission Owners interconnections processes and PJM's Supplemental Do No Harm Process and are "trued up" through integration of all load interconnection projects as they are incorporated in the RTEP. Including studies for the provisioning of transmission service with generation interconnection studies will enable PJM and the Transmission Owners to provide more transparency as to the drivers of system reinforcements required for service to Large Loads.

12. PJM continues to need additional generating capacity on the Transmission System to maintain reliable service for the 67 million people in the PJM Region and to serve the new Large Loads seeking to come in-service. Reliability is PJM's primary mandate, but as recognized in PJM's Five-Year Strategy, "[i]n today's environment, reliability is not possible without resource adequacy."[6] According to PJM's 2028/2029 Base Residual Auction Report, the shortfall of capacity supply needed to meet demand (plus an adequate reserve margin) has grown, year-over-year, despite a net increase of 1,294.4 megawatts ("MW") installed capacity of supply between the 2027/2028 and 2028/2029 Base Residual Auction. In other words, the addition of new generation supply has not kept pace with rapid Large Load demand growth, thus giving rise to the significant tightening of the Capacity market in recent years and subsequent resource adequacy shortfalls.

13. PJM currently has 47 gigawatts of generation with signed agreements, but many of these projects are either not being built at all or are being slowed by hurdles such as state permitting and supply chain backlogs. PJM, its stakeholders, and state and federal

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[6] *Shaping a Power Change: PJM Five-Year Strategy*, PJM Interconnection, L.L.C., 9 (Aug. 2026), https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2026/20260819-shaping-a-powerful-change-pjm-five-year-strategy.pdf [https://perma.cc/2RBY-MPLH].

policymakers are united in efforts to solve these challenges. The factor in generation development in the PJM Region that PJM Planning can influence is the interconnection process. PJM and its stakeholders have done significant work revamping the interconnection process through the Interconnection Process Reform Task Force in 2021 and 2022 and the Commission's approval of the reformed interconnection process in Docket Nos. ER22-2110-000, et al. The Fast Energization Process is taking what we have learned from that effort and coupling it with automation to realize a faster, more integrated process.

14. PJM has identified the need for continuing interconnection reforms to address the resource adequacy concerns that have been growing over the past three years. During that time, PJM developed and implemented the parallel processes of the Expedited Interconnection Track and Replacement Generation Interconnection Service, in addition to the Reliability Resource Initiative, which provided an expedited on-ramp to Transition Cycle 2 for high-value projects that were not originally transition-eligible. These processes were added largely to address PJM's transition from the old serial process to the new Cycle process. However, while these initiatives are positive enhancements yielding potential benefit, there continues to be a significant volume of Generation Interconnection Requests, and the Fast Energization Process proposal aims to overhaul the entire process for speed and efficiency not just for now but for all future cycle studies.

15. Based on lessons learned over the last several years, PJM has concluded that speeding up its process is the most effective way PJM can facilitate the addition of generation to the Transmission System because quicker study results will allow developers to shift focus to more viable projects more quickly and also may lessen or remove barriers

to getting projects built, such as permitting and siting approvals. PJM's goal is to also unify the interconnection queue processes thereby avoiding the need for additional parallel study processes, such as a separate study process for provisioning transmission service to Eligible Load and Large Load, having experienced the complications parallel processes can cause. Large Loads differ fundamentally from traditional loads in their size, pace of growth, and concentration, and they are presently the major source of load growth in the PJM Region. Continuing to maintain separate and distinct processes for interconnecting generation and providing transmission service to Large Loads would therefore likely yield a sub-optimal build-out of the Transmission System and may impose unnecessary costs on existing loads.

16. Moreover, the consolidation of the generation interconnection queue and the Large Load and Long-Term Firm Transmission Service processes will potentially reduce transmission constraints and enable more opportunity to optimize the needed transmission enhancements serving both load and generation simultaneously. It is essential, therefore, to study new Generation Interconnection Requests and new transmission service requests on behalf of Large Loads together. Doing so will not only speed up the pace of Generating Facilities' interconnection, but also will ensure that the new generation being connected is deliverable to the new Large Loads, that the Transmission System reinforcements are determined efficiently, and that the drivers of those reinforcements and upgrades are made responsible for their costs.

17. PJM therefore proposes to consolidate generation and Merchant Transmission Interconnections along with Long Term Firm and Large Load Transmission Service studies into a singular 12-month process. The new process will preserve the first-

ready, first-served paradigm of the current Cycle process by including readiness requirements, provide additional process transparency, and will provide as much cost certainty as possible for developers, while avoiding cost swings from one phase of the process to the next and as a result of late stage retools.

IV. THE PROPOSED FAST ENERGIZATION PROCESS MEETS THE PRESENT CHALLENGES, CONSISTENT WITH PJM'S STRATEGIC PRIORITIES AND OBJECTIVES.

18. Speed. The new Fast Energization Process PJM proposes in this filing addresses the problems of a slow process with speed, eliminates the complications of parallel processes by creating a single unified process, reduces the number of unready or speculative projects in the process through early engagement with Applicants and substantial Application requirements, and provides the transparency as to the drivers of system reinforcements and upgrades the Commission seeks. The expedited screening window provides solution feedback very early in the process while the decision points require a demonstration of readiness to proceed.

19. Use of technology advancements. One of the ways PJM proposes to speed up the study process is through technology. PJM has been vetting Tapestry, an artificial intelligence-powered interconnection platform, in its current process and is nearing the point at which it can trust results produced by the platform without parallel human verification. PJM has taken confidence from this work and our own significant automation efforts and is developing a suite of automation that will enhance existing technology applications and also deploy technologies into new areas. We are particularly targeting improving our modeling platform, developing powerful analytic platforms to turn around

grid studies more quickly, and result interpretation and quality assurance tools to continue to drive high quality study results, but in a shorter period of time.

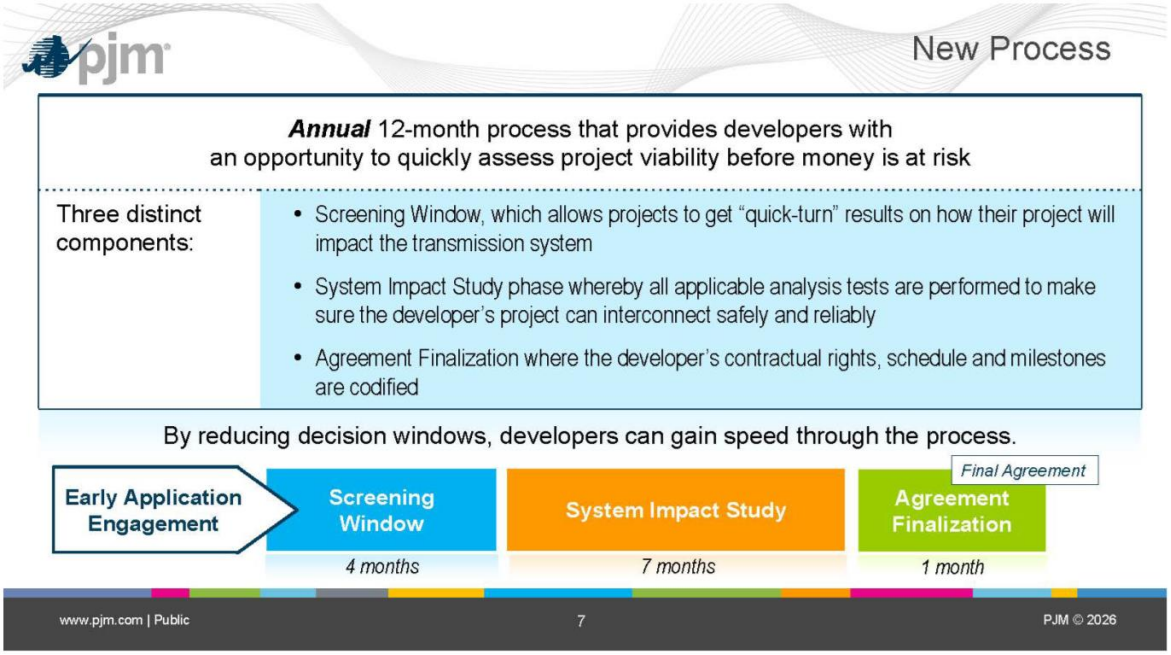
20. Early engagement. The Fast Energization Process has additional features that should expedite the process, including Early Application Engagement before the Application deadline. PJM proposes to engage with Applicants during the period between the Soft Close Date and the Application Deadline to answer questions Applicants have, test and provide feedback on Applicants' models, and assist in completion of Applications. This engagement before the Application Deadline should provide substantial benefits to all concerned by improving the quality of Applications and allowing PJM's review of Applications after the deadline to be a quick process, largely to confirm the information and modeling that has been developed during the Early Application Engagement. This engagement also should reduce disputes and litigation over Application review, deficiency notices, and cure efforts, which is a significant distraction from queue studies, and should produce more Applications for truly viable and ready projects. This improvement is vital, as at present only five percent of the Applications submitted to PJM are correct and complete when they are first submitted. Through the deficiency process, most projects do clear these issues,[7] but the Early Application Engagement is designed to largely eliminate this process inefficiency.

V. SPECIFICS OF THE FAST ENERGIZATION PROCESS

21. Speed. The Fast Energization Process replaces three complete System Impact Studies with an accelerated screening window, consisting of two turns of system

[7] 92% of Cycle 01 projects cleared their Application deficiencies and moved into Phase 1.

impact analysis that provide planning level estimates of the system reinforcements needed for the portfolio of generation projects and transmission service requests (called "Interconnection Reliability Reinforcements" ("IRR")), and a single System Impact Study. Each of these turns will produce a non-binding good-faith estimate of the cost and the time to construct needed facilities within 60-90 calendar days.



22. Study Process Consolidation. The System Impact Study is the equivalent of the Phase III System Impact Study in the current process. During the System Impact Study Phase, PJM will perform load flow, stability, and short circuit analyses across summer, winter, and light load scenarios and will ensure all reliability issues are addressed, and the correct amount of transmission service has been provisioned. The service agreement negotiation process will start during the System Impact Study Phase, creating an additional efficiency and thereby further reducing the time needed to complete the entire process.

23. Early Readiness. The Fast Energization Process continues the current process's emphasis on readiness requirements but moves many of the requirements to the Application rather than spreading them over the three phases and decision points of the current process. The financial commitments, in the form of a Transmission Owner Cost Recovery Agreement for Large Load transmission service requests and Readiness Deposits for Project Developers are similarly moved up. The Cost Recovery Agreement is a requirement for Eligible Customers seeking transmission service on behalf of Large Loads to enter the Fast Energization Process and the Readiness Deposits required of Project Developers are submitted in full with the Application and become at risk at decision points in the Screening Phase. In line with this enhanced readiness structure, physical changes to projects and load are not allowed after Application. Such changes would require changes to the dynamic models submitted with the Application and there is no time in the new process to revise individual models and the cluster model. If Project Developers or Eligible Customers want to change the characteristics of their projects or load, they will have to withdraw and submit the changed request in the next Cycle.

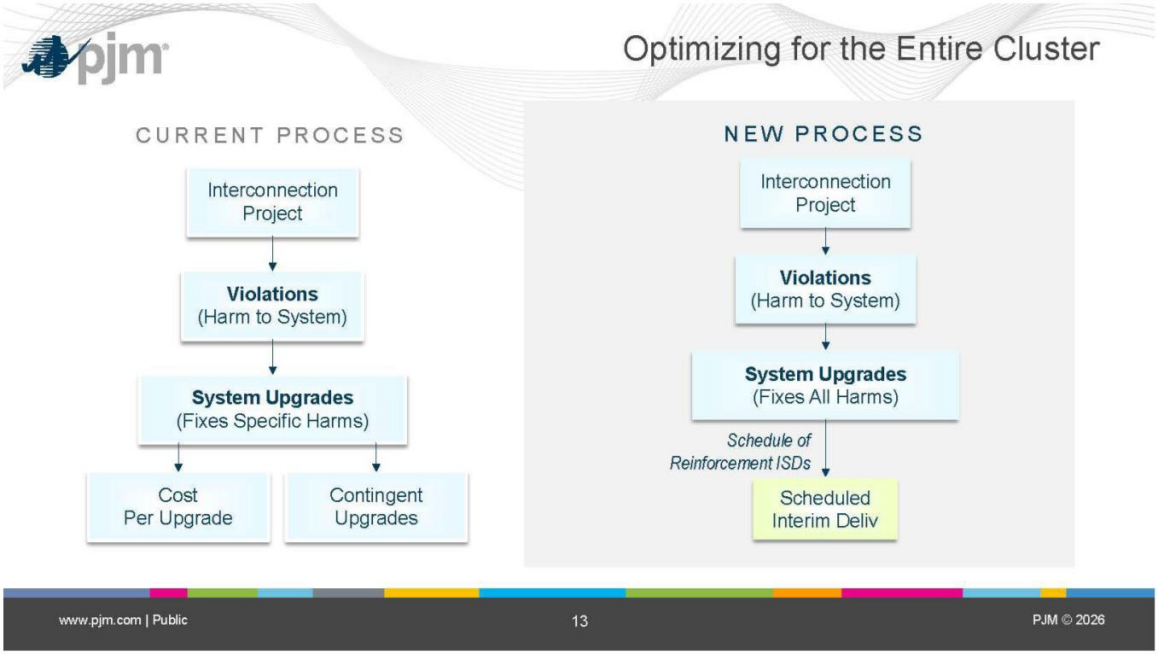
VI. THE FAST ENERGIZATION PROCESS WILL PROVISION TRANSMISSION SERVICE AND GENERATION INTERCONNECTION SERVICE BY LOOKING AT A HOLISTIC PORTFOLIO OF SYSTEM REINFORCEMENTS.

24. The Fast Energization Process moves PJM away from identifying specific system upgrades and reinforcements and linking them to specific projects. Instead, PJM now is analyzing system upgrades and reinforcements as enabling the entire Cycle cohort of generation projects and transmission service requests, rather than viewing them as individual upgrades needed for individual projects and load. This will allow a fractional amount of generating capacity to become deliverable faster and with greater certainty, as

opposed to the status quo process which only identifies full deliverability at the completion of all required Network Upgrades. Accordingly, PJM is refining our study methodology to incorporate Large Load into our study paradigm and will continue to identify the portfolio of upgrades required by the Cycle. Those upgrades, now termed IRRs under the Fast Energization Process, will be optimized for the whole Cycle, which will eliminate the issue of overlapping or duplicative upgrades for generation and load.

25. Transparency. The Transmission Owners have filing rights for cost allocation and cost recovery, so they will be covering that in their revisions to the Tariff being filed concurrently with this PJM filing. PJM will continue to provide the transparency it provides now as to required system topology (now, the IRRs), the drivers of the need for the IRRs, and the capital costs of the IRRs. Consistent with the Commission's directives in the Large Load Show Cause Order, PJM will post this information on pjm.com in a single, accessible place and in a searchable format.

26. Certainty. Optimization should reduce the total costs of the portfolio of needed IRRs and, because Project Developers will be assigned responsibility for the IRRs for a share of the total costs rather than being responsible for specific upgrades, optimization should reduce volatility in Project Developer cost responsibility during the process. Nevertheless, in the event a Project Developer's cost responsibility increases beyond the amount determined at Decision Point II, PJM has added to the Tariff a certainty framework to limit exposure to an increase in responsibility for IRRs.



27. The PJM-proposed approach of looking at the IRRs as a portfolio also means PJM will not be tying service to the completion of specific "contingent upgrades," i.e., facilities that must be completed before a Project Developer's Generating Facility has full deliverability or an Eligible Customer can have firm transmission service. This will allow PJM to include in the final service agreements at the end of the Fast Energization Process a schedule of interim deliverability for Project Developers or a schedule of interim withdrawal rights for Eligible Customers, based on an assessment of the current Transmission System topology. These schedules would establish a minimum level of transmission service rights (energy-only or Capacity Interconnection Rights for Generating Facilities, or Transmission Service for Eligible Customers taking service for Eligible Loads or Large Loads) from the next year to as far in the future as required to grant full rights. PJM would annually reassess the interim rights to establish a new higher MW value for them if it is available, based on IRRs being built or queue projects withdrawing from the process.

VII. CONCLUSION

28. This concludes my declaration.

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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.) Docket No. ER27-___-000

VERIFICATION

I, Donald Bielak, pursuant to 28 U.S.C. § 1746, state, under penalty of perjury, that I am the Donald Bielak referred to in the foregoing "Declaration of Donald Bielak, P.E. on Behalf of PJM Interconnection, L.L.C.," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Signed by:
1EDA85882B4B46F...

Donald Bielak

Executed on: 11/14/2026

Attachment D

Chart Mapping Order Directives to Tariff Changes

ATTACHMENT D

Chart Mapping Order Directives to Tariff Changes

Order Directive	Tariff Provisions
Revise PJM Open Access Transmission Tariff ("Tariff") to add a definition of Eligible Load (i.e., Co-Located Load and/or load with Behind the Meter Generation ("BTMG")) or make other changes to eliminate the requirement that Eligible Customers taking service on behalf of load with BTMG take Network Integration Transmission Service ("NITS").[1]	□ Added definition of Eligible Load.[2] □ Added definition of Eligible Generating Facility.[3]
Revise definition of BTMG to allow Eligible Customers with BTMG that are willing/able to limit withdrawals under certain conditions to take the new transmission services.[4]	□ Revised BTMG definition to include Retail BTMG and Non-Retail BTMG.[5]

[1] *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,209, at P 91 (2026) ("Co-Location Order").

[2] Proposed Tariff, Part I, Definitions – E - F (Eligible Load).

[3] Proposed Tariff, Part I, Definitions – E - F (Eligible Generating Facility).

[4] Co-Location Order at P 91.

[5] Proposed Tariff, Part I, Definitions B (Behind the Meter Generation).

Order Directive	Tariff Provisions
Revise Tariff to require that Eligible Customer taking transmission service on behalf of Eligible Load must take at least one of three transmission services: (1) NITS or Interim NITS; (2) Firm Contract Demand Transmission Service ("FCD Transmission Service"); or (3) Non-Firm Contract Demand Transmission Service ("NFCD Transmission Service"). Eligible Customer may take a combination of FCD and NFCD Transmission Services.[6]	□ Added to Interim NITS Provision section.[7] □ Added to Contract Demand Transmission Service.[8]
Propose a process to exempt certain cogeneration Qualifying Facilities ("QF") from the new Retail BTMG netting rules if they demonstrate they are integrated with load such that, when their Generating Facility trips offline, the load follows, and they thus do not present the reliability or resource adequacy concerns. In developing its compliance proposal, PJM must ensure that the requirements for a cogeneration QF to make this demonstration are not unduly burdensome.[9]	□ Added definition of Cogeneration Facilities.[10] □ Added Cogeneration Facility exemption to Part III, section 34.2.[11]

[6] Co-Location Order at PP 102-03.

[7] Proposed Tariff, Part XI, Subpart A, section 700.

Proposed Tariff, Part XI, Subpart B, section 708.

[9] Co-Location Order at PP 142, 240.

[10] Proposed Tariff, Part I, Definitions – C - D.

[11] Proposed Tariff, Part III, section 34.2(E).

Order Directive	Tariff Provisions
Revise proposed definition of Retail BTMG in the Tariff to create a threshold that allows Network Customers to net from their Network Load up to 50 MW ("megawatts") of load served by using BTMG at a single electrical location.[12]	□ Added definition of Retail BTMG.[13] □ Added netting provisions to Part III, section 34.2 that permits netting up to 50 MW.[14] Revised Reliability Assurance Agreement, Schedule 8 to reflect Retail BTMG netting limitations in Part III, section 34.2 in settlement provisions.[15]
Reject the Tariff provisions proposing that Co-Located Load that is served by an Eligible Customer taking transmission service on its behalf "must take all necessary steps to disconnect from the Transmission System," as this provision duplicative of PJM's proposed changes to Part VIII, Subpart B, section 403(A)(1)(r)(iv).[16]	□ Omitted from Tariff, Part III (General).[17]
Revise Tariff to specify what types of additional detail about the Necessary Studies will be available in the PJM Manuals.[18]	□ Revised Part VIII to specify that Necessary Studies will include, without limitation, thermal, short circuit, and stability studies under various seasonal and load conditions, as specified in more detail in PJM Manual 14B and its attachments.[19]

[12] Co-Location Order at PP 207, 220.

[13] Proposed Tariff, Part I, Definitions – R - S.

[14] Proposed Tariff, Part III, section 34.2.

[15] Reliability Assurance Agreement Among Load Serving Entities in the PJM Region, Schedule 8.

[16] Co-Location Order at P 264.

[17] *See* Proposed Tariff, Part III, Preamble.

[18] Co-Location Order at P 280.

[19] Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(c).

Order Directive	Tariff Provisions
Revise Tariff to remove the requirement for Interconnection Customers with existing Interconnection Service Agreements ("ISA") pursuant to Part VI of the Tariff and generation interconnection agreements ("GIA") pursuant to Part VII of the Tariff to enter into a new *pro forma* GIA and add duplicate Necessary Study Tariff provisions (Part VIII, Subpart A, section 401.H.3) to those sections.[20]	Removed provision from Proposed Tariff, Part III (General) (4.0.0).[21] Added requirement to engage in Necessary Study process for changes to existing facilities to Co-Located Generating Facility definition.[22] Added duplicate Necessary Study requirements to Parts VI and VII For Interconnection Customers that utilized the Part VI process, added definition of Co-Located Generating Facility to Part I definitions because Part VI does not have discrete definitions.[23] Added to Co-Located Generating Facility definition a requirement to provide advance written notice to the Transmission Provider and Transmission Owner ("TO") to initiate the Necessary Study process pursuant to Part VIII, Subpart A, section 401(H)(3)(b) to use a Customer Facility to serve Co-Located Load.[24]
Explain in compliance filing how PJM's changes ensure the prohibition on Interconnection Customers serving Co-Located Loads from existing generators until all required Network Upgrades,	Added language to Part VIII for the Necessary Study process to preclude a Project Developer from implementing any planned modifications to its

[20] Co-Location Order at P 284.

[21] *See* Proposed Tariff, Part III, Preamble.

[22] Proposed Tariff, Part I, section 1 (Definitions – C - D) (adding to the definition of "Co-Located Generating Facility"); Proposed Tariff, Part VII, Subpart A, section 300, Definitions C (definition of Co-Located Generating Facility).

[23] Proposed Tariff, Part I, section 1 (Definitions – C - D) (adding the definition of "Co-Located Generating Facility").

[24] Proposed Tariff, Part I, section 1 (Definitions – C - D) (adding to the definition of "Co-Located Generating Facility").

Order Directive	Tariff Provisions
necessary control technologies and/or protection systems, and metering identified as necessary are complete and in service, applies to Interconnection Customers with currently effective GIAs, ISAs, and Necessary Study Agreements, in addition to Interconnection Customers seeking new Necessary Study Agreements and GIAs.[25]	facilities until the Necessary Studies are completed and the amended GIA reflecting the results of such studies is fully executed and effective.[26] □ Added Necessary Study references and provisions to Parts I, III, VI, and VII, and to direct Generation Project Developers seeking to serve Co-Located Load with an existing Co-Located Generating Facility to the Necessary Study process in Part VIII, Subpart A, section 401(H)(3).[27]
Reject increase in cost for Necessary Studies Agreement.[28]	□ Removed proposed cost increase from *pro forma* Necessary Study Agreement.[29]

[25] Co-Location Order at P 285.

[26] Proposed Tariff, Part VIII, Subpart A, sections 401(H)(3)(a), 401(H)(3)(b)(iii). PJM proposes to further clarify in proposed Tariff, Part VIII, the Necessary Study process by amending the listing of required and necessary equipment changes to instead reference "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." Proposed Tariff, Part VIII, Subpart A, section 401(H)(3)(d).

[27] *See* Proposed Tariff, Part I, section 1 (Definitions – L – M – N) (adding the definitions of "Necessary Study" and "Necessary Studies Agreement"); *id.*, Part III (General) (addition of notice requirement); *id.*, Part VI, Subpart B, section 212 (same); *id.*, Part VII, Subpart A, section 301(A)(7)(c) (same).

[28] Co-Location Order at P 288 n. 681.

[29] *See* Proposed Tariff, Part IX, Subpart G, Necessary Study Agreement.

Order Directive	Tariff Provisions
Revise the Tariff's definition of Co-Located Load to use "Point of Interconnection" instead of "Point of Change in Ownership."[30]	Revised Co-Located Load definition in Part I,[31] Part VII,[32] and Part VIII to utilize Point of Interconnection.[33]
Remove the following requirement from the definition of Co-Located Generating Facility: "If such a Generation Project Developer has an effective Interconnection Service Agreement pursuant to Tariff, Part VI or a Generation Interconnection Agreement pursuant to Tariff, Part such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the *pro forma* GIA in Part IX, Subpart."[34]	Revised Co-Located Generating Facility definition in Part I,[35] Part VII,[36] and Part VIII.[37]
Add to Part III a requirement that Interconnection Customers with ISAs or GIAs executed (or requested to be filed unexecuted) prior to the effective date of the revised generation interconnection procedures and *pro forma* GIA directed in December Order that wish to add Co-Located Load or are currently serving Co-Located Load publicly	Added requirement to notify PJM to definition of Co-Located Generating Facility.[39]

[30] Co-Location Order at P 308.

[31] Proposed Tariff, Part I, section 1, Definitions – C - D (Co-Located Load).

[32] Proposed Tariff, Part VII, Subpart A, section 300, Definitions C (Co-Located Load).

[33] Proposed Tariff, Part VIII.A, Subpart A, section 400, Definitions C (Co-Located Load).

[34] Co-Location Order at P 311.

[35] Proposed Tariff, Part I, section 1, Definitions – C - D (Co-Located Generating Facility).

[36] Proposed Tariff, Part VII, Subpart A, section 300, Definitions C (Co-Located Generating Facility).

[37] Proposed Tariff, Part VIII, Subpart A, section 400, Definitions C (Co-Located Generating Facility).

[39] Proposed Tariff, Part I, Definitions – C - D (Co-Located Generating Facility).

Order Directive	Tariff Provisions
notify PJM of that addition and identify the Eligible Customer that will take transmission service on behalf of that Co-Located Load.[38]	
Revise the Tariff to remove PJM's proposed revisions to the definition of Non-Retail BTMG consistent with the December Order's determination.[40]	Omitted changes in Part I, section 1 (Definitions L – M – N).[41]
Submit compliance filing providing additional information on the effective date that:[42] Reconsiders the proposed effective date of June 1, 2029.[43] Explains whether it can make the new transmission services available on different effective dates, including specifically whether Interim NITS and NFCDS Transmission Services can be made available at an earlier date.[44]	As discussed in the transmittal letter, PJM has proposed an effective date of March 16, 2027, for the revisions to Parts I, III, VI, VII, IX, XI, Attachments F-3, F-3A, F-4 and some parts of Part VIII. PJM is proposing to make the new Fast Energization Process in Part VIII effective once the process for Cycle 01 is sufficiently advanced.
Revise Tariff to permit Eligible Customers to elect to take FCD/NFCD Transmission Service ***without*** the following PJM-proposed limitations: (1) the requirement that the Eligible Customer taking transmission service on behalf of a Co-Located Load must take sufficient	Omitted these requirements from Scope of Service provisions for Contract Demand Transmission Services.[46]

Co-Location Order at P 311.

[40] Co-Location Order at P 314.

[41] Proposed Tariff, Part I, section 1, Definitions – L – M – N (rejecting changes in the definition of "Non-Retail BTMG").

[42] Co-Location Order at P 319.

[43] Co-Location Order at P 597.

[44] Co-Location Order at P 597.

[46] Proposed Tariff, Part XI, Subpart B, section 709.1.

Directive	Tariff Provisions
transmission service to account for the entire gross demand of the Co-Located Load; (2) the requirement for an Eligible Customer taking transmission service on behalf of a Co-Located Load to take FCD Transmission Service at a level of contract demand that reflects the amount of load not served by the Co-Located Generator; (3) the requirement that an Eligible Customer taking service on behalf of a Co-Located Load must request NFCD Transmission Service equal to the MW level of the Co-Located Generating Facility dedicated to serving the Co-Located Load if that portion of the Co-Located Load is not covered by FCD Transmission Service; and (4) the restriction on the use of NFCD Transmission Service to only those circumstances where the Co-Located Generator is on outage).[45]	
FCD: Revise Tariff to include more detailed study procedures that mirror the existing study procedures for transmission service on compliance, as PJM's proposal is vague and unclear.[47]	Part VIII has been revised to include requests for Demand Service in the Fast Energization Study Process.[48]

[45] Co-Location Order at P 348.

[47] Co-Location Order at P 370.

[48] Proposed Tariff, Part VIII, Subpart A, section 401(A); Part VIII, Subpart A, section 400, Definitions E (Eligible Customer for Load Request); Proposed Tariff, Subpart A, section 400, Definitions T (Transmission Service).

Order Directive	Tariff Provisions
Revise Tariff to study requests for FCD Transmission Service using the same process PJM uses for new service requests for NITS, i.e., the cluster study process.[49]	The Application procedures in Part XI, Subpart B for Contract Demand Service provides that Eligible Customers will apply pursuant to the procedures in Part VIII.[50] Part VIII has been revised to include requests for Contract Demand Service in the Fast Energization Study Process.[51]
Revise Tariff to study FCD Transmission Service requests using its existing process for studying firm transmission service requests. Consistent with Federal Regulatory Energy Commission's ("FERC" or "Commission") determination to extend the three new transmission services to Eligible Customers taking service on behalf of load with BTMG that are willing and able to limit their energy withdrawals from the Transmission System under certain conditions, FERC directs PJM reflect this change in its compliance filing.[52]	The Application procedures in Part XI, Subpart B for Contract Demand Service provides that Eligible Customers will apply pursuant to the procedures in Part VIII.[53]
NFCD: Revise Tariff to include study procedures for NFCD Transmission Service requests. Consistent with FERC's determination to extend the three new transmission services to Eligible Customers taking service on behalf of load with BTMG that are willing and able to limit their energy withdrawals from the Transmission System under	The Application procedures in Part XI, Subpart B for Contract Demand Service provides that Eligible Customers will apply pursuant to the procedures in Part VIII.[55] Part VIII has been revised to include

[49] Co-Location Order at P 370.

[50] Proposed Tariff, Part XI, Subpart B, section 710.1.

[51] *See supra* note 48.

[52] Co-Location Order at P 372.

[53] Proposed Tariff, Part XI, Subpart B, section 710.1.

[55] Proposed Tariff, Part XI, Subpart B, section 710.1.

Order Directive	Tariff Provisions
certain conditions, FERC further direct PJM to reflect this change in its compliance filing.[54]	requests for Contract Demand Service in the Fast Energization Study Process.[56]
Specify in a compliance filing how TOs shall participate in PJM's study process for Eligible Loads for FCD/NFCD Transmission Services and specify in detail the related roles and responsibilities of PJM and the TOs in such studies.[57]	Part VIII has been revised to specify that Eligible Customers must complete the TO study process prior to entering the Fast Energization Study Process for Contract Demand Service.[58]
Revise Tariff to: (1) charge Eligible Customers taking FCD and/or NFCD Services on behalf of Eligible Loads for all ancillary services other than regulation and black start services based on their contract demand; and (2) charge Eligible Customers taking FCD and/or NFCD Transmission Services on behalf of Eligible Loads for regulation and black start services based on their gross load.[59]	Revised Part XI to charge Contract Demand Transmission Services for ancillary services other than black start and regulation based on contract quantity.[60]

[54] Co-Location Order at P 373.

[56] *See supra* note 48.

[57] Co-Location Order at P 375.

[58] Proposed Tariff, Part VIII, Subpart A, section 401(A).

Co-Location Order at P 400.

[60] Proposed Tariff, Part XI, Subpart B, section 714.5.

Order Directive	Tariff Provisions
Revise Tariff to charge Eligible Customers taking FCD and/or NFCD Transmission Services certain administrative charges to reflect this change in it compliance filing. (P 401).	Contract Demand Transmission Service responsible for administrative charges.[61]
Revise Tariff to remove requirement for Eligible Customers requesting FCD or NFCD Transmission Service to provide an authorization or certification from its RERRA affirming that the Eligible Customer is authorized to provide energy to the Co-Located Load.[62]	Omitted from Conditions Precedent for Contract Demand Transmission Service.[63]
Revise Tariff to add a placeholder section for listing necessary control technologies and/or protection systems to section 5.0 of PJM's proposed Attachment F-4.[64]	Placeholder for necessary control technologies and protection systems added to Attachment F-4.[65]
Revise Tariff to allow FCD Transmission Service customers to request Revenue Rights in stage 2 of the allocation process.[66]	To allocate Auction Revenue Rights, Schedule 1 of the Operating Agreement will need to be amended. PJM will be filing a motion for additional abeyance to allow time to make the necessary changes to the Operating Agreement.

[61] Proposed Tariff, Part XI, Subpart B, section 714.5.

[62] Co-Location Order at P 426.

[63] *See* Proposed Tariff, Part XI, Subpart B, section 710.3.

[64] Co-Location Order at P 429.

[65] Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, section 4.0.

[66] Co-Location Order at P 430.

Order Directive	Tariff Provisions
Revise Tariff to require Eligible Customers taking Interim NITS, FCD, and/or NFCD Transmission Services on behalf of Eligible Loads, to have necessary control technologies and/or protection systems.[67]	Included in Part XI.[68]
PJM to submit an explanation of what new and existing interconnection requirements and operational practices it will apply to Eligible Customers taking Interim NITS, FCD, and/or NFCD Transmission Services on behalf of Eligible Load.[69]	Requirements and operational practices for new transmission services specified in Part XI, Subpart C,[70] including requirements for Customer Facilities,[71] technical requirements,[72] ability to follow Load Shedding and Curtailment instructions,[73] and compliance with the Operating Agreement.[74]
Revise Tariff to: Remove provisions that disqualify an Eligible Customer from taking any of the new transmission services after the first instance of failing to follow a Curtailment or Load Shedding directive.	Reflected in Part XI, Subpart C in Consequences for Failure to Follow Instructions or Misoperation section.[77]

[67] Co-Location Order at P 481.

[68] Proposed Tariff, Part XI, Subpart C, section 717.

[69] Co-Location Order at P 482.

[70] Proposed Tariff, Part XI, Subpart C.

[71] Proposed Tariff, Part XI, Subpart C, section 716.

[72] Proposed Tariff, Part XI, Subpart C, section 718.

[73] Proposed Tariff, Part XI, Subpart C, section 719.

[74] Proposed Tariff, Part XI, Subpart C, section 720.2.

[77] Proposed Tariff, Part XI, Subpart C, section 719.5(a).

Order Directive	Tariff Provisions
□ Establish an operational penalty whereby, after the second instance of failing to follow a Curtailment or Load Shedding directive, PJM will terminate the Transmission Service Agreement with the Eligible Customer taking Interim NITS, FCD, or NFCD Transmission Service on behalf of the Eligible Load.[75] □ Provide that Eligible Customer will remain eligible to take the three new transmission services on behalf of other Eligible Loads through its other Transmission Service Agreements.[76]	
Revise Tariff to: □ Remove provisions imposing disqualification as an operational penalty after one misoperation of necessary control technologies and/or protection systems; □ Add provision imposing operational penalty of suspension in service for a period of up to 120 for an Eligible Customer taking Interim NITS, FCD, and/or NFCD Transmission Services on behalf of Eligible Load after the first misoperation of necessary control technology;[78] □ Add provision that suspended service may resume following PJM's approval, as well as the relevant TO's approval of the	□ Reflected in Part XI, Subpart C, Consequences for Failure to Follow Instructions or Misoperation section.[81]

[75] Co-Location Order at PP 515, 519.

[76] Co-Location Order at P 519.

[78] Co-Location Order at P 523.

[81] Proposed Tariff, Part XI, Subpart C, section 719.5(b).

Order Directive	Tariff Provisions
necessary control technologies and/or protection system for consistency with the TO's requirements;[79] and • Establish an operational penalty whereby, after the second misoperation of necessary control technologies and/or protection systems, PJM will terminate the Transmission Service Agreement with the Eligible Customer taking Interim NITS, FCD, and/or NFCD Transmission Services on behalf of Eligible Load.[80]	
Prohibit, for a period of five years, Eligible Customers taking transmission service on behalf of a Co-Located Load from taking NFCD Transmission Service for any portion of Co-Located Load served by FCD Transmission Service to ensure that such Eligible Customers do not attempt to switch based on expected capacity market conditions.	• Five-year restriction included in eligibility for service section.[82]
Adopt 42-month notice of termination provision applicable to FCD Transmission Service.[83]	• Added to termination section for FCD Transmission Service.[84]

[79] Co-Location Order at P 524.

[80] Co-Location Order at PP 516, 523, 527.

[82] Proposed Tariff, Part XI, Subpart B, section 709.3.

[83] Co-Location Order at P 535.

[84] Proposed Tariff, Part XI, Subpart B, section 711(b).

Order Directive	Tariff Provisions
Propose an anti-toggling mechanism without an exception for Eligible Customers decreasing FCD Transmission Service and increasing NFCD Transmission Service on behalf of Eligible Load.[85]	Included in Eligibility for Service for Contract Demand Transmission Service.[86]
Revise Tariff to ensure that an Eligible Customer has adequate telemetry, data exchange, and metering requirements such that PJM may monitor the Eligible Load's use of the Transmission System, limit withdrawals, and ensure relay settings are consistent with necessary control technologies and/or protection systems.[87]	Requirements for Eligible Customer telemetry, data exchange, metering, relays included in necessary control technologies and protection systems specified in Tariff.[88]
Revise the Tariff to include the Curtailment priorities for Interim NITS, FCD Transmission Service, and NFCD Transmission Service consistent with FERC's findings.[89]	Reflected in Curtailment for Interim NITS and NFCDS Transmission Service section.[90]
This language must specify that FCD Transmission Service shall be treated the same as NITS for the purposes of Curtailment, and that Interim NITS and NFCD Transmission Service will be curtailed prior to deployment of PJM's Pre-Emergency Load Response Program, or	Reflected in Curtailment for Interim NITS and NFCDS Transmission Service section.[92]

[85] Co-Location Order at P 536.

[86] Proposed Tariff, Part XI, Subpart B, section 709.3.

[87] Co-Location Order at P 541.

[88] Proposed Tariff, Part XI, Subpart C, sections 717, 718.1.

[89] Co-Location Order at P 555.

[90] Proposed Tariff, Part XI, Subpart C, section 719.4.

[92] Proposed Tariff, Part XI, Subpart C, section 719.4.

Order Directive	Tariff Provisions
in response to a transfer capability shortage as a result of system reliability conditions.[91]	
PJM's submittal must also detail the Curtailment priorities between Non-Firm PTPS, Interim NITS, and NFCD Transmission Service, including how or if PJM will prioritize transmission customers for Curtailment based on duration of service.[93]	Non-Firm PTPS added to Curtailment for Interim NITS and NFCDS Transmission Service section.[94]
Revise Tariff to specify that an Eligible Customer taking Interim NITS will receive non-firm transmission service for the delivery of energy to Co-Located Load and convert automatically to a Network Customer when Network Upgrades are complete.[95]	Specified in the termination provision for Interim NITS.[96]
Revise Tariff to assess to Eligible Customers taking transmission service on behalf of Eligible Loads: (1) administrative service charges; (2) ancillary service charges; (3) black start service charges; (4) regulation charges; and (5) any redispatch costs.[97]	Included in Rates and Charges for Interim NITS.[98]

[91] Co-Location Order at P 555.

[93] Co-Location Order at P 555.

[94] Proposed Tariff, Part XI, Subpart C, section 719.4.

[95] Co-Location Order at P 571.

[96] Proposed Tariff, Part XI, Subpart A, section 702.4(a).

[97] Co-Location Order at P 573.

[98] Proposed Tariff, Part XI, Subpart A, sections 703.2, 703.4.

Order Directive	Tariff Provisions
Revise Tariff to incorporate the rates, terms, and conditions for Interim NITS that includes clarifications to specify that (1) an Eligible Customer taking Interim NITS on behalf of Co-Located Load may be served by a Co-Located Generator that is seeking capacity resource status during a Curtailment condition to the extent that Co-Located Generator has yet to obtain interconnection service or has only provisional interconnection service; and (2) an Eligible Customer on behalf of Co-Located Load cannot expect to be served by a Co-Located Generator that is a capacity resource during a curtailment condition.[99]	□ Included language to clarify that Co-Located Load may not be served by a capacity resource in the Curtailment provisions for Interim NITS in Part XI.[100]
PJM to submit Proposed Tariff provisions requiring a report and a proposal for the information regarding new transmission services to be included in that annual report.[101] FERC suggests the following information requirements that could be included in an annual reporting requirement: □ Data regarding each transmission service request seeking each of the new services by transmission zone, including: o Peak gross load of the Eligible Load o Category of the Eligible Load o Type and MW of transmission service being requested o Type and MW of transmission service granted o Dates of reservation and usage (for non-firm services).	□ Annual report proposed language filed concurrently in the operational requirements filing either on compliance or pursuant to Section 205, with proposed language appearing at: Tariff, Part III, section 28.2.A and Tariff, Part XI, section 718.2.

[99] Co-Location Order at P 576.

[100] Proposed Tariff, Part XI, Subpart C, section 719.4.

[101] Co-Location Order at P 579.

Order Directive	Tariff Provisions
□ Total MW of each type of transmission service taken each year by transmission zone (e.g., the total amount of Interim NITS, FCD and NFCD Transmission Services taken relative to peak gross load at the meter receiving FCD Transmission Service). □ Information about transmission revenues paid by Eligible Customers on behalf of Eligible Loads for each transmission service by transmission zone, including: o Total revenues paid by Eligible Customers taking each service per transmission zone o Percentage of each TO's total revenue requirement paid via revenues from each new service o MW of each new transmission service taken by Eligible Customers serving Eligible Loads as a percentage of peak gross load for each TO. □ Frequency and magnitude of Curtailment from the reservation of NFCD Transmission Service and Interim NITS by transmission zone. □ Frequency and magnitude of denials of NFCD Transmission Service reservation requests by transmission zone.[102]	
Show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential without Tariff provisions addressing each of the provisions listed below or explain what changes are needed to remedy the identified items.[103]	□ PJM proposes changes to Tariff, Parts I, III, VI, VII, VIII, and IX and proposes adding new Tariff, Part XI, to address the order's provisions.

[102] Co-Location Order at P 580.

[103] *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, at PP 3(1)(a), 3(2) (2026) ("Large Load Show Cause Order").

Order Directive	Tariff Provisions
To avoid disrupting existing commercial arrangements, tariff revisions should: (a) propose a reasonable implementation period to ensure minimal disruption to such existing commercial arrangements, and (b) allow a reasonable amount of time to finalize ongoing agreements that are nearing completion as of the date such Tariff provisions are filed with the Commission.[104]	□ Implementation period for Fast Energization Process reflected in the Applications for Cycle Process section: Tariff, Part VIII, Subpart A, section 401(A).[105]
Tariff provisions for: (1) an Application process that accepts Eligible Customers' Applications for transmission service on behalf of Large Loads on a rolling basis; (2) a non-refundable Application fee and sufficient readiness requirements that escalate at distinct phases of the study process to deter duplicative or speculative requests for transmission service (e.g., meaningful milestones and/or financial commitments); and (3) information and data requirements that Eligible Customers must submit to PJM and/or the TOs regarding the characteristics of the Large Load on behalf of which the Eligible Customer is taking transmission service, including disclosure to PJM of any substantially similar pending	□ The Fast Energization Application process for Eligible Customer Load requests is reflected in Tariff, Part VIII, Subpart B, section 403(E).[107] Information requirements for the Application are reflected in Proposed Tariff, Part VIII, Subpart B, sections 403(E)(3)(d)(i), E(3)(d)(g), and (v)(b). □ Fast Energization Process study and Readiness Deposits are reflected in Proposed Tariff, Part VIII, Subpart A, section 401(D).[108] □ Site control requirements are reflected in Proposed Tariff, Part VIII, Subpart A, section 402.

[104] Large Load Show Cause Order at P 5.

[105] Proposed Tariff, Part VII, Subpart A, section 401(A).

[107] Proposed Tariff, Part VIII, Subpart B, section 403(E).

[108] Proposed Tariff, Part VIII, Subpart A, section 401(D).

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transmission service requests on behalf of the same Large Load customer.[106]	
Tariff provisions recognizing within the transmission service request study process the unique operational characteristics of Large Loads that are willing and able to limit their energy withdrawals under certain conditions, which may thereby lessen or potentially avoid the need for certain Network Upgrades.[109]	□ PJM will study New Service Requests and Eligible Customer for Load Requests together through its Fast Energization process.[110]
Tariff provisions that: (1) require the evaluation of alternative transmission technologies in transmission service request studies, using models that are capable of evaluating the Transmission System to accurately account for advanced transmission technologies, in all instances, without the need for a request from the Eligible Customer seeking	□ PJM is adding Tariff provisions addressing alternative transmission technologies to Part VIII.[112]

transmission service on behalf of a Large Load; and

(2) if traditional Network Upgrades are selected instead of alternative transmission technologies, inclusion in the study report to the Eligible Customer seeking transmission service on behalf of a Large Load of a sufficiently clear demonstration of why alternative transmission technologies are not feasible (i.e., would not resolve reliability violations identified or meet the relevant planning criteria) or would not result in lower

[106] Large Load Show Cause Order at P 59.

[109] Large Load Show Cause Order at P 60.

[110] Proposed Tariff, Part VIII, Subpart C, sections 404-10.

[112] Proposed Tariff, Part VIII, Subpart C, section 408-09.

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costs or a faster timeline for accommodating the transmission service request.[111]	
Tariff provisions: (1) to evaluate the impact of providing the requested transmission service to Eligible Customers on behalf of Large Loads, including identifying the Direct Assignment Facilities and Network Upgrades necessary to provide such service reliably; (2) to appropriately recognize within the transmission service study process the unique operational characteristics of Large Loads; and (3) a study deadline of no more than 60-90 calendar days.[113]	PJM will study New Service Requests and Eligible Customer for Load Requests together through its Fast Energization process.[114]
Tariff provisions that: Address ongoing operational requirements for transmission customers taking transmission service on behalf of Large Loads given the unique nature of these Large Loads creates challenges for operation of the Transmission System and necessitates greater visibility and operational control when providing transmission service to transmission customers on behalf of Large Loads, without which the reliability of the Transmission System could be at risk.[115]	Operational requirements are being addressed in a separate filing with the Commission today, proposing language at: Tariff, Part I (definition of Large Computational Load); Tariff, Part III, section 28.2.B – H; Tariff, Part III, section 35.1; and Tariff, Part XI, section 718.2. Manual language to be developed.

[111] Large Load Show Cause Order at P 62.

[113] Large Load Show Cause Order at P 63.

[114] Proposed Tariff, Part VIII, Subpart C, sections 404-10.

[115] Large Load Show Cause Order at P 64.

Order Directive	Tariff Provisions
Specify requirements for necessary control technologies and/or protection systems that may be necessary to limit a transmission customer's withdrawals from the Transmission System as appropriate.[116]	Requirements for necessary control technologies protection systems to limit withdrawals are reflected in the common service provisions for new transmission services in Part XI[117] and the *pro forma* service agreements for Interim NITS and the Contract Demand Transmission Services.[118] *See also* operational requirements filing being concurrently submitted today at Tariff, Part III, section 28.2.E and H; Tariff, Part III, section 35.1; Tariff, Part XI, section 718.2. Manual language to be developed.
Require transmission customers to provide PJM hourly forecasts, telemetry data, and other data to ensure sufficient visibility or specify requirements for maintaining communication channels between PJM and the transmission customer on behalf of the Large Load.[119]	Requirements for telemetry, data exchange, and communications reflected in the common service provisions for new transmission services.[120] *See also* operational requirements filing being concurrently submitted today at Tariff, Part III, section 28.2.I; Tariff, Part III, section 35.1; Tariff, Part XI, section 718.2. Manual language to be developed.
Require TOs to install, and transmission customers to pay for, equipment to enable PJM to monitor Large Loads for impacts of, for example, fast-ramping load that may impact the	Being addressed in a separate operational requirements filing with the Commission today, proposing language at: Tariff, Part III, section 28.2.H

[116] Large Load Show Cause Order at P 64.

[117] Proposed Tariff, Part XI, Subpart C, sections 717-18.

[118] Proposed Tariff, Attachment F-3A, Specifications for Interim Regional Network Integration Transmission Service, section 4.0; Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, section 4.0.

[119] Large Load Show Cause Order at P 64.

[120] Proposed Tariff, Part XI, Subpart C, sections 717, 718.1, 720.2.

Order Directive	Tariff Provisions
Transmission System too quickly to be captured by conventional data acquisition systems (e.g., the need for phasor measurement units or similar equipment).[121]	(telemetry and metering technology to allow for monitoring); Tariff, Part III, section 35.1; and Tariff, Part XI, section 718.2. Manual language to be developed.
Require the transmission customer to enable PJM to remotely disconnect Large Loads when necessary to maintain reliability of the Transmission System, with the costs of such equipment directly assigned to the transmission customer, as well as the terms and conditions under which PJM may remotely disconnect the Large Load (e.g., emergency conditions, so that transmission equipment is not harmed).[122]	Curtailment conditions for the new transmission services and requirements for Eligible Customers to follow Curtailment instructions are reflected in Tariff, Part XI, Subpart C, section 718.[123] Also being addressed in a separate filing with the Commission today, proposing language at: Tariff, Part I (definition of Large Computational Load); Tariff, Part III, section 28.2.G; Tariff, Part III, section 35.1; and Tariff, Part XI, section 718.2. Manual language to be developed.
Specify ramp rate or ride-through requirements with which the transmission customer taking transmission service on behalf of the Large Load must comply.[124]	Ride through requirements for Large Computational Load are being addressed in a separate filing with the Commission today at Tariff, Part I (definition of Large Computational Load); Tariff, Part III, section 28.2.B; Tariff, Part III, section 35.1; and Tariff, Part XI, section 718.2. Manual language being finalized.

[121] Large Load Show Cause Order at P 64.

[122] Large Load Show Cause Order at P 64.

[123] Proposed Tariff, Part XI, Subpart A, section 701.5, Proposed Tariff, Part XI, Subpart B, section 709.5, Proposed Tariff, Part XI, Subpart C, sections 717, 718, 719.

[124] Large Load Show Cause Order at P 64.

Order Directive	Tariff Provisions
	PJM is working to develop ramp rate requirements for customers taking service on behalf of large load, based on a study to be conducted in 2027. Further, PJM is intending to also address in 2027 Electromagnetic Transient issues. Being addressed in a separate filing with the Commission today, proposing language at: Tariff, Part I (definition of Large Computational Load); Tariff, Part III, section 28.2.C-D; Tariff, Part III, section 35.1; and Tariff, Part XI, section 718.2. Manual language to be developed.
Pro forma provisions in a Transmission Service Agreement between PJM and the Transmission Customer taking transmission service on behalf of a Large Load to memorialize the ongoing operational requirements (e.g., equipment requirements, data requirements, disconnect capability).[125]	The *pro forma* Transmission Service Agreements for Interim NITS and Contract Demand Transmission Service include a space to specify the specific operational requirements and necessary control technologies that will apply on an ongoing basis.[126] PJM explains in its separate filing about operational requirements going in today that the transmission service agreements incorporate by reference various authorities where these operational requirements are detailed, including the Tariff, Operating Agreement, and Manuals.
Consistent with PJM/TO's filing rights, Tariff provisions requiring the robust, accurate, and systematic provision of data on PJM's website in	As it already does, PJM will post on pjm.com, in a single location, publicly accessible information on the

[125] Large Load Show Cause Order at P 65.

[126] Proposed Tariff, Attachment F-3A, Specifications for Interim Regional Network Integration Transmission Service, section 4.0-5.0; Proposed Tariff, Attachment F-4, Specifications for Contract Demand Transmission Service, section 4.0-5.0.

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single location, and in an easily accessible format that is searchable and allows users to filter the data, regarding the cost for Network Upgrades needed to provide transmission service to Eligible Customers on behalf of Large Loads.[127]	Interconnection Reliability Reinforcements, their drivers, and their capital costs in a searchable format.
provisions to require PJM/TOs to publicly post and regularly update data that details: (1) the aggregate amounts of proposed Large Load additions in PJM's footprint, including the aggregate amounts in each transmission pricing zone; (2) the planned Network Upgrades needed to provide transmission to Eligible Customers on behalf of Large Loads, identified by type of equipment and Network Upgrade (e.g., new substation, reconductoring, a new high-voltage transmission line) for each transmission service request; and (3) cost estimates for those Network Upgrades.[128]	These requirements are addressed by the Large Load Registry, PJM TOs' postings and the publicly available information referenced in the immediately preceding item.
A *pro forma* cost recovery agreement between PJM, the relevant TO, and the Eligible Customer taking transmission service on behalf of a Large Load, or to propose Tariff revisions to provide additional transparency and establish such a *pro forma* cost recovery agreement.[129]	Consistent with their Federal Power Act ("FPA") section 205 filing rights, the PJM TOs will be addressing the *pro forma* cost recovery agreement in a separate filing.

[127] Large Load Show Cause Order at PP 73-74, 76.

[128] Large Load Show Cause Order at P 76.

[129] Large Load Show Cause Order at PP 67, 77.

Order Directive	Tariff Provisions
A cost recovery agreement that: (1) requires the Eligible Customer to make a minimum contribution toward the TO's transmission revenue requirement, if the Eligible Customer ultimately takes less transmission service than anticipated because the Large Load does not materialize as planned or is not developed at all.[130] (2) bases the minimum contribution on the level of jurisdictional transmission service (in MW) requested by the Eligible Customer on behalf of the Large Load.[131] (3) includes a credit support (or other financial security) requirement sufficient to secure the obligations of the Eligible Customer taking transmission service on behalf of a Large Load to pay the amounts owed pursuant to the cost recovery agreement (however, an Eligible Customer may include a credit support or other financial security posted by a Large Load as part of a retail agreement to avoid creating duplicative credit support requirements).[132]	Consistent with their FPA section 205 filing rights, the PJM TOs will be addressing the *pro forma* cost recovery agreement in a separate filing.
A mechanism to ensure payments made under the cost recovery agreement are appropriately credited toward TOs' transmission revenue requirements consistent with the Commission's cost-of-service regulations.[133]	Consistent with their FPA section 205 filing rights, the PJM TOs will be addressing the *pro forma* cost recovery agreement in a separate filing.

[130] Large Load Show Cause Order at P 81.

[131] Large Load Show Cause Order at P 83.

[132] Large Load Show Cause Order at P 83.

[133] Large Load Show Cause Order at P 3(1)(b).

Order Directive	Tariff Provisions
Tariff provisions to define Large Load (i.e., as a new category of load, which includes a load size and interconnection voltage threshold, should be based on the characteristics of PJM's Transmission System).[134]	PJM previously proposed, and the Commission has accepted, a definition for Large Load.[135]
Tariff provisions to define Flexible Large Load (e.g., as a subset of Large Loads that are not co-located with generation, but are willing and able to limit their energy withdrawals from the Transmission System under certain conditions).[136]	PJM is not proposing a specific definition of Flexible Large Load, but rather is conditioning the new transmission services on an Eligible Customer's ability to limit withdrawals from the Transmission System.[137]
Tariff provisions to define "electrically proximate large load" to mean a Large Load (as defined in the order), that is sufficiently electrically close to the Interconnection Customer's requested point of interconnection, such that the impact on the Transmission System of the combination of the Generating Facility and the load, with the exception of the transmission facilities between the two, will be effectively the same as if they were located at the same substation (e.g., Large Load that is located no more than two substations away from the Generating Facility).[138]	Due to the Fast Energization study process PJM is proposing in Tariff, Part VIII, PJM does not intend to separately define electrically proximate Large Load. The new study process will evaluate upgrades needed to accommodate transmission service and generation in the same process to capture efficiencies, including those associated with electrical proximity.

[134] Large Load Show Cause Order at P 58.

[135] *See PJM Interconnection, L.L.C.*, 197 FERC ¶ 61,019, at P 27 (2026).

[136] Large Load Show Cause Order at P 85.

[137] *See* Tariff, Part XI, Subpart C, section 717.

[138] Large Load Show Cause Order at P 94.

Order Directive	Tariff Provisions
Tariff provisions for Eligible Customers to take the new transmission services on behalf of flexible Large Loads, including: (1) an interim non-firm network transmission service while Network Upgrades are being constructed (i.e., Interim NITS) and (2) permanent firm and non-firm Contract Demand Transmission Services (transmission service up to a specified MW quantity, i.e., the contract level, on a firm or non-firm basis).[139]	Provisions for Eligible Customers to take interim NITS on behalf of Large Load are included in Tariff, Part XI, Subpart A. Provisions for Eligible Customers to take firm and non-firm contract demand services on behalf of Large Load are included in Tariff, Part XI, Subpart B.
To what extent would PJM allow an Interconnection Customer's Generating Facility serving electrically proximate Large Load or large Co-Located Load to participate in PJM's energy and ancillary services market, and if PJM were to allow them to participate, what restrictions or mitigation would PJM apply.[140]	In general, a Generating Facility serving electrically proximate load (e.g., Co-Located or load with BTMG) may participate in the energy markets provided they are not capacity resources.[141]
To the extent that PJM plans for the electrically proximate Large Load or large Co-Located Load associated with an Interconnection Customer's Generating Facility for resource adequacy purposes, would PJM account for the Generating Facilities serving electrically proximate Large Load or large Co-Located Load in the resource adequacy construct? If applicable, would PJM allow the Generating Facilities serving electrically proximate Large Load or large Co-Located Load to participate in PJM's capacity market? If so, would	In general, firm service being taken by Eligible Customers on behalf of Large Loads will be planned for in PJM's resource adequacy construct. If an Eligible Customer is not taking firm transmission service for a part of its load (for example, because a particular generator is being used to net against that part of the load), PJM will (1) not procure capacity for that load and (2) that generation being used to serve that load cannot be sold into the capacity market.

[139] Large Load Show Cause Order at P 87.

[140] Large Load Show Cause Order at P 109.

[141] *See* Tariff, Part XI, Subpart B, section 710.3(ix)

Order Directive	Tariff Provisions
PJM accredit these Generating Facilities using the same method as other PJM Generating Facilities?[142]	□ PJM will address consideration of the new transmission services for purposes of the capacity market treatment and in the day ahead and real-time markets, and in resource adequacy targets in a later filing. □ PJM will address capacity market participation eligibility, and the award of Capacity Interconnection Rights, for generators serving Large Loads and Co-Located Loads in certain configurations. At minimum, for any generation MW dedicated to serve a particular load, such MW will not be eligible to receive Capacity Interconnection Rights. □ The amount of any resource sold into the capacity market will be accredited as any other capacity resource.
Tariff provisions that establish: (1) a new generator interconnection study process and new interim generator interconnection service that reflect an Interconnection Customer's commitment, in a generator interconnection agreement, to limit a Generating Facility's output to match the hourly forecast of an electrically proximate Large Load or large Co-Located Load;[143] (2) a generator interconnection study process that allows the use of the existing Energy Resource Interconnection Service or Network Resource Interconnection Service of an existing	□ Regarding section (1) of this provision, PJM will study generators dedicated to serving Co-Located Load in co-location arrangements through its Fast Energization Process proposed in Part VIII of the Tariff. □ Regarding section (2) of this provision, PJM plans to study such zero injection requests for service involving an existing generator through the Necessary Studies process.

[142] Large Load Show Cause Order at P 109.

[143] Large Load Show Cause Order at P 100.

Order Directive	Tariff Provisions
generator to connect a new Generating Facility and a new Large Load behind the same Point of Interconnection of the existing generator with necessary control technologies and/or protection systems, which may include a special protection scheme, that ensures that the net injection does not exceed the amount in the existing GIA;[144] or (3) a new generator interconnection service that allows a new Generating Facility and new large Co-Located Load seeking to interconnect behind the same new Point of Interconnection with necessary control technologies and/or protection systems, which may include a special protection scheme, to ensure that there is no injection to the Transmission System.[145]	Regarding section (3) of this provision, to the extent not already permitted under the Tariff, PJM will continue to evaluate this potential opportunity and PJM intends to file a proposal addressing this opportunity.

[144] Large Load Show Cause Order at P 100.

[145] Large Load Show Cause Order at P 100.