PJM New Service Request Process

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Interconnection Analysis
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Interconnection Projects
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Stakeholders’ Request:
Acquire Capacity rights (or equivalent) for Non-Controllable Merchant AC Transmission Facility for future Offshore Generating Facilities (radial)

Current Tariff does not allow for:
Radial Non-Controllable Merchant AC Transmission facilities to receive rights for future generation connections

* Future generation. Original request does not include generation.
Tariff allows for these types of New Service Requests:

- Generation Interconnection
- Merchant Transmission Interconnection
- Long-term Firm Transmission Service
- Upgrade Requests / Auction Revenue Rights
Interconnection Process Overview

New Service Request → Studies → ISA/CSA/WMPA /UCSA Agreements → ISA/CSA/WMPA /UCSA Implementation → Commercial Operation

Interconnection Analysis

Interconnection Projects

Infrastructure Coordination
New Service Request

- New Service Requests are submitted in two queue windows
- Deficiency Review
- Kickoff Call
  * Projects can drop out at any time
  * Project cannot increase in size
Studies - Timeline

1. **New Service Request**
   - Feasibility Study
   - System Impact Study
   - Facilities Study

2. ** ISA/CSA/WMPA /UCSA Agreements**
3. ** ISA/CSA/WMPA /UCSA Implementation**
4. **Commercial Operation**

### Rule of Thumb for Study Issue Dates

<table>
<thead>
<tr>
<th>Queue Ends with 1</th>
<th>FEAS</th>
<th>SIS</th>
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<tbody>
<tr>
<td>JAN</td>
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<td>AUG</td>
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<table>
<thead>
<tr>
<th>Queue Ends with 2</th>
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<tr>
<td>JUL</td>
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</tr>
<tr>
<td>FEB</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Queue Process

New Service Requests (queue open) → Studies → ISA/CSA/UCSA/WMPA Execution → ISA/CSA/UCSA/WMPA Implementation → Commercial Operation

**Queue Process Diagram**

**OATT Attachment N, Y, BB, S, EE**
- **N** – Generation
- **Y** – Generation (≤ 2 MW synchronous, ≤ 5 MW inverter based, and energy-only)
- **BB** – Generation (≤ 10kW inverter based, and energy-only)
- **S** – Merchant Transmission
- **EE** – Upgrade Request

**Required Information**
- Location
- Project Size
- Ownership (site control for interconnection requests)
- Equipment Configuration
- Planned In-Service Date
- Deposit
- Data

**NOTE:**
Transmission service requests are received through OASIS and are then communicated to System Planning for inclusion in the New Services Queue with remainder of the New Service Requests.
New Services Queue Application Requirements

**Requirements**
- Tariff Application
- Feasibility Study Deposit
- System Impact Study Deposit
- Facilities Study Deposit
- Facility Type
- Project Location
- Project Data
- Point of Interconnection
- Requested Rights
- Planned In-Service Date

**Generator Interconnection**
- Feasibility Study Deposit
- Tariff Application
- System Impact Study Deposit
- Facilities Study Deposit
- Facility Type
- Project Location
- Project Data
- Point of Interconnection
- Requested Rights
- Planned In-Service Date

**Merchant Transmission**
- Dependent on Submittal Month and MW of new Facility
- DC, Controllable AC, Non-Controllable AC
- Address/Grid Coordinates
  - Substation(s) where IC proposes to interconnect or add its facilities

**Generator Interconnection**
- **N**
  - Dependent on Submittal Month, MW value and TO zone
  - Dependent on Submittal Month, MW value and TO zone
  - Dependent on Project Size
  - Natural Gas, Solar, Battery, etc.
  - Address/Grid Coordinates
    - Site Plan
    - Maximum Facility Output
    - Summer and Winter Energy Capacity Requested
    - Site Control Documentation
    - One Line Diagram
    - Supporting Docs on Generation
    - Generator data
    - Transformer data
    - Attachment Line Data
    - Stability Models
  - Primary POI
  - Secondary POI
  - Energy Rights
  - Capacity Rights
  - Additional Rights for Network Upgrades

**Merchant Transmission**
- **S**
  - Dependent on Submittal Month and MW of new Facility
  - Dependent on Submittal Month, MW value and TO zone
  - Dependent on Project Size
  - DC, Controllable AC, Non-Controllable AC
  - Address/Grid Coordinates
  - Substation(s) where IC proposes to interconnect or add its facilities
  - Proposed Voltage and nominal capability of new facilities or increase in capability
  - Description of Proposed Facilities and Equipment
  - Customer specifies location on Transmission System where they propose to receive any IDR
  - Firm TIRs/TWRs or Non Firm TIRs/TWRs
  - Or ICTRs, IDR, IARR and IATCR

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ICTR: Incremental Capacity Transfer Rights
ICTR: Incremental Auction Revenue Rights
ICTR: Incremental Deliverability Rights
ICTR: Incremental Available Transfer Capability Rights
FTIR: Firm Transmission Injection Rights
FTIR: Firm Transmission Withdrawal Rights
FTWR: Non-Firm Transmission Injection Rights
FTWR: Non-Firm Transmission Withdrawal Rights
Feasibility Study

- Required
  - Deposit for Interconnection Requests based on request receipt timing and MW size
  - Site control for generation requests
  - In-service date within 7 years of entering queue (exceptions allowed)

- Customer can select a primary and secondary Point of Interconnection (POI)

- Study Completion: Target approximately 120 Days after close of queue

- Study participants: PJM and TO (Contractor under direction of TO)

- Results
  - Attachment Facilities Needed for Interconnection
  - Powerflow Analysis - Identify thermal overloads and Required Upgrades (Costs and Construction Schedule Estimates for primary POI)
  - Powerflow Analysis - Identify thermal overloads associated with secondary POI (no cost or schedule estimates)
  - Short Circuit Analysis

- Customers receive a Feasibility Study Report and have 30 days to sign a System Impact Study Agreement (SISA)
Impact Study

- Required
  - Deposit based on MW size
  - Initial Air Permit Application (N/A for solar/wind projects)
  - Ownership (site control for Transmission Interconnection Requests)
- Customer must select a single POI (if 2 were evaluated in the Feasibility Study)
- Study Completion
  - Target 120 days after start of queue study or execution of Impact Study Agreement
- Study participants
  - PJM and TO (Contractor under direction of TO)
  - Affected Systems
- Results
  - Summer Peak Powerflow Analysis (PJM Generator Deliverability Test)
  - Light Load Powerflow Analysis (if applicable)
  - Short Circuit Analysis
  - Stability Analysis
  - Other Powerflow Analyses as applicable
  - Cost Estimates and Allocations
- Customers receive an Impact Study Report and have 30 days to sign a Facility Study Agreement (FSA)
**Facilities Study** (Initial Engineering Review)

- Conduct governed by procedures as set forth in Attachment D of Manual M-14A
- Required
  - Deposit based on MW size
- Completion
  - 6 Months (estimated)
- Study By
  - TO (or Contractor under direction of TO)
  - Affected System study
- Potential for Impact Study re-tool analysis
- Additional studies as required by type of technology being connected
- Facility Study Report
  - Conceptual Design (Detailed Design as appropriate) for:
    - Attachment Facilities
    - Network Upgrades
  - Cost Estimates
  - Preliminary Engineering and Construction Schedule
• Interconnection Customer may reduce the MFO or CIRs in a project at any time:
  – Up to 60% of electrical output prior to the start of the Feasibility Study
  – Up to 15% after the Feasibility Study starts and prior to executing the SISA
  – Up to the greater of 10 MW or 5% after the execution of the SISA and prior to the execution of the ISA or WMPA
  – Any change greater than the limits specified above, and deemed to be a material modification, results in the project sliding to the next queue (6 month delay on all studies)

• Project may never increase the MFO or CIR without an additional new service request

• Any other changes (ex: equipment change) must be evaluated whether it is a Material Modification
  – Material Modification is a change that has a material adverse impact/effect to any later subsequently queued project in relation to scope, cost, or time
  – Changes that result in a Material Modification will not be accepted by PJM for current queue position held.

• Changes to POI or increases to output are considered material. Project must be withdrawn and a new Interconnection Request submitted for the modification. (Tariff Section 36.2A.3)
Service Agreement Execution

- Based on FERC jurisdictional determination

- **Interconnection Services Agreement** (ISA) used for any generator interconnection or merchant transmission interconnection project connecting to a FERC jurisdictional facility.

- **Wholesale Market Participant Agreement** (WMPA) used for any generation project connecting to a state-jurisdictional facility. Requires additional two-party Interconnection Agreement between Developer and TO as part of entering the state queue process.

- **Interconnection Construction Service Agreement** (CSA) identifies terms, conditions, and coordinates construction activities for Attachment Facilities and Network Upgrades.

- **Upgrade Construction Service Agreement** (UCSA) used for Upgrade Service Requests and upgrades required for Transmission Service Requests.
FERC Jurisdictional Facilities

- Any facility that is part of the Transmission System
- Any distribution facility where there has been a prior wholesale sale
- Any facility that self certified to FERC as a Qualified Facility.
ISA and CSA Overview

- **Interconnection Service Agreement**
  - Grants rights to interconnect and inject and/or withdraw power
  - Defines project milestones
  - Describes the project’s point of interconnection
  - Describes system upgrades and costs
  - Outlines metering requirements
  - Security requirement
  - Persists after construction

- **Construction Service Agreement**
  - Outlines construction responsibility
  - Contains upgrade construction schedule
  - Contains notification and insurance obligations
  - Terminates after construction
• **Wholesale Market Participant Agreement** *(Strictly for Generators)*
  
  – Connects to distribution line
  
  – No prior wholesale sales
  
  – Requires customer to pursue a two party Interconnection Agreement with TO
  
  – Grants rights to participate in PJM’s market
  
  – Persists after construction
ISA/CSA Implementation

- Construction Milestone Tracking
  - Generation Facilities
  - Attachment Facilities
  - Network Upgrades
- Billing Approval / Cost Tracking
- Coordination of
  - EMS modeling
  - Metering & telemetry
- Outage Coordination
- Coordination of Test Energy Injection (no way for non-controllable AC Merchant Transmission radial line to test the rights)
**Generation Interconnection Customer (Att N)**

New Services Customer: Generator Customer

Request: Interconnect generation into existing transmission system.

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1. Customer Selects 3 LDAs for PJM to evaluate how CETL is improved into those LDAs with the proposed upgrade.
2. Customer requests three (3) Source/Sink and MW. Markets determines what facilities need upgrades to get the requested MW from source to sink on top of existing base network. PJM models required network upgrades and works with TO for scope/cost.
3. For injection and withdrawal rights.
4. For firm withdrawal rights.
5. Not applicable if one terminus is outside PJM and the other is within PJM.
6. Other rights for facilities that the customer upgraded.
**Merchant Transmission Customer (Att S):**

New Services Customer:
Merchant Transmission Customer

Request: Merchant transmission customer to build and own HVDC line, Controllable AC facility, Non-Controllable AC facility.
Customer Types

1 Customer Selects 3 LDAs for PJM to evaluate how CETL is improved into those LDAs with the proposed upgrade.
2 Customer requests three (3) Source/Sink and MW. Markets determines what facilities need upgrades to get the requested MW from source to sink on top of existing base network. PJM models required network upgrades and works with TO for scope/cost.

Upgrade Customer

(Merchant Network Upgrade Customer or Advance Baseline for MVA Increase)

EE

System Impact
Facilities

Summer Peak
Load Flow
Upgrade Scope and Cost

Eng. Level scope & cost
Network Upgrades

- UCSA

- ICTRs

- IARRs

- IDR

- IATCRRs

EE

New Services
Customer: Upgrade Customer
Request: Upgrade customer to increase the rating of the transmission facility by a certain MVA.
IARR Customer (Att EE):

New Services Customer: IARR Customer

Request: IARR customer to request certain IARRs from Generation (Source) to load (Sink) area.
1 Customer Selects 3 LDAs for PJM to evaluate how CETL is improved into those LDAs with the proposed upgrade.
2 Customer requests three (3) Source/Sink and MW. Markets determines what facilities need upgrades to get the requested MW from source to sink on top of existing base network. PJM models required network upgrades and works with TO for scope/cost.

### Customer Types

<table>
<thead>
<tr>
<th>Types</th>
<th>Generator Interconnection Customer</th>
<th>Merchant Transmission (MTX) Customer</th>
<th>Upgrade Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff Application</td>
<td>N</td>
<td>S</td>
<td>EE</td>
</tr>
<tr>
<td>Studies Performed</td>
<td>Feasibility</td>
<td>System Impact</td>
<td>Facilities</td>
</tr>
<tr>
<td>Analysis Performed</td>
<td>Summer Peak Load Flow</td>
<td>Summer Peak &amp; Light Load Load Flow</td>
<td>Summer Peak Load Flow</td>
</tr>
<tr>
<td>Agreement</td>
<td>ISA</td>
<td>ISA</td>
<td>EE</td>
</tr>
<tr>
<td>Potential Rights</td>
<td>CIRs</td>
<td>FTIR/FTWR</td>
<td>EE</td>
</tr>
</tbody>
</table>

### Rights for Generation Facilities

- IATCRs
- ICTRs
- IDR
- IDR
- IARRs
- IDRs
- IATCRRs

### Rights for Transmission Facilities

- IATCR
- Incremental Capacity Transfer Rights
- IARR
- Incremental Auction Revenue Rights
- IDR
- Incremental Deliverability Rights
- IATCRRs
- Incremental Available Transfer Capability Revenue Rights

### Other Rights for Facilities

1. Customer requests three (3) Source/Sink and MW. Markets determines what facilities need upgrades to get the requested MW from source to sink on top of existing base network. PJM models required network upgrades and works with TO for scope/cost.

2. For Injection and Withdrawal Rights.
3. For Firm Withdrawal Rights.
6. Other rights for facilities that the customer upgraded.

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1. Customer Selects 3 LDAs for PJM to evaluate how CETL is improved into those LDAs with the proposed upgrade.
2. Customer requests three (3) Source/Sink and MW. Markets determines what facilities need upgrades to get the requested MW from source to sink on top of existing base network. PJM models required network upgrades and works with TO for scope/cost.
3. For Injection and Withdrawal Rights.
4. For Firm Withdrawal Rights.
5. Not applicable if one terminus is outside PJM and the other in within PJM.
6. Other rights for facilities that the customer upgraded.
Description of Rights
Description of Rights - ICTRs

- Incremental Capacity Transfer Rights (ICTRs) – ICTRs are change in CETL (CETL difference without and with the upgrade modelled in the PJM load deliverability analysis)

- Analysis – Planning

- Retention (Term) : 30 Years

- Transferability : None
Incremental Auction Revenue Rights (IARRs) – IARRs are allocated to Load Serving Entities requested with a source at a “historic generation resource” and sunk at the zone for the LSE.

- Analysis: Markets

- Rentention (Term): 30 Years

- Transferability: None
• Incremental Deliverability Rights (IDRs) – IDRs are rights allocated at a certain bus on the system, obtained by adding a transmission facility or upgrading part of the system.

• Analysis: Planning

• Rentention (Term): One year after commencement

• Transferability: Converted to CIRs for a generator request.
- Incremental Available Transfer Capability Revenue Rights (IATCRRs) – Amount of energy above basecase conditions that can be transferred from one area to another.

- Analysis: Transmission Service Department

- Rentention (Term): 30 years

- Transferability: None
Appendix
 Small Projects (≤ 20 MW)
 If Customer requests acceleration
 Are not permitted when the project:
  – causes or contributes to a system constraint; or
  – requires stability analysis, light load analysis; or
  – requests secondary Point of Interconnection be studied.
 Perform AC analysis for combined study.
 Issue report and associated agreement by a target date of 3 months after the Feasibility after Study Tariff due date.
- Small Generator 20 MW or Less

- Only possible if no network upgrades needed, no stability analysis required and no light load analysis needed.

- Target delivery 3 months after Tariff Feasibility Study due date
New Services Queue
Application Fee Structure
Feasibility Study Application
Deposit Fee Structure
**Table 5.1.2-1: Large New Services Request Process deposit requirements**

<table>
<thead>
<tr>
<th>Month of New Services Queue</th>
<th>Deposit Requirement</th>
<th>Portion held as non-refundable</th>
<th>Maximum deposit</th>
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<tbody>
<tr>
<td></td>
<td>fixed deposit</td>
<td>Per MW portion of deposit</td>
<td></td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; - 4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>$10,000</td>
<td>$100</td>
<td>$110,000</td>
</tr>
<tr>
<td>5&lt;sup&gt;th&lt;/sup&gt;</td>
<td>$20,000</td>
<td>$150</td>
<td>$120,000</td>
</tr>
<tr>
<td>6&lt;sup&gt;th&lt;/sup&gt;</td>
<td>$30,000</td>
<td>$200</td>
<td>$130,000</td>
</tr>
</tbody>
</table>

**Note:**

The per MW value is the maximum of the Capacity or Maximum Facility Output requested.

*10% of deposit is non-refundable*
### Table 5.1.2-2: Large New Services Request Process expected costs

<table>
<thead>
<tr>
<th>Transmission Owner Zone</th>
<th>Expected Costs</th>
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<tbody>
<tr>
<td>AEP</td>
<td>26K</td>
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<tr>
<td>BGE</td>
<td>15K</td>
</tr>
<tr>
<td>ComEd</td>
<td>15K</td>
</tr>
<tr>
<td>Dayton</td>
<td>13K</td>
</tr>
<tr>
<td>Dominion</td>
<td>12K</td>
</tr>
<tr>
<td>Duquesne</td>
<td>19K</td>
</tr>
<tr>
<td>FirstEnergy</td>
<td>23K</td>
</tr>
<tr>
<td>AEC/DPL/Pepco</td>
<td>12K</td>
</tr>
<tr>
<td>PPL</td>
<td>20K</td>
</tr>
<tr>
<td>PSEG</td>
<td>17K</td>
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## Deposit Calculation

<table>
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<tr>
<th>Queue Month</th>
<th>Deposit Calculation*</th>
<th>Max Deposit</th>
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<tr>
<td>1-4</td>
<td>$10,000 + $100 per MW</td>
<td>$110,000</td>
</tr>
<tr>
<td>5</td>
<td>$20,000 + $150 per MW</td>
<td>$120,000</td>
</tr>
<tr>
<td>6</td>
<td>$30,000 + $200 per MW</td>
<td>$130,000</td>
</tr>
</tbody>
</table>

*10% of deposit is non-refundable
*Merchant Network Upgrade Skips Feasibility and goes right to System Impact
**IARR Request requires both Feasibility and System Impact Study

Flat Deposit

$50,000
System Impact Study Application
Deposit Fee Structure
Table 5.2.1-1: System Impact Study costs

<table>
<thead>
<tr>
<th>Project size</th>
<th>Required deposit</th>
<th>Per MW Portion</th>
<th>Portion of deposit that is non-refundable</th>
<th>Maximum deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;20MW</td>
<td>None</td>
<td>$500/MW</td>
<td>10%</td>
<td>$300,000</td>
</tr>
<tr>
<td>&gt;2MW and ≤20MW</td>
<td>$10,000</td>
<td>None</td>
<td>10%</td>
<td>$10,000</td>
</tr>
<tr>
<td>≤2MW</td>
<td>$5000</td>
<td>None</td>
<td>10%</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

*10% of deposit is non-refundable
### Table 5.2.1-2 System Impact Study PJM Expected Costs

<p>| TO Zone  | Expected Cost ($|Requests &gt; 20 MW | Expected Cost ($|Requests ≤ 20 MW |
|----------|----------------|------------------|------------------|
| AEP      | 46K            | 16K              |
| BGE      | 50K            | Bounded          |
| ComEd    | 99K            | 32K              |
| Dayton   | 25K            | Bounded          |
| DL       | 23K            | Bounded          |
| Dominion | 26K            | 15K              |
| FE       | 42K            | 16K              |
| PECO     | 17K            | Bounded          |
| PHI      | 28K            | 15K              |
| PPL      | 31K            | Bounded          |
| PSEG     | 38K            | Bounded          |</p>
<table>
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<tr>
<th>Project Type</th>
<th>Flat Deposit</th>
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<td>Merchant Upgrade*</td>
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<tr>
<td>IARR Request**</td>
<td>$20,000</td>
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</tbody>
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*Merchant Network Upgrade Skips Feasibility and goes right to System Impact
**IARR Request requires both Feasibility and System Impact Study
Facilities Study Application
Deposit Fee Structure
<table>
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<tr>
<th>Project size</th>
<th>Required deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;20MW</td>
<td>The greater of: $100,000 OR estimated amount of Facilities Study cost for the first three months</td>
</tr>
<tr>
<td>&gt;2MW and ≤20MW</td>
<td>$50,000</td>
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<tr>
<td>≤2MW</td>
<td>$15,000</td>
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</table>
Relevant Tariff Sections
231.1 Right of New Service Customer to Incremental Auction Revenue Rights:

A New Service Customer that (a) pursuant to Section 212.1, reimburses the Transmission Provider for the costs of, or (b) pursuant to its Construction Service Agreement undertakes responsibility for, constructing or completing Network Upgrades and/or Local Upgrades required to accommodate its New Service Request shall be entitled to receive the Incremental Auction Revenue Rights associated with such facilities and upgrades as determined in accordance with this Section 231. In addition, an Interconnection Customer that executes an Upgrade Construction Service Agreement for Merchant Network Upgrades shall be entitled to receive the Incremental Auction Revenue Rights as determined in accordance with this Section 231. However, a Transmission Interconnection Customer that interconnects Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities with the Transmission System shall be entitled to Incremental Auction Revenue Rights associated with such Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities only if the Interconnection Customer has elected, pursuant to Section 36.1.03 of Part IV of the Tariff, to receive Incremental Auction Revenue Rights, Incremental Deliverability Rights, Incremental Capacity Transfer Rights, and Incremental Available Transfer Capability Revenue Rights in lieu of Transmission Injection Rights and/or Transmission Withdrawal Rights.
232.1 Purpose:

Transmission Injection Rights shall entitle the holder, as provided in this Section 232, to schedule energy transmitted on the associated Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities for injection into the Transmission System at a Point of Interconnection of the Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities with the Transmission System. Transmission Withdrawal Rights shall entitle the holder, as provided in this Section 232, to schedule for transmission on the associated Merchant Transmission Facilities energy to be withdrawn from the Transmission System at a Point of Interconnection of the Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities with the Transmission System.
233.1 Right of Transmission Interconnection Customer to Incremental Available Transfer Capability Revenue Rights:

An Interconnection Customer that interconnects a Customer Facility with the Transmission System shall be entitled to receive any Incremental Available Transfer Capability Revenue Rights that are associated with the interconnection of such facility as determined in accordance with this section. In addition, a New Service Customer that (a) reimburses the Transmission Provider for the costs of, or (b) pursuant to its Construction Service Agreement undertakes responsibility for, constructing or completing required Customer-Funded Upgrades to accommodate its New Service Request shall be entitled to receive any Incremental Available Transfer Capability Revenue Rights associated with such required facilities and upgrades as determined in accordance with this section.
233.1.1 Certain Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities:

An Interconnection Customer (a) that interconnects Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities with the Transmission System, one terminus of which is located outside the PJM Region and the other terminus of which is located within the PJM Region, and (b) that will be a Merchant Transmission Provider, shall not receive any Incremental Available Transfer Capability Revenue Rights with respect to its Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities. Transmission Provider shall not include available transfer capability at the interface(s) associated with such Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities in its calculations of Available Transfer Capability under Attachment C to the Tariff.
234.1 Right of New Service Customers to Incremental Capacity Transfer Rights:

A Transmission Interconnection Customer that interconnects Merchant Transmission Facilities with the Transmission System shall be entitled to receive any Incremental Capacity Transfer Rights that are associated with the interconnection of such Merchant Transmission Facilities as determined in accordance with this section. In addition, a New Service Customer that (a) reimburses the Transmission Provider for the costs of, or (b) pursuant to its Construction Service Agreement, undertakes responsibility for, constructing or completing Customer-Funded Upgrades shall be entitled to receive any Incremental Capacity Transfer Rights associated with such required facilities and upgrades as determined in accordance with this section.
234.1.1 Certain Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities:

An Interconnection Customer (a) that interconnects Merchant D.C. transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities with the Transmission System, one terminus of which is located outside the PJM Region and the other terminus of which is located within the PJM Region, and (b) that will be a Merchant Transmission Provider, shall not receive any Incremental Capacity Transfer Rights with respect to its Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities. Transmission Provider shall not include available transfer capability at the interface(s) associated with such Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities in its calculations of Available Transfer Capability under Attachment C to the Tariff.
235.1 Right of Transmission Interconnection Customer to Incremental Deliverability Rights:

A Transmission Interconnection Customer shall be entitled to receive the Incremental Deliverability Rights associated with its Merchant Transmission Facilities as determined in accordance with this section, provided, however, that a Transmission Interconnection Customer that proposes to interconnect Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area shall be entitled to Incremental Deliverability Rights associated with such Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities only if the Interconnection Customer has elected, pursuant to Section 36.1.03 of the Tariff, to receive Incremental Deliverability Rights, Incremental Auction Revenue Rights, Incremental Capacity Transfer Rights, and Incremental Available Transfer Capability Revenue Rights in lieu of Transmission Injection Rights and/or Transmission Withdrawal Rights.