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February 23, 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. ER26-1479-000*
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.

Dear Secretary Reese:

Pursuant to section 206 of the Federal Power Act,¹ PJM Interconnection, L.L.C. (“PJM”) hereby submits proposed revisions to the PJM Open Access Transmission Tariff (“Tariff”)² of PJM Interconnection to comply with the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) directives in its December 18, 2025 order³ to (1) revise its behind-the-meter generation Tariff provisions, (2) establish three new transmission services for Eligible Customers⁴ seeking to take service on behalf of Co-Located Load, and (3) revise its necessary studies processes,⁵ among other changes (collectively, the “February 23 Compliance Filing”). In response to the Order to Show

¹ 16 U.S.C. § 824e.

² Terms not otherwise defined herein shall have the same meaning as set forth in the Tariff. PJM anticipates needing to make subsequent conforming clean-up filings to the Tariff, Amended and Restated Operating Agreement (“Operating Agreement”), and the Reliability Assurance Agreement Among Load-Serving Entities in the PJM Region (“RAA”) in regards to the compliance filings being submitted in response to the Order to Show Cause. Based on continued stakeholder engagement and in the Commission’s active dockets, PJM may also seek leave to submit additional compliance filings to, among other things, streamline Commission resolution of issues and enhance Tariff clarity.

³ *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217, at PP 2, 161, 231-36 (2025) (“Order to Show Cause”).

⁴ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Tariff.

⁵ Order to Show Cause at P 160.

Cause, PJM already filed a first compliance filing (in Docket No. ER26-1088-000) and an informational report.

In response to twin Commission directives in the Order to Show Cause, PJM is concurrently filing two packages: (1) this Transmittal Letter, including filed Tariff revisions, which respond to Commission’s specific compliance directives, and (2) an Initial Brief, including “illustrative” Tariff language that is not filed in eTariff, specifically describing the non-rate terms and conditions for new transmission services. PJM understands that the PJM Transmission Owners will be making a submission regarding the rates for these new services.

I. INTRODUCTION AND BACKGROUND

PJM understands the importance of, and remains committed to, advancing our nation’s leadership in connecting large loads, including supporting the development of Artificial Intelligence (“AI”) infrastructure. PJM continues to work with its members to support efforts to accelerate the speed and increase the scale with which the United States can build the next generation of AI infrastructure, especially the necessary capacity to support this load while also ensuring reliability and fair treatment for all users of the grid.

A. Commission Order

On December 18, 2025, the Commission issued the Order to Show Cause finding the Tariff unjust and unreasonable due to the lack of specificity for the rates, terms, and conditions that apply to Co-Located Load and directing PJM to make several compliance and informational filings.⁶ In the Order to Show Cause, the Commission directed PJM to file several 60-day compliance directives which are discussed here. As noted above, the

⁶ *Id.* at PP 1-2.

Commission also required PJM to submit a brief to build a record on the appropriate rates, terms, and conditions of these new services. PJM is submitting that brief concurrently with this February 23 Compliance Filing.

B. Stakeholder Engagement

PJM consulted with stakeholders in its development of the proposed revisions. PJM held a workshop on January 9, 2026 to give stakeholders an opportunity to provide feedback for PJM to consider as it developed the proposed revisions filed on January 20.⁷ Additional stakeholder workshops followed on January 23,⁸ January 26,⁹ February 5,¹⁰ February 10,¹¹ and February 20.¹²

On February 19, 2026, PJM posted a preliminary draft of the proposed revisions for stakeholder awareness and discussion prior to submission.¹³ PJM also solicited and received written stakeholder input on posted proposed tariff language and concepts related to meeting the compliance directives. PJM appreciates the extensive stakeholder

⁷ PJM, Co-Located Load Order Workshop Meetings Materials (2026), <https://www.pjm.com/committees-and-groups/workshops/clsco> (postings of Co-Located Load Order Workshop upcoming meetings schedule and past meeting materials on PJM’s website).

⁸ PJM, Co-Located Load Order Workshop Meeting Materials (Jan. 23, 2026), <https://www.pjm.com/committees-and-groups/workshops/clsco>.

⁹ PJM, Co-Located Load Order Workshop Meeting Materials (Jan. 26, 2026), <https://www.pjm.com/committees-and-groups/workshops/clsco>.

¹⁰ PJM, Co-Located Load Order Workshop Meeting Materials (Feb. 5, 2026), <https://www.pjm.com/committees-and-groups/workshops/clsco>.

¹¹ PJM, Co-Located Load Order Workshop Meeting Materials (Feb. 10, 2026), <https://www.pjm.com/committees-and-groups/workshops/clsco>.

¹² PJM, Co-Located Load Order Workshop Meeting Materials (Feb. 20, 2026), <https://www.pjm.com/committees-and-groups/workshops/clsco>.

¹³ PJM, Preliminary Drafts of Proposed Revisions for Stakeholders (Feb. 20, 2026), <https://www.pjm.com/committees-and-groups/workshops/clsco> (follow “Meeting Materials” subheading; then choose “2026” from dropdown; then choose “2.20.2026 Item 01 – 1” and “2.20.2026 Item 01 – 2” PDFs).

engagement and considered that feedback in refining and developing the proposed revisions.

III. DESCRIPTION OF PROPOSED TARIFF REVISIONS

A. Revisions to Behind The Meter Generation (“BTMG”) Rules

The Commission found that PJM’s existing Retail Behind The Meter Generation (“Retail BTMG”) rules in the Tariff are no longer just and reasonable, in part, because “PJM’s existing [Retail] BTMG rules may lead to both reliability and resource adequacy risks.”¹⁴ Accordingly, in the Order, the Commission required PJM to revise the rules for “retail BTMG” to (1) establish a “materiality threshold,” (2) set a three-year transition period for implementation of the threshold, and (3) establish a legacy arrangement to allow entities with existing contracts effectuating retail BTMG arrangements above the newly established threshold to continue utilizing the existing retail BTMG rules through the remainder of the current contract terms.¹⁵

1. Existing BTMG Rules

PJM’s BTMG rules originated in 2004, when the Commission accepted PJM’s proposal to allow market participants to net BTMG against load “at the same electrical location for the purposes of calculating applicable PJM charges.”¹⁶ The Commission found that the BTMG rules would “encourage demand response programs” and “provide a benefit to qualifying behind the meter generation that contributes to network load reductions by allocating a fairer share of transmission system and other operating costs.”¹⁷ The use of

¹⁴ Order to Show Cause at P 186.

¹⁵ *Id.* at PP 179, 221-24.

¹⁶ *PJM Interconnection, L.L.C.*, 107 FERC ¶ 61,113, at P 1 (2004).

¹⁷ *Id.* at PP 27, 29.

netting between BTMG and load that are located “at a single electrical location such that no transmission or distribution facilities are used to deliver energy from the generating unit to the load”¹⁸ is commonly referred to as “Retail BTMG.” As originally conceived, there is no limit on the size of a BTMG that could be netted with load in a retail BTMG configuration.¹⁹

In 2005, the Commission initiated an investigation into whether PJM should expand BTMG netting to “include generation connected to electric distribution systems.”²⁰ Later that year, the Commission accepted a settlement between PJM and several municipal systems, which “expands applicability of PJM’s BTM generation netting provisions to BTM generation used by municipal electric systems, electric cooperatives and municipal electric distribution companies . . . to serve load so long as permission is obtained from the facility owner, lessee or operator.”²¹ BTMG used to net against load through a distribution system is defined as Non-Retail Behind The Meter Generation.²²

As a result of these proceedings, the current Tariff specifies netting rules and includes definitions for Behind The Meter Generation and Non-Retail Behind the Meter Generation. Specifically, Behind The Meter Generation is defined as:

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

¹⁸ *Id.* at P 4.

¹⁹ *See* Order to Show Cause at P 186.

²⁰ *PJM Interconnection, L.L.C.*, 112 FERC ¶ 61,034, at P 1 (2005).

²¹ *PJM Interconnection, L.L.C.*, 113 FERC ¶ 63,024, at P 8 (2005) (Order certifying uncontested settlement); *PJM Interconnection, L.L.C.*, 113 FERC ¶ 61,279 (2005) (Order accepting settlement and dismissing rehearing request).

²² Tariff, Part I, Definitions A-B (“Behind The Meter Generation”); Tariff, Part I, Definitions L-M-N (“Non-Retail Behind The Meter Generation”).

Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit's capacity that is designated as a Generation Capacity Resource; or (ii) in 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.²³

The term Non-Retail Behind The Meter Generation refers to the Behind the Meter Generation definition and is further defined as: "Behind the Meter Generation that is used by municipal electric systems, electric cooperatives, or electric distribution companies to serve load."²⁴ Currently, there is no definition of "Retail BTMG."

As discussed above, the Tariff permits netting of load with BTMG to reduce applicable PJM charges.²⁵ Accordingly, Section 34.2 of the Tariff states, "[t]he 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."²⁶ Section 34.3 sets forth a cap on the netting of Non-Retail BTMG not to exceed 3000 MW across the PJM Region.²⁷ Thus, under the current rules, retail BTMG is not capped, but Non-Retail BTMG is limited to 3000 MW across the PJM Region.

2. *Satisfaction of the Commission's Compliance Directive*

Pursuant to the Commission's order, PJM is updating the definition of Behind the Meter Generation and adding a new definition for Retail Behind the Meter Generation to:

²³ Tariff, Part I, Definitions A-B ("Behind The Meter Generation").

²⁴ Tariff, Part I, Definitions L-M-N ("Non-Retail Behind The Meter Generation").

²⁵ See *PJM Interconnection, L.L.C.*, 107 FERC ¶ 61,113, at P 1.

²⁶ Tariff, Part III, section 34.2.

²⁷ Tariff, Part III, section 34.3. The cap for the PJM Region was initially set at 1500 MW in 2006, and "proportionately increased based on load growth in the PJM Region [thereafter] but shall not be greater than 3000 megawatts." *Id.*

(1) establish a “materiality threshold” for Retail BTMG, (2) implement a “three-year transition period,” and (3) provide the ability to “grandfather certain entities with existing contracts.”²⁸ In accordance with the Commission’s clarification, this compliance filing is limited to retail BTMG and did not direct any changes to Non-Retail BTMG rules.²⁹

Specifically, PJM’s proposed definition for Retail Behind the Meter Generation (to be added to Parts I and VIII of the Tariff, and not Part VII which relates to a transition process no longer accepting new applications) is:

“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, where such generation has a cumulative nameplate rating of no greater than 50 MW (not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system). Notwithstanding the foregoing and for a transition period through December 18, 2028, Retail Behind The Meter Generation includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load prior to December 18, 2025. Provided further, Retail Behind The Meter Generation includes any generation used to serve a retail load served by a Network Customer to net load if it is the subject of a contractual arrangement (including but not limited to a bilateral agreement or interconnection agreement) that was in effect as of December 18, 2025 through the end of the term of such agreement, which may be renewed or extended per the terms of such agreement. Further, Retail Behind The Meter Generation also includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations. Any facility that qualifies

²⁸ Order to Show Cause at P 179.

²⁹ *Id.* at P 222.

as Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

a. Legacy Treatment of Contracts that Effectuate Retail BTMG Arrangements

The Commission recognized that certain parties “may . . . have contracted for the specific purpose of effectuating a BTMG arrangement.”³⁰ Accordingly, the Commission directed that, “[t]o the extent that an entity is a party to an existing contract for such a purpose, we find that it is appropriate to grandfather such entity so that it may continue using BTMG for the current term remaining under the existing contract.”³¹ In other words, any existing retail BTMG with a contract that was entered into for the purpose of effectuating a BTMG arrangement as of the date of the Commission’s order (i.e., December 18, 2025) through the term of such agreement would be permitted to remain eligible to net against Network Loads as Retail BTMG irrespective of the threshold proposed below.

Businesses and institutions operating on-site generation have relied on the Retail BTMG rules for over two decades, some investing substantial sums in building and maintaining units that are deeply embedded into their own operations. Considering the complexity and maturity of these configurations, a wide variety of contracts may be employed and relied on for the operation of these units, including utility contracts, fuel contracts, maintenance contracts, and more. PJM understands the Commission’s contract-exception to the three-year transition mandate to be designed to generally enable these established generation investments to operate under existing assumptions while those contracts remain effective.

³⁰ *Id.* at P 224.

³¹ *Id.*

Specifically, PJM interprets the Commission’s compliance directive to allow existing BTMG arrangements to qualify for legacy treatment so long as there is an existing contractual agreement for the purpose of effectuating a BTMG arrangement (e.g., bilateral agreement, interconnection agreement, etc.)³² that was in effect prior to December 18, 2025. And to recognize contracting parties’ expectation of renewal or extension rights under such existing agreements and to avoid interference with such reliance expectations upon which investment decisions likely have been made (the specific terms and conditions of which PJM does not have knowledge of), PJM further interprets the Commission’s use of the phrase “the current term remaining under the existing contract” to encompass existing renewal or extension rights recognized under such existing contracts.

In addition, the Commission’s compliance directive was issued against the backdrop of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations. While the Order to Show Cause does not reference this regulatory regime and its impacts, PJM interprets the Commission’s compliance directive as allowing the extension of legacy treatment to any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility (“QFs”). In light of stakeholder engagement and pleadings submitted in this proceeding, PJM understands that there exists today Retail BTMG that were QFs as of December 18, 2025, with many being cogeneration QFs that are often used in manufacturing and other processes to produce both electricity and useful thermal energy that often lead to economic

³² If accepted by the Commission, PJM will explore with stakeholders whether Manual language should be developed to help elaborate on what types of agreements may qualify. Further, PJM notes that some of the prerequisites for participation are compliance obligations Retail BTMG must be able to establish and verify for purposes of their own compliance even if PJM may not have a role in reviewing such information.

and energy efficiency benefits.³³ Under Commission regulations, QFs have built-in size limits or, for cogeneration, meet strict efficiency requirements.³⁴ Specifically, for a cogeneration QF, the generating facility and its load are closely integrated. For example, some retail customers' loads may be configured such that the load reduces if on-site generation is unavailable because manufacturing processes reliant on thermal heat will discontinue.

Given that existing retail BTMG arrangements with such contractual agreements and that otherwise have QF status have been in place and netted against Network Loads within PJM without known operational issues to date, PJM proposes to allow such arrangements, which in some cases have been in place for decades, to qualify for legacy treatment and continue to be eligible to net under the existing BTMG rules.

Going forward, however, consistent with the Commission's directive, any new large Retail BTMG that is greater than the proposed threshold would not be eligible to qualify as Retail BTMG given that significant increases of new large loads generally on the system that the Commission determined could increase operational risks and costs shifting concerns.³⁵ Specifically, the Commission directed PJM to "maintain the current BTMG rules for customers that fall below a new MW materiality threshold."³⁶ Given the

³³ *PJM Interconnection, L.L.C., et al.*, PJM Industrial Customer Coalition's Request for Clarification or Rehearing, Docket No. EL25-49-000, et al., at 10 (Jan. 20, 2026). Indeed, the PJM Industrial Customer Coalition asserts that, "PURPA has been a boon to manufacturers and the electric grid for well over four decades, providing market access where such access did not previously exist, taking strain off the grid, and supporting American industry by allowing for economic means of reducing energy costs. Many QFs are highly efficient facilities, including cogeneration facilities, which produce both electricity and heat from the same fuel source, then making use of the 'waste heat' in industrial operations. QFs are entitled to have access to supplementary power, back-up power, maintenance power, and interruptible power, pursuant to enacting regulations." *Id.*

³⁴ 16 U.S. Code § 824a-3; 18 C.F.R. § 292.204.

³⁵ Order to Show Cause at PP 179, 186.

³⁶ *Id.* at P 179.

Commission’s identified cost causation, transition, and resource adequacy concerns with the existing Retail BTMG rules, the proposal is based on an interpretation of the compliance directive that demands an “all or nothing” approach to Retail BTMG qualification – meaning that a Retail BTMG cannot both net up to a certain threshold but still potentially have generation and load above that threshold which cannot be netted. PJM understands that such a hybrid approach would impose significant costs on all Retail BTMG that would have to install previously unnecessary metering equipment (that, for some facilities, may be cost prohibitive) and it amplifies compliance risks for units because it might require many facilities to monitor and report different generator output and load thresholds in relation to the threshold.

b. Three-Year Transition Period

To “minimize the impact” of changing the BTMG rules on existing customers, the Commission ordered PJM “to allow Network Customers already using the BTMG rules to continue to do so for a transition period of three years . . . from the date of issuance of this order.”³⁷ Thus, in the event there are any existing Retail BTMG larger than the proposed threshold discussed below and not the subject of an existing contractual agreement in effect or qualifying QF status as of December 18, 2025, such resources would continue to be eligible to participate as retail BTMG for up to three additional years (i.e., through December 18, 2028).

c. Materiality Threshold

In accordance with the Commission’s compliance directive, PJM proposes to establish a materiality threshold of up to 50 MW for a generator at the same electrical

³⁷ *Id.* at P 223.

location as the Network Load for generation units to qualify as Retail BTMG. This 50 MW threshold aligns with the PJM Board’s definition of large loads additions, which comprise of individual loads at or above 50 MW at a single point of interconnection.³⁸ Based on stakeholder feedback and engagement on this point, PJM understands the proposed 50 MW threshold to avoid unneeded regulatory uncertainty for retail customers whose grid impacts on reliability are more limited and have been in existence without noted impact for decades.³⁹

Further, the proposed threshold and proposed exclusion for backup generation from the threshold (along with the proposed legacy treatment) will avoid the unintended consequence of causing Retail BTMG resources to prematurely cease operations and discontinue investment in grid-enhancing backup generation, outcomes which would frustrate system reliability in an unintended fashion. In developing the materiality threshold, PJM discussed with stakeholders that a lower threshold of 10 or 20 MW would likely exclude from Retail BTMG a much larger volume of retail customers whose grid impacts are small or *de minimis* when compared with the Co-Located Load coming online today. Further, concerns were raised that a lower threshold could force many existing Retail BTMG resources offline during the transition period because such resources do not intend to enter into PJM’s interconnection queue to become a market resource. PJM understands that many of the existing Retail BTMG are decades old and may need significant upgrades prior to directly interconnecting into the PJM system. However, given

³⁸ PJM, Board Decisional Letter on Critical Issue Fast Path – Large Load Additions, at 2 (Jan. 16, 2026), <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260116-pjm-board-letter-re-results-of-the-cifp-process-large-load-additions.pdf>.

³⁹ Order to Show Cause at P 221 (“Such a threshold should reduce the reliability and resource adequacy risks discussed that large loads may pose to PJM, while also allowing for Network Customers to reduce their transmission charges in a transparent, not unduly discriminatory fashion.”).

the costs associated with such significant upgrades, the owners of such resources may decide to forgo the option of interconnecting into the PJM system altogether. The effect of such an outcome would result in higher Network Loads requiring grid service, as loads that are currently netted by the retail BTMG would not be matched with additional supply of Capacity Resources. Because the Order to Show Cause’s BTMG reforms are directed at stemming reliability concerns, not exacerbating them, the 50 MW threshold is a justified threshold for Retail BTMG eligibility.

Additionally, excluding true on-site back-up power from determining whether the threshold has been reached critically avoids disincentivizing and discouraging retail customers from installing back-up power installations that would have positive reliability implications for the region. The Department of Energy recently observed that “[d]eployment of backup generation resources . . . can prevent avoidable blackouts, thereby saving lives and reducing costs to the American people.”⁴⁰ The proposed Retail BTMG threshold should not frustrate investment by such resources in such reliability enhancing backup generation. In the PJM Region specifically, it is notable that during the recent Winter Storm Fern, the Department of Energy issued an Order applicable in the PJM Region pursuant to Section 202(c) of the Federal Power Act that directed “PJM, in collaboration with its Transmission Owners, . . . to direct backup generation resources . . . to operate as a last resort before declaring an Energy Emergency Alert (EEA) 3 (i.e., before firm load interruption) or during an EEA 3.”⁴¹ The language in the proposal excepting

⁴⁰ US Department of Energy, Order No. 202-26-06 (Jan. 26, 2026), <https://www.energy.gov/documents/doc-order-no-202-26-06-pjm>.

⁴¹ *Id.*

certain on-site back-up power from the materiality threshold will preserve the availability of this potential reliability tool.

PJM proposes to establish a threshold based on the size of the generator that may qualify as retail BTMG, which is consistent with the Commission's points of reference to potential threshold sizes based on various generator sizes.⁴² Establishing a threshold based on the size of the generator to qualify as retail BTMG is similarly consistent with the recognition that BTMG is defined as a generation unit, rather than a load. Further, a threshold based on the size of the generator provides a clear and bright line for what can continue qualifying as retail BTMG. That is, load sizes can fluctuate, unlike the nameplate rating of a generator, which is static. In short, proposing a threshold based on the size of the generator to qualify as retail BTMG is superior to or consistent with the Commission's compliance directive and underlying goal of limiting the risk of the resource adequacy concerns⁴³ arising from allowing large BTMG to net against Network Loads.

While a 50 MW materiality threshold for new retail BTMG is appropriate going forward, in the event the Commission does not accept PJM's proposed legacy treatment for the purpose of effectuating BTMG discussed above, PJM requests that the Commission allow an interim initial materiality threshold to be in place for the start of the transition period to avoid setting an initial threshold that is too low and that could, for the reasons stated above, cause Retail BTMG resources to cease operations and in turn exacerbate in an unintended fashion the resource adequacy issues in the PJM Region. In this circumstance, as a potential short-term stopgap, if PJM's proposed Retail BTMG revisions

⁴² Order to Show Cause at P 221.

⁴³ *Id.* at P 186.

are not accepted, PJM observes that the PJM Industrial Customer Coalition (“PJM ICC”)⁴⁴ indicated that “a threshold of 200 MW would, as a practical matter, permit most existing industrial and institutional loads to continue to benefit from the major energy investments they have made over decades, consistent with the ‘actual use’ principle. As super-sized loads are a largely new phenomenon, the number of entities requiring grandfathering of existing contracts and facilities would be far more limited at a 200 MW threshold.”⁴⁵ Should the Commission adopt a higher interim materiality threshold of this sort at the start of the transition period, PJM commits to reviewing additional data from Transmission Owners on the extent and size of existing Retail BTMG.⁴⁶ This data could inform whether the interim materiality threshold should be further refined in the future through a separate filing on compliance in this docket or, if necessary, pursuant to section 205 of the Federal Power Act.

d. Proposed Tariff Updates

To effectuate the foregoing updates to the rules for retail BTMG, PJM proposes to establish a new definition for “Retail Behind The Meter Generation” and clarify that the definition of “Behind The Meter Generation” broadly reflects the two species of BTMG: Retail BTMG and Non-Retail BTMG. Consistent with the Commission’s clarification that it does “not direct PJM to change its rules for non-retail BTMG,”⁴⁷ it is appropriate to establish a new dedicated definition for Retail Behind The Meter Generation that clearly

⁴⁴ *PJM Interconnection, L.L.C., et al.*, PJM ICC’s Request for Clarification or Rehearing, Docket No. EL25-49-000, *et al.*, at 44 (Jan. 20, 2026).

⁴⁵ *Id.*

⁴⁶ PJM has existing authority to require Members to provide records and documentation of retail BTMG data given that it is necessary for the “coordination of operations” and “coordination of planning, including those data required for capacity accounting under the Reliability Assurance Agreement” pursuant to Operating Agreement, section 11.3.1(a).

⁴⁷ Order to Show Cause at P 222.

distinguishes this type of resource. PJM is also seeking to avoid any inadvertent changes to the substantive rules pertaining to Non-Retail Behind The Meter Generation. For this reason, PJM also proposes to add clarifying language in Tariff, Part III, section 34.3 providing that “The daily load of a Network Customer does not include load served by operating Non-Retail Behind The Meter Generation.”⁴⁸ This insertion preserves the status quo on this issue for Non-Retail Behind The Meter Generation.

For the new definition of Retail Behind The Meter Generation, PJM is defining that as “Behind The Meter Generation that is used to serve a retail load served by a Network Customer located at the same electrical location, where such generation has a cumulative nameplate rating of no greater than 50 MW (not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system).”⁴⁹

To effectuate the legacy treatment discussed above, PJM proposes to include language in the newly defined Retail Behind The Meter Generation that states: “Retail Behind The Meter Generation includes any generation used to serve a retail load served by a Network Customer to net load if it is the subject of a contractual arrangement (including but not limited to a bilateral agreement or interconnection agreement) that was in effect as of December 18, 2025 through the end of the term of such agreement, which may be

⁴⁸ PJM understands Tariff, Section 34.2 was originally drafted to generally state that all BTMG, including Non-Retail BTMG, can be netted against a Network Customer’s daily load. Tariff, Section 34.3 goes on to place a limitation on the amount of Non-Retail BTMG that can be used for those netting purposes. While it is implicit in Tariff, Section 34.3 that Non-Retail BTMG can net against load, the proposed revision to Tariff, Section 34.2 suggests clarification to Tariff, Section 34.3 is necessary since the Tariff otherwise no longer has an explicit statement that says that the daily load of a Network Customer does not include load served by Non-Retail BTMG.

⁴⁹ Proposed Tariff Revisions, Part I, Definition of Retail Behind The Meter Generation.

renewed or extended per the terms of such agreement. Further, Retail Behind The Meter Generation also includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations.”⁵⁰

Next, consistent with the Commission’s order, PJM is also including language regarding the three-year transition that would be applicable to any existing retail BTMG that does not have an agreement in effect as of December 18, 2025, in the definition of Retail Behind The Meter Generation. Specifically, PJM proposes to specify that “for a transition period through December 18, 2028, Retail Behind The Meter Generation includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load prior to December 18, 2025” may continue to be included as Retail Behind The Meter Generation.

In accordance with the Commission’s compliance directive, PJM’s compliance filing “maintain[s] the current BTMG rules for customers that fall below [the] new materiality threshold for the amount of load at a particular electrical location that Network Customers may net using BTMG.”⁵¹ That is, PJM is proposing to only establish a generator size threshold, along with the legacy and transition rules, for what can qualify as Retail Behind The Meter Generation while retaining all substantive existing netting provisions related to Retail BTMG, and BTMG in general, as part of this compliance filing.

⁵⁰ *Id.*

⁵¹ Order to Show Cause at P 179.

Lastly, PJM proposes language for the definition of Retail BTMG that provides that “Any facility that qualifies as a Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.” This language is intended to provide clarity and direction to project developers about what pathways are available to serve load that is co-located, and to avoid unexpected and unintended hybrid scenarios mixing BTMG and the new transmission service products the Commission has directed in the Order to Show Cause.

B. Transmission Services for Co-Located Load

In compliance with the Order to Show Cause,⁵² PJM is proposing to add to its Tariff three new transmission services that an Eligible Customer taking transmission service on behalf of a Co-Located Load may select, in addition to existing Network Integration Transmission Service. Furthermore, PJM is proposing three new transmission service agreements to reflect the rates, terms, and conditions for these new transmission service options that are available to Eligible Customers. Below, the Tariff revisions proposed here effectuate several discrete directives in the Order to Show Cause relating to the new transmission services (while the rates, terms, and conditions of such services remain uncertain and the subject of an ongoing paper hearing).

1. Tariff Revisions in Transmittal Letter v. Illustrative Tariff Revisions in PJM’s Initial Brief.

To be clear, the Tariff changes proposed in this Transmittal letter comprise only a *minority* of the Tariff revisions that will be needed to effectuate these transmission services.

⁵² *Id.* at PP 160, 178.

Concurrently with this Transmittal Letter, PJM is filing an Initial Brief to address the paper hearing questions that the Commission required in its Order to Show Cause.⁵³

In that Initial Brief, PJM will provide illustrative Tariff language for the *majority* of the non-rate terms and conditions of service for these new transmission services.⁵⁴ Because such language will change upon a Commission action in the paper hearing, PJM is not filing the new transmission services Tariff language as part of this Transmittal Letter, but is rather labeling the language in Attachment A to the Initial Brief as “illustrative” to signal that it is subject to the outcome of the paper hearing.

Putting aside the non-rate terms and conditions that are the subject of PJM’s Initial Brief, the Order to Show Cause required PJM to file several specific Tariff revisions to effectuate these new transmission services. PJM describes these Tariff revisions below.

I. New Part XI, Attachments F-3A and F-4

First, the Commission required PJM to establish several new transmission services for Eligible Customer serving Co-Located Load.⁵⁵

Interim Network Integration Transmission Service: PJM is proposing to revise its Tariff to allow an Eligible Customer serving Co-Located Load that is seeking to take NITS under Tariff, Part III the option to seek Interim NITS subject to provisions in a new Tariff, Part XI. With this Transmittal letter, PJM is filing a “shell” of Tariff, Part XI, to show that this service will be housed in a new Part XI of PJM’s Tariff,⁵⁶ and provides the proposed

⁵³ *Id.* at P 219; Ordering Paragraph E.

⁵⁴ *PJM Interconnection, L.L.C., et al.*, PJM’s Initial Brief, Attachment A, Docket No. EL25-49-000, *et al.* (Feb. 23, 2026) (“PJM Initial Brief”).

⁵⁵ Order to Show Cause at PP 160, 178.

⁵⁶ *See* Attachment A (Clean Tariff Revisions); Attachment B (Redline Tariff Revisions).

non-rate terms and conditions in PJM's Initial Brief.⁵⁷ As discussed further in PJM's Initial Brief, this new transmission service, as required by the Order to Show Cause,⁵⁸ would allow an Eligible Customer taking service on behalf of Co-Located Load that has requested NITS to receive transmission service on behalf of a Co-Located Load on a non-firm, interruptible basis for the period until transmission upgrades required to provide NITS are complete and placed in service.

With this Transmittal, PJM is proposing a new Attachment F-3A, which will serve as the service agreement for Eligible Customers taking on behalf of a Co-Located Load Network Integration Transmission Service and/or Interim Network Integration Transmission Service.⁵⁹ The Commission requires PJM to establish "a transmission service agreement that reflects the rates terms, and conditions of these new transmission service options is available to Eligible Customers."⁶⁰ PJM is filing a "shell" of Attachment F-3A, to show that the service agreement will be a new Attachment F-3A,⁶¹ but notes that the proposed language of Attachment F-3A is discussed in the Initial Brief.⁶² As explained in PJM's Initial Brief, the new Attachment F-3A is based upon existing Attachment F-3 for Network Integration Transmission Service, but is tailored to arrangements that involve Co-Located Load.

Firm Contract Demand Transmission Service and Non-Firm Contract Demand Transmission Service: In compliance with the Order to Show Cause, PJM is also proposing

⁵⁷ PJM Initial Brief, Attachment A (new Part XI illustrative language, with sections 700-707 setting forth proposed non-rate terms and conditions for Interim Network Integration Transmission Service).

⁵⁸ Order to Show Cause at PP 201, 203.

⁵⁹ See Attachment A (Clean Tariff Revisions); Attachment B (Redline Tariff Revisions).

⁶⁰ Order to Show Cause at P 193.

⁶¹ See Attachment A (Clean Tariff Revisions); Attachment B (Redline Tariff Revisions).

⁶² See PJM Initial Brief, Attachment A (Attachment F-3A).

two new Contract Demand Transmission Services. First, PJM is proposing a new Firm Contract Demand Transmission Service which would allow an Eligible Customer taking transmission service on behalf of a Co-Located Load to take service up to a pre-specified MW quantity. Second, PJM is proposing a new Non-Firm Contract Demand Transmission Service for those Eligible Customers taking service on behalf of Co-Located Loads that do not necessarily plan to withdraw energy from PJM's transmission system on a regular basis. These customers will only take energy on an as-needed and as-available basis.

With this Transmittal, PJM is filing a "shell" of Tariff, Part XI, to show that these two services will be housed in a new Part XI of PJM's Tariff,⁶³ with the proposed Part XI language contained in PJM's Initial Brief.⁶⁴ Firm Contract Demand Transmission Service and Non-Firm Contract Demand Transmission Service will be subject to a new Service Agreement specific to Contract Demand Transmission Service to be contained in Tariff, Attachment F-4. PJM is filing a "shell" of Attachment F-4, to show that the service agreement will be a new Attachment F-4,⁶⁵ but notes that the proposed language of Attachment F-4 is discussed in its Initial Brief.⁶⁶

PJM will file the full text of Part XI, Attachment F-3A, and Attachment F-4 upon the Commission's decision following the conclusion of the paper hearing procedures.

⁶³ See Attachment A (Clean Tariff Revisions); Attachment B (Redline Tariff Revisions).

⁶⁴ See PJM Initial Brief, Attachment A (new Part XI illustrative language).

⁶⁵ See Attachment A (Clean Tariff Revisions); Attachment B (Redline Tariff Revisions).

⁶⁶ See PJM Initial Brief, Attachment A (new Part XI illustrative language, with sections 708-716 setting forth proposed non-rate terms and conditions for Contract Demand Transmission Services).

2. *Part III Revisions*

PJM is also proposing Tariff revisions to Part III (Network Integration Transmission Service), to comply with several discrete requirements in the Commission's Order to Show Cause.

Eligible Customers remain eligible to take Network Integration Transmission Service under Tariff, Part III on the same terms and conditions as before. First, the Commission required PJM to file a new provision explaining that an Eligible Customer taking transmission service on behalf of the Co-Located Load takes one of three transmission services.⁶⁷ PJM includes the following redline in Part III to comply with this requirement.⁶⁸

Eligible Customers taking transmission service on behalf of Co-Located Load must take one of the following services: (1) Network Integration Transmission Service under Tariff, Part III, with the option to seek Interim Network Integration Transmission Service subject to the provisions in Part XI; (2) Firm Contract Demand Transmission Service under Tariff, Part XI; or (3) Non-Firm Contract Demand Transmission Service under Tariff, Part XI. Co-Located Load, which is not served through one of these services must take all necessary steps to disconnect from the Transmission System.

Additionally, the Commission provided that while Eligible Customers serving Co-Located Load may take a "combination" of the Firm and Non-Firm Contract Demand services,⁶⁹ if the Eligible Customer elects to take NITS or Interim NITS, it may not

⁶⁷ Order to Show Cause at P 193.

⁶⁸ See Attachment A (Clean Tariff Revisions; Part III General); Attachment B (Redline Tariff Revisions, Part III General).

⁶⁹ Order to Show Cause at PP 194, 197.

combine NITS with the Contract Demand services.⁷⁰ Therefore, PJM also included the following proposed revision in Tariff, Part III:⁷¹

An Eligible Customer taking transmission service on behalf of a Co-Located Load may not take Network Integration Transmission Service or Interim Network Integration Transmission Service for that Co-Located Load at the same time it is taking Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service on behalf of that Co-Located Load.

Additionally, the title of the initial section of Part III has been changed from “Preamble” to “General,” to reflect the broader nature of the provisions contained in the Part.⁷²

Other changes have been made to Tariff, Part III. In section 28.1, PJM has added a sentence that Eligible Customers taking service on behalf of Co-Located Load may also receive Network Integration Transmission Service. This is compliant with the Commission’s order that Network Integration Transmission Service must be one of the several transmission service choices that Eligible Customers taking transmission service on behalf of Co-Located Load may select.⁷³

Additionally, in Part III, section 29.1, PJM has clarified that such Network Integration Transmission Service taken on behalf of Co-Located Load will be (1) subject to a new Form of Service Agreement (Attachment F-3A)⁷⁴ and (2) must satisfy certain

⁷⁰ *Id.* at n.408, P 197.

⁷¹ *See* Attachment A (Clean Tariff Revisions; Part III General); Attachment B (Redline Tariff Revisions, Part III General).

⁷² *See Id.*

⁷³ Order to Show Cause at P 193.

⁷⁴ This complies with the Commission’s requirement that PJM establish a new transmission service agreement for the transmission services available to Eligible Customers serving Co-Located Load. *Id.* at P 193.

requirements such as designation of an Eligible Customer and the individual Co-Located Load.⁷⁵ PJM also clarifies that the Network Integration Transmission Service that is applicable to Eligible Customers taking transmission service on behalf of Co-Located Load shall be Regional Network Integration Transmission Service, not Cross-Border Network Integration Transmission Service.⁷⁶

Other changes have been made throughout Part III to clarify that Eligible Customers taking Network Integration Transmission Service on behalf of Co-Located Load are subject to the same requirements as other Network Integration Transmission Service Customers.⁷⁷

Finally, PJM includes revisions to Part III, section 31.6, regarding submission of annual load and resource information, to clarify the additional information that PJM will require Eligible Customers taking Network Integration Transmission Service on behalf of Co-Located Load to provide, including the demand characteristics of the Co-Located Load, and the supply characteristics of the designated Co-Located Generating Facility.

C. Necessary Studies and Necessary Studies Agreement

PJM is further proposing Tariff revisions to Parts III and VIII of the Tariff to comply with the Commission's directives regarding the Necessary Study Process for Existing Interconnection Customers.⁷⁸ These proposed revisions are intended to apply uniformly to all existing customers regardless of whether they have presently effective

⁷⁵ This complies with the Commission's requirement that an Eligible Customer must be designated. *Id.* at P 188. See also proposed revision to Tariff, Part IX, Subpart B (*pro forma* GIA), Schedule O (requiring designation of "Eligible Customer taking transmission service on behalf of the Co-Located Load" among other information).

⁷⁶ Proposed Tariff revisions, Part III, section 29.2.

⁷⁷ See, e.g., Tariff, Part III, Section 29.2.

⁷⁸ Order to Show Cause at PP 225-230.

interconnection agreements issued pursuant to Parts IV, VI, VII, or VIII of the Tariff.⁷⁹ Notably, in some instances, a customer may not yet have a three-party interconnection agreement involving PJM in which case additional processes are required to convert to a three-party agreement before the necessary study process can be followed.

The thrust of PJM's proposed revisions require any Existing Interconnection Customer that seeks to serve Co-Located Load to follow a clarified necessary study process detailed in Part VIII of the Tariff and the related Form of Necessary Study Agreement set forth in Tariff, Part IX, Subpart G. If there is an Existing Interconnection Customer that desires to serve Co-Located Load with a Service Agreement issued pursuant to Tariff, Parts IV and VI, proposed revisions to Part III of the Tariff will require such customers to begin the process of amending such service agreements by following the tariffed necessary study process in Part VIII.⁸⁰ The same process will be followed for any customers with effective interconnection agreements issued pursuant to Parts VII or VIII. In all situations, customers will be required to enter into a Necessary Study Agreement with PJM in the form already in the Tariff (subject to proposed modifications set forth in the filing).⁸¹

Consistent with the requirements in Paragraph 227 of the Order to Show Cause, PJM proposes to require customers to provide PJM with all information needed to perform the Necessary Studies, as further detailed in the PJM Manuals, including but not limited to⁸²:

⁷⁹ The next section of this transmittal letter notes revisions to PJM's interconnection application for new generator interconnection requests that intend to serve Co-Located Load. Order to Show Cause at P 188.

⁸⁰ Proposed Tariff Revisions, Part III (General).

⁸¹ Order to Show Cause at P 226.

⁸² See generally proposed revisions to Tariff, Part VII, Subpart A, section 401.H.3.b.i - iii.

- the proposed configuration for the Co-Located Load and Co-Located Generating Facility, including a single-line diagram.
- all Eligible Customer information required in the application including the type of Transmission Service the Eligible Customer will take on behalf of the Co-Located Load.
- the amount of Capacity Interconnection Rights (“CIRs”) reduction resulting from the Co-Located Load configuration.⁸³
- Details of any necessary control technologies and protection systems needed to prevent withdrawals of energy from the Transmission System in excess of the energy withdrawals permitted under the Eligible Customer’s Service Agreement.⁸⁴

Further, consistent with the Commission’s directive in the Order to Show Cause, Paragraph 230, PJM’s necessary study procedures are also being amended to leave no doubt that “[a] Project Developer shall not implement any planned modifications to its

⁸³ The Order to Show Cause provides that an “existing generating facility may not begin serving Co-Located Load that is not Network Load until it has delisted its CIRs for the portion of the generating facility to be designated to serve any Co-Located Load that is not receiving NITS. In order for an existing generator to de-list its CIRs to serve Co-Located Load, the Interconnection Customer must revise its ISA or GIA and bear the cost of all required system upgrades[.]” *Id.* at P 230. To promote clarity about this issue to readers of the Tariff, PJM’s filing also proposes to memorialize this directive in the Tariff language itself. *See* proposed revisions to Tariff, Part VII, Subpart A, section 401.H.3.a - b.

⁸⁴ Consistent with Commission directives in Order Nos. 845 and 845-A and language already embedded in PJM’s *pro forma* LGIP, PJM’s proposal here uses the term “necessary control technologies and protection systems,” which may include Remedial Action Schemes. *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845-A, 166 FERC ¶ 61,137, at P 116 (2019) (“if the interconnection customer requests interconnection service below generating capacity, it commits to operate consistent with such a request under section 3.1 of the pro forma LGIP, which states that ‘[t]he necessary control technologies and protection systems ... for exceeding the level of Interconnection Service established in the executed, or requested to be filed unexecuted, LGIA shall be established in Appendix C of that executed, or requested to be filed unexecuted, LGIA.’”); Order No. 845, 163 FERC P 61,043, at P 396 (2018) (requiring “any interconnection customer that seeks interconnection service below its generating facility capacity install appropriate monitoring and control technologies at its generating facility”); *see also* Tariff, Part IV, Subpart A, section 36.1.1A (“The necessary control technologies and protection systems shall be established in Tariff, Attachment O, Schedule K (Requirements for Interconnection Service Below Full Electrical Generating Capability) of the executed, or requested to be filed unexecuted Interconnection Service Agreement.”).

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.”⁸⁵ This necessarily includes reflecting any CIR reduction necessary and resulting from a pursued Co-Located Load configuration.

PJM’s proposed Tariff revisions also provide that the Necessary Studies to be performed include thermal, short circuit, and stability studies under various seasonal and load conditions, as specified in more detail in PJM’s Manuals.⁸⁶ In addition, the proposed revisions provide that PJM shall assess the impact of⁸⁷ the reduction in CIRs associated with the Co-Located Load and Co-Located Load Generating Facility, any necessary control technologies and protection systems required as part of the Co-Located Load configuration, and any other changed conditions identified by Project Developer or Transmission Owner associated with the Co-Located Load configuration.⁸⁸

In addition, PJM is proposing other conforming changes to the *pro forma* Necessary Study Agreement to operationalize the proposed Tariff revisions and facilitate PJM’s collection of the information necessary to perform requested Necessary Studies.⁸⁹

Lastly, consistent with the directives in Paragraph 228 of the Order to Show Cause, PJM is also proposing revisions that clarify that the “Project Developer shall be responsible

⁸⁵ See proposed revisions to Tariff, Part VII, Subpart A, section 401.H.3.a.

⁸⁶ See proposed revisions to Tariff, Part VII, Subpart A, section 401.H.3.b.ii.

⁸⁷ The definition of “Necessary Study” in Tariff, Part VIII, Subpart A, section 400 explains that the necessary study is an “assessment[] undertaken by the Transmission Provider to determine whether a planned modification . . . will have a permanent material impact on the Transmission System”, among other things. PJM does not interpret the Commission’s compliance directives to narrow the scope of the Necessary Study inquiry and PJM has not elected to do so in this filing. In fact, the Commission is directing consideration and evaluation of necessary control technologies and protection systems.

⁸⁸ See proposed revisions to Tariff, Part VII, Subpart A, section 401.H.3.b.iii.

⁸⁹ See proposed revision to Tariff, Part IX, Subpart A (*pro forma* application and necessary study agreement).

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 Co-Located Load, including to reflect any reduction in Capacity Interconnection Rights. Subject to Project Developer having a fully executed and effective Generation Interconnection Agreement governing a Co-Located Load configuration, Project Developer may not begin serving Co-Located Load from the existing Generating Facility until all required Network Upgrades, necessary control technologies and protection systems and metering identified as necessary are complete and in service.”⁹⁰

D. Other Tariff Revisions (Generation Interconnection Procedures, pro forma GIA, pro forma Application and Studies Agreement, Other Definitions, etc.)

The Order to Show Cause further directs a number of prescriptive clarifications and revisions. The chart below reflects the various directives (including a citation to the relevant paragraph of the Order to Show Cause), and explains how PJM’s February 23 Compliance Filing addresses the directive with a reference to the proposed governing document revision.

FERC Requirement	How PJM Complies
Revise Tariff, Part VIII to add to the list of requirements for a New Service Request that an Interconnection Customer who will use its generating facility to serve Co-Located Load must specify an Eligible Customer who will take transmission service on behalf of the Co-Located Load. (Order to Show Cause at P 188)	PJM complies by making the revision in Part VIII, Subpart B, section 403(1), new subsection “r.” <i>See also</i> proposed revision to Tariff, Part IX, Subpart B (<i>pro forma</i> GIA), Schedule O; proposed revision to Tariff, Part III, General.

⁹⁰ *See* proposed revisions to Tariff, Part VII, Subpart A, section 401.H.3.b.iii.

<p>Revise Tariff, Part VIII to explain that if Interconnection Customer wants to serve Co-Located Load but not identify an Eligible Customer, then it may take steps to terminate its generating facility's interconnection and serve the Co-Located Load fully islanded from PJM's transmission system. (Order to Show Cause at P 189)</p>	<p>PJM complies by making the revision in two places: (1) Part III (General), and (2) Part VIII, Subpart B, section 403(1), new subsection "r."</p>
<p>Revise Tariff, Part VIII to explain that these above requirements apply to "all" Interconnection Customers requesting to interconnect generating facilities to serve Co-Located Load. (Order to Show Cause at P 189)</p>	<p>PJM complies by making revisions in two places: (1) Part III (General), and (2) Part VIII, Subpart B, section 403(1), new subsection "r."</p>
<p>Revise Tariff, Part VIII to specify any operational procedures or data exchange requirements that PJM deems necessary for Co-Location Arrangements. (Order to Show Cause at P 188)</p>	<p>PJM complies by adding a new schedule in the <i>pro forma</i> GIA (Schedule O), in the form of a placeholder for such information as the case may require.</p> <p>The remainder of Schedule O is discussed in the Initial Brief because it relates to specific non-rate terms and conditions of service for Co-Located Load arrangements.</p>
<p>Revise <i>pro forma</i> GIA to reflect above requirement to specify an Eligible Customer that will take transmission service on behalf of the Co-Located Load. (Order to Show Cause at P 190)</p>	<p>PJM complies by proposing revisions to the <i>pro forma</i> GIA, Schedule O.</p>
<p>Revise Tariff to establish a transition mechanism for existing customers who wish to add Co-Located Load. (Order to Show Cause at P 191)⁹¹</p>	<p>PJM complies by including the transition mechanism in three places (1) Part I (definition of "Co-Located Generating Facility"); (2) Part III (General), (3) Part VIII, Subpart A, Section 400, Definition C's definition of "Co-Located</p>

⁹¹ Order to Show Cause at P 191 ("Third, we direct PJM to submit, within 60 days of the date of issuance of this order, a compliance filing to add a new provision to Part I, Common Service Provisions, of the Tariff that requires 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 this order that wish to add Co-Located Load or are currently serving Co-Located Load to publicly notify PJM of that addition and identify the Eligible Customer that will take transmission service on behalf of that Co-Located Load. As discussed further below, that Eligible Customer must abide by the terms of the Tariff, including terms regarding transmission service.").

	<p>Generating Facility”.⁹² Because PJM is augmenting the Co-Located Generating Facility definition previously submitted in the January 20 Compliance Filing, for sake of clarity, PJM is submitting its proposed definition in full as part of the February 23 Compliance Filing.</p> <p>Although the Order to Show Cause suggested that these changes would be in Part I (Common Service Provisions) and Attachment O,⁹³ Appendix 2, PJM respectfully offers that placement in Part III and Part VIII (in addition to Part I Definitions) is superior to or consistent with the Commission’s directive because it promotes tariff readability and usability. In particular, Attachment O is for Interconnection Service Agreements under Part VI of the Tariff, and since PJM’s Transition Date, PJM has not issued new Interconnection Services Agreements.</p>
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⁹² In all such places, the new transition mechanism language reads: “Any Generation Project Developer with an effective Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the *pro forma* GIA in Part IX, Subpart B.”

⁹³ Order to Show Cause at P 191.

Additionally, although PJM filed Tariff revisions on January 20, 2026 to include a definition of Co-Located Load in Parts VII and VIII of the Tariff, with this filing PJM is also adding that same definition to Part I of the Tariff.⁹⁴ Adding this proposed definition to Part I will allow more streamlined use of this term for Tariff, Part III and new Tariff, Part XI.

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

PJM is also including a definition of Co-Located Generating Facility (as augmented by the transition language referenced in the chart above) to allow more streamlined use of this term in Tariff Parts III, VIII, and new Part XI:

“Co-Located Generating Facility” shall mean an existing or planned Generating Facility that is physically connected to a Co-Located Load.

The modest change in the Co-Located Load definition from what is reflected in the Order to Show Cause by using “Point of Change in Ownership” is consistent with or superior to the Order’s use of the term “Point of Interconnection” for a number of reasons: clarity for the interconnection parties, ease of administration, and the realization of efficiencies for parties at the Regional Transmission Organization (“RTO”) level and before the Commission in the form of reduced litigation potential and costs (both in the form of alternative dispute resolution procedures and formal complaint and petition for

⁹⁴ See Attachment A and B.

declaratory order litigation). The Commission should accept PJM's modest clarifying revision to the definition.⁹⁵

“Point of change in ownership” establishes the legal and financial boundary where, as a general matter, ownership responsibility, maintenance, and liability change between the utility and developer. That point is clearly and plainly memorialized today (and long has been) in both existing Interconnection Service Agreements and the newer Generator Interconnection Agreements. Interconnection facilities owned by the developer are identified and distinguished from interconnection facilities owned by the utility in the parties' existing interconnection agreements. Which interconnection party owns what facilities is an essential component of an interconnection agreement and promotes clarity about roles, responsibilities, and ownership. Indeed, PJM's proposed reforms to the Necessary Study Agreement and Generator Interconnection Agreement being filed in compliance with the Order to Show Cause leverage this term because to know where a proposed Co-Located Load is “physically connected to the facilities of an existing or planned Generating Facility,” the developer must identify the specific “Project Developer Interconnection Facilities” to which such load will be connected.

To be sure, “point of interconnection” is also a long-used and important term. While Point of Change in Ownership describes where a developer's portion of the Interconnection Facilities connect to the Transmission Owner's portion of the Interconnection Facilities, Point of Interconnection is a technical and physical term about “where” those Interconnection Facilities connect to the PJM Transmission System. As

⁹⁵ Proposed Tariff Revisions, Part I, Definition of Co-Located Load.

such, using the term “Point of Change in Ownership” provides greater clarity regarding the location of Co-Located Load, compared to “Point of Interconnection.”

The helpful discussion of this issue in Docket No. ER26-1088 is corroborative of these points about the consistency with or superiority of PJM’s modest revisions to the definition of Co-Located Load by using the more precise “Point of Change in Ownership.” These concerns have benefited from discussion and further consideration, and PJM continues to support and files again here the modestly modified Co-Located Load definition also filed on January 20, 2026 for at least the following reasons.

First, PJM has been focused on developing in consultation with stakeholders a compliance filing that can be efficiently implemented across the RTO and that is reflective of considerations of import to the Commission and to all affected stakeholders. Because of the inherent clarity in the term, use of Point of Change in Ownership appears poised to reduce the need for unique, one-off Co-Located Load filings of the sort that the Commission has previously rejected⁹⁶ in favor of rules of generic applicability within PJM’s Tariff.

Second, the Commission has broad authority to fashion a remedy under Section 206 of the Federal Power Act in a proceeding such as this and can accept PJM’s proposed modification on compliance. Indeed, one stakeholder’s conditional protest in Docket No. ER26-1088 offers another alternative for the Commission to consider in reliance on this Commission authority.

Third, using the term Point of Change in Ownership is consistent with the parties’ existing PJM Service Agreements and affords greater certainty to all interconnection

⁹⁶ See Docket No. ER24-2172.

parties and reduces issues about what a “Point of Interconnection” is or is not that are likely to be litigated in RTO Alternative Dispute Resolution processes or before the Commission in formal regulatory litigation. Parties today know what interconnection facilities they own and can plan the connection of Co-Located Load to such facilities accordingly. The Docket No. ER26-1088 conditional protest does not appear inconsistent with recognizing the principle that Co-Located Loads should only interconnect to a Project Developer’s portion of the Interconnection Facilities.

As previously detailed in PJM’s January 20 compliance filing,⁹⁷ which was about certain clarifications applicable only to Project Developers/Interconnection Customers seeking to serve Co-Located Load with new Generating Facilities (as opposed to existing Generating Facilities), PJM proposed a definition that uses the term “Point of Change in Ownership” rather than “Point of Interconnection” to comport with the use of this term in PJM’s new Generation Interconnection Process (“GIP”) set forth in Tariff, Parts VII and VIII. This use of terminology promotes alignment with PJM’s generator interconnection reform efforts, and promotes greater clarity for interconnection parties about the facilities to which Co-Located Load can attach.

Under PJM’s GIP, the Point of Change in Ownership represents the point where the change in ownership over the Interconnection Facilities occurs. The Project Developer Interconnection Facilities are the segment of the Interconnection Facilities between a Generating Facility and the Point of Change in Ownership, and include “the facilities and equipment owned and/or controlled, operated and maintained by the Project Developer on Project Developer’s side of the Point of Changes in Ownership, *including any*

⁹⁷ *PJM Interconnection, L.L.C., et al.*, PJM’s Compliance Filing to the Order to Show Cause, Docket No. EL25-49-000, *et al.* (Jan. 20, 2026).

modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Generating Facility.” As set forth in this filing, an Existing Interconnection Customer seeking to develop a Co-Located Load configuration would be required to enter a superseding Generation Interconnection Agreement to reflect the results of the necessary studies, including the planned modifications, additions, or upgrades to the Project Developer Interconnection Facilities, and identification of the Point of Change in Ownership. The proposed changes comply with the Commission’s directive that PJM use the necessary studies process to evaluate the Project Developer’s planned modifications to its facilities, including changes to its Interconnection Facilities, in order to incorporate a Co-Located Load configuration.⁹⁸

IV. REQUESTED EFFECTIVE DATE FOR TARIFF REVISIONS

Because the timing of PJM’s implementation date will depend in part on the Commission’s issuance of an order or opinion on these Tariff revisions, as well as on the non-rate terms and conditions proposed in PJM’s Initial Brief, PJM’s effective date for the revisions proposed herein is uncertain.

Given this uncertainty, PJM has entered a placeholder effective date of 12/31/9998 for the tariff records associated with this proposal. Once the Commission issues an order or opinion on this filing, and the non-rate terms and conditions subject to the paper hearing,

⁹⁸ Order to Show Cause at P 227 (“We disagree with parties such as PIOs who claim that the necessary study process is inappropriate for generation interconnection modification to serve Co-Located Load.”); *id.* (“To the extent that PJM seeks to enhance the necessary study process, including as it gains experience evaluating requests from Interconnection Customers *to modify their interconnection* to serve Co-Located Load, PJM may submit such enhancements in an FPA section 205 filing.”); *id.* at P 225 (“Based on our finding above that the PJM Tariff is unjust and unreasonable because it lacks sufficient clarity and consistency with respect to the rules for Co-Location Arrangements, we direct PJM to revise its Tariff to provide sufficient clarity regarding the responsibilities of existing Interconnection Customers seeking to serve Co-Located Load using *their generating facilities.*”) (emphasis added).

and PJM's ability to implement the proposal becomes clearer, PJM will submit a clean-up filing to enter the actual effective date.

As noted earlier, PJM anticipates needing to make subsequent conforming clean-up filings to the Tariff, Operating Agreement, and the RAA in regards to the compliance filings being submitted in response to the Order to Show Cause. Based on continued stakeholder engagement and in the Commission's active dockets, PJM may also seek leave to submit additional compliance filings to, among other things, streamline Commission resolution of issues and enhance Tariff clarity.⁹⁹

V. DOCUMENTS ENCLOSED

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

1. Attachment A: Tariff Revisions (Clean); and
2. Attachment B: Tariff Revisions (Redline).

⁹⁹ See also PJM's Initial Brief at Part V.

VI. 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:¹⁰⁰

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¹⁰⁰ 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.

VII. 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 accordance with the Commission's regulations,¹⁰¹ PJM will post a copy of this filing to the FERC 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,¹⁰² 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.

¹⁰¹ See 18 C.F.R. §§ 35.2(e) & 385.2010(f)(3).

¹⁰² PJM already maintains, updates, and regularly uses email lists for all PJM Members and affected state commissions.

VIII. CONCLUSION

PJM respectfully requests that the Commission accept the proposed revisions in accordance with the requirements of the Order to Show Cause.

Respectfully submitted,

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February 23, 2026

Attachment A

Revisions to the
PJM Open Access Transmission Tariff

(Clean Format)

Included within this Attachment A:

Definitions A-B

Definitions C-D

Definitions L-M-N

Definitions R-S

Part III - NITS

Section 28.1

Section 29.1

Section 29.2

Section 31.6

Section 34.2

Section 34.3

Part VII, Sub.A, Section 300 Def. B

Part VII, Sub.A, Section 300 Def. C

Part VII, Sub.A, Section 300 Def. N

Part VIII, Sub.A, Section 400 Def. B

Part VIII, Sub.A, Section 400 Def. C

Part VIII, Sub.A, Section 400 Def. N

Part VIII, Sub.A, Section 400 Def. R

Part VIII, Sub.A, Section 401

Part VIII, Sub.A, Section 403

Part IX, Sub.A, ASA Form

Part IX, Sub.B, GIA Appx

Part IX, Sub.B, Schedule O [New Section]

Part IX, Sub.G, NSA

Part XI [New Section]

Attachment F-3A [New Section]

Attachment F-4 [New Section]

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 PJM Settlement credit application, PJM Settlement 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.

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 or planned Generating Facility that is physically connected to a Co-Located Load.

Co-Located Load:

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

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.

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 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 – 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 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.

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.

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 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. Any facility that qualifies as a Non-Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

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 – 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, where such generation has a cumulative nameplate rating of no greater than 50 MW (not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system). Notwithstanding the foregoing and for a transition period through December 18, 2028, Retail Behind The Meter Generation includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network

Customer to net load prior to December 18, 2025. Provided further, Retail Behind The Meter Generation includes any generation used to serve a retail load served by a Network Customer to net load if it is the subject of a contractual arrangement (including but not limited to a bilateral agreement or interconnection agreement) that was in effect as of December 18, 2025 through the end of the term of such agreement, which may be renewed or extended per the terms of such agreement. Further, Retail Behind The Meter Generation also includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations. Any facility that qualifies as Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

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 = $0.73 * \text{unit specific Minimum Run Time (in hours)}$
- Intermediate Soak Time = $0.61 * \text{unit specific Minimum Run Time (in hours)}$
- Hot Soak Time = $0.43 * \text{unit specific Minimum Run Time (in hours)}$

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.

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.

Eligible Customers taking transmission service on behalf of Co-Located Load must take one of the following services: (1) Network Integration Transmission Service under Tariff, Part III, with the option to seek Interim Network Integration Transmission Service subject to the provisions in Part XI; (2) Firm Contract Demand Transmission Service under Tariff, Part XI; or (3) Non-Firm Contract Demand Transmission Service under Tariff, Part XI. Co-Located Load which is not served through one of these services must take all necessary steps to disconnect from the Transmission System.

An Eligible Customer taking transmission service on behalf of a Co-Located Load may not take Network Integration Transmission Service or Interim Network Integration Transmission Service for that Co-Located Load at the same time it is taking Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service on behalf of that Co-Located Load.

Any Generation Project Developer with an effective Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the pro forma GIA in Part IX, Subpart B.

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 Co-Located 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, except that, for Eligible Customers taking service on behalf of Co-Located Load, the appropriate Form of Service Agreement to be used will be Attachment F-3A.

Any Eligible Customer taking service on behalf of Co-Located Load must also satisfy these conditions to receive Network Integration Transmission Service.

- (iii) The Eligible Customer has been designated to take transmission service on behalf of a Co-Located Load in the Application and Study Agreement or the Generation Interconnection Agreement for the Co-Located Generating Facility.
- (iv) The Eligible Customer must designate the individual Co-Located Load on whose behalf the Eligible Customer will take Network Integration Transmission Service. The Co-Located 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 Co-Located 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 Co-Located 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.

31.6 Annual Load and Resource Information Updates:

Even if an Application is no longer required, 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 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, 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, 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 Co-Located Load must provide the Transmission Provider with annual updates of (i) the demand characteristics of the Co-Located Load and (ii) the supply characteristics of the designated Generating Facility, both consistent with the information included in its Application under Tariff, Part III.

34.2 Netting of Retail Behind the Meter Generation.

The daily load of a Network Customer does not include load served by operating Retail 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.

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:

$$\text{Network Customer Netting Credit} = (\text{NRT} / \text{PJM NRBTMG}) * \text{Network Customer operating NRBTMG}$$

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.

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 pm 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 the 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 Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the pro forma GIA in Part IX, Subpart 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 Change in Ownership 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, 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 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 pm Eastern prevailing time in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

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

Cancellation Costs:

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

Capacity:

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

Capacity Interconnection Rights:

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

Capacity Resource:

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

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 Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the pro forma GIA in Part IX, Subpart 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 Change in Ownership 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 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 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, where such generation has a cumulative nameplate rating of no greater than 50 MW (not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system). Notwithstanding the foregoing and for a transition period through December 18, 2028, Retail Behind The Meter Generation includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network

Customer to net load prior to December 18, 2025. Provided further, Retail Behind The Meter Generation includes any generation used to serve a retail load served by a Network Customer to net load if it is the subject of a contractual arrangement (including but not limited to a bilateral agreement or interconnection agreement) that was in effect as of December 18, 2025 through the end of the term of such agreement, which may be renewed or extended per the terms of such agreement. Further, Retail Behind The Meter Generation also includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations. Any facility that qualifies as Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

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, (ii) increase the capability of a Generating Facility in the PJM Region, (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.

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 Study Agreement.

- a. 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 or Project Developer Interconnection Facilities shall be required to enter into a Necessary Study Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. 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. A 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. A Project Developer whose planned modifications include Co-Located 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.
 - i. 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:
 - (a) the proposed configuration for the Co-Located Load and Co-Located 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 Co-Located Load will interconnect.
 - (b) all Eligible Customer information required in the application, including the type of Transmission Service the Eligible Customer will take on behalf of the Co-Located Load.

- (c) the amount of reduction to Capacity Interconnection Rights to facilitate the Co-Located Load configuration.
 - (d) To the extent available, details of any necessary control technologies and protection systems needed to prevent such Co-Located Load from withdrawing energy from the Transmission System in excess of energy withdrawals permitted under the Eligible Customer's Service Agreement.
- ii. Necessary Studies to be performed by Transmission Provider include thermal, short circuit, and stability studies under various seasonal and load conditions, as specified in more detail in the PJM Manuals. Transmission Provider shall assess the impact of the reduction in Capacity Interconnection Rights associated with the planned Co-Located Load and Co-Located Generating Facility, any necessary control technologies and protection systems required as part of the Co-Located Load configuration, and any other changed conditions identified by Project Developer or Transmission Owner associated with the Co-Located Load configuration.
- iii. 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 Co-Located Load, including to reflect any reduction in Capacity Interconnection Rights. Subject to Project Developer having a fully executed and effective Generation Interconnection Agreement governing a Co-Located Load configuration, Project Developer may not begin serving Co-Located Load from the existing Generating Facility until all required Network Upgrades, necessary control technologies and protection systems, and metering identified as necessary are complete and in service.

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. [Reserved].
- r. Additional Requirements for an Application for a Generation Interconnection Request for a Co-Located Generating Facility that will serve a Co-Located Load

For Transmission Provider to consider an Application for a Generation Interconnection Request for a Co-Located Generating Facility that will serve a Co-Located 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 Co-Located Load.
- ii. Detailed information concerning the Co-Located Load configuration, including the Co-Located Load and Co-Located Generating Facility, in the required single-line diagram for the Application.
- iii. To the extent available, details of any necessary control technologies and protection systems needed to prevent such Co-Located 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 Co-Located Load but does not identify an Eligible Customer, the Project Developer's Application will be withdrawn. To the extent that a Project Developer seeks to serve Co-Located 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 Co-Located 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 IX, Subpart A

**Form of
Application and Studies Agreement**

1. This Application and Studies Agreement (“Application” or “Agreement”), dated _____, is entered into by and between _____ (Project Developer or Eligible Customer, hereafter “Applicant”) and PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”) (individually a “Party” and together the “Parties”) pursuant to PJM Interconnection, L.L.C. Open Access Transmission Tariff (“Tariff”), Part VII, Subpart C or Part VIII, Subpart B. Capitalized terms used in this Application, unless otherwise indicated, shall have the meanings ascribed to them in Tariff, Part VII, Subpart A, section 300 or Part VIII, Subpart A, section 400.
2. Prior to the Application Deadline, Applicant must electronically provide to Transmission Provider through the PJM website or OASIS, as applicable, all applicable information identified below, which is then subject to validation during the Application Phase as set forth in Tariff, Part VII, Subpart C or Tariff, Part VIII, Subparts B and C and in the PJM Manuals. Only valid New Service Requests will proceed past the Application Phase.
3. Before Transmission Provider will review or process the Application, in addition to submitting a completed and signed Application prior to the Application Deadline, Applicant must electronically submit to Transmission Provider prior to the Application Deadline the (i) required cash Study Deposit by wire transfer and (ii) required Readiness Deposit by wire transfer or letter of credit. Applicant’s wire transfer(s) or letter(s) of credit must specify the Application reference number to which the Study Deposit and Readiness Deposit correspond, or Transmission Provider will not review or process the Application.

SECTION 1: APPLICANT INFORMATION

4. Name, address, telephone number, and e-mail address of Applicant. If Applicant has designated an agent, include the agent’s contact information.

Applicant

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Applicant’s Agent (if applicable)

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Agent's contact person: _____

If Application is for a Co-Located Generating Facility that will serve Co-Located Load, designate the Eligible Customer that will take service on behalf of the Co-Located Load and provide its name, address, telephone number, and e-mail address:

Eligible Customer

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Company Representative Name: _____

Company Representative Title: _____

Phone: _____ Email: _____

5. An Internal Revenue Service Form W-9 or comparable state-issued document for Applicant.
6. Documentation proving the existence of a legally binding relationship between Applicant and any entity with a vested interest in this Application and associated project (*e.g.*, a parent company, a subsidiary, or financing company acting as agent for Applicant). Such documentation may include, but is not limited to, Applicant's Articles of Organization and Operating Agreement describing the nature of the legally binding relationship.
7. Applicant's banking information, or the banking information of any entity with a legally binding relationship to Applicant that wishes to make payments and receive refunds on behalf of Applicant, in association with this Application and corresponding project:

Bank Name: _____

Account Holder Name: _____

ABA number: _____

Account Number: _____

Company: _____

Tax Reporting Name: _____

Tax ID: _____
 Address: _____
 City: _____
 State: _____
 Zip: _____
 Phone: _____
 Email: _____

8. If the Application is a request for long-term firm transmission service, see section 3.
9. Location of the proposed Point of Interconnection (POI) 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.

POI substation name: _____ or
 POI line name: _____ (endpoint 1) to _____ (endpoint 2)
 POI Distance from endpoint 1: _____ miles
 POI Distance from endpoint 2: _____ miles
 Interconnection voltage: _____ kV
 Address: _____
 City: _____ State: _____ Zip Code: _____
 GPS Coordinates: _____ N _____ W

10. If the project is a Merchant Transmission Facility, see section 4.

SECTION 2: GENERATING FACILITY SPECIFICATIONS

11. Specify the nature of the Generating Facility project.

____ New Generating Facility
 ____ Increase in generation capability of an existing Generating Facility
 ____ Replacement of existing Generating Facility with no increase in generation capability

12. Specify the type of Interconnection Service requested for the Generating Facility.

____ Energy Resource only

____ Capacity Resource (includes Energy Resource) with Capacity Interconnection Rights

13. Provide the following information about the Generating Facility:

a. Generating Facility location and site plan:

Provide a physical address or equivalent written description of the location of the Generating Facility, as well as global positioning system (GPS) coordinates. When known, provide GPS coordinates for the location of the Generating Facility's main power transformer(s).

Provide a current site plan in PDF depicting the (1) property boundaries; (2) Generating Facility layout, including the Generating Facility's collector substation (if applicable) or interconnection switchyard (if required); and (3) Interconnection Facilities extending from the Generating Facility's main power transformer(s) to the proposed POI.

b. Generating Facility Site Control:

In accordance with Tariff, Part VII, Subpart A, section 302 or Part VIII, Subpart A, section 402, provide evidence of an ownership interest in, or right to acquire or control through a deed, lease, or option for at least a one-year term beginning from the Application Deadline, 100 percent of the Site for the Generating Facility, including the location of the high-voltage side of the Generating Facility's main power transformer(s). In addition, provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further at PJM's request, Applicant shall provide copies of landowner attestations or county recordings.

c. Will the Generating Facility physically connect to distribution or sub-transmission facilities currently not subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC), for the purpose of injecting energy at the POI and engaging in FERC-jurisdictional Wholesale Transactions, as described in Tariff, Part VII, Subpart F or Tariff, Part VIII, Subpart F? (Y/N)

If yes, if available, provide with this Application a copy of the executed interconnection agreement between Applicant and the owner of the distribution or sub-transmission facilities to which the Generating Facility will physically connect. If the two-party interconnection agreement is not yet available, provide any available documentation demonstrating that Applicant has requested or applied for

interconnection through the relevant non-jurisdictional process, and provide a status report.

- d. For the Generating Facility, has Applicant obtained, or does Applicant intend to obtain, Qualifying Facility status under the Public Utility Regulatory Policies Act? (Y/N)

If yes, provide evidence of Qualifying Facility status or eligibility. Further, verify that Applicant intends that the Qualifying Facility will engage in Wholesale Transactions in PJM’s FERC-jurisdictional wholesale markets (Y/N).

- e. Will the Generating Facility share Project Developer’s Interconnection Facilities with another Generating Facility, either existing or planned? (Y/N)

If yes, demonstrate that the relevant parties have entered into, or will enter into, a shared facilities agreement with respect to the shared Interconnection Facilities.

- f. Maximum Facility Output and Capacity Interconnection Rights:

- i. For a new Generating Facility, provide the following information:

Total Requested Maximum Facility Output (maximum injection at the POI), in Megawatts	
Total Requested Capacity Interconnection Rights, in Megawatts	

- ii. For a requested increase in generation capability of an existing Generating Facility, identify the Generating Facility and provide the following information:

	Existing	Requested Increase	Total
Maximum Facility Output (maximum injection at the POI), in Megawatts			
Capacity Interconnection Rights, in Megawatts			

- iii. For a new Behind the Meter Generating Facility, provide the following information:

Gross Output in Megawatts	
Behind the Meter Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)	
Total Requested Maximum Facility Output (maximum injection at the POI), in Megawatts	
Total Requested Capacity Interconnection Rights, in Megawatts	

- iv. For a requested increase in generation capability of an existing Behind the Meter Generating Facility, identify the Generating Facility and provide the following information:

	Existing	Increase	Total
Gross Output in Megawatts			
Behind the Meter Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)			
Maximum Facility Output (maximum injection at the POI), in Megawatts			
Capacity Interconnection Rights, in Megawatts			

- v. For a new Co-Located Generating Facility that will serve Co-Located Load,

provide the following information:

Gross Output in Megawatts	
Co-Located Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)	
Total Requested Maximum Facility Output (maximum injection at the POI), in Megawatts	
Total Requested Capacity Interconnection Rights, in Megawatts	
The level of Interconnection Service requested	

- vi. For a requested increase in generation capability of an existing Generating Facility that will serve Co-Located Load, identify the Generating Facility and provide the following information:

	Existing	Increase	Total
Gross Output in Megawatts			
Co-Located Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)			
Maximum Facility Output (maximum injection at the POI), in Megawatts			
Capacity Interconnection Rights, in Megawatts			

The level of Interconnection Service requested			
{If available} A description of the Project Developer's existing Project Developer Interconnection Facilities and where they propose to connect the Co-Located Load			

- g. Provide a description of the equipment configuration and electrical design specifications for the Generating Facility, as further defined in the PJM Manuals and reflected in the single-line diagram. For a Co-Located Generating Facility that will serve Co-Located Load, the single-line diagram must also detail the configuration for the Co-Located Load configuration, including depicting the electrical location of the load in relation to the Co-Located Generating Facility and the electrical connections between the Co-Located Generating Facility and the Co-Located Load.
- h. Specify the fuel type of the Generating Facility.
- i. If the Generating Facility will be a multi-fuel Generating Facility, or if a proposed increase in generation capability of an existing Generating Facility will create a multi-fuel Generating Facility, describe the physical and electrical configuration in as much detail as possible.
- j. If the Generating Facility will include storage device(s), will the storage device(s) be charged using energy from the Transmission System at any time? (Y/N)

If yes, specify the maximum that will be withdrawn from the Transmission System at any time: ___ MWh (or kWh)

If yes, provide other technical and operating information on the storage device(s) as set forth in the PJM Manuals, including MWh stockpile and hour class, as applicable.
- k. If the Generating Facility will include storage, provide the primary frequency

response operating range for the electric storage component, as described in the PJM Manuals.

Minimum State of Charge: _____ Maximum State of Charge: _____

- l. For a Non-Retail Behind the Meter Generation Facility, provide the following information (note that all of the provisions in Tariff, Part VII, Subpart E, section 317 or Tariff, Part VIII, Subpart E, section 415 apply):
 - i. Identify the type and size of the load co-located (or to be co-located) with the Generating Facility, and attach a detailed single-line diagram in PDF depicting the electrical location of the load in relation to the Generating Facility.
 - ii. Describe the electrical connections between the Generating Facility and the co-located load, as shown in the single-line diagram.
- m. Provide the date that the new Generating Facility, or the increase in generation capability of an existing Generating Facility, will be in service.
- n. Provide other relevant information for the Generating Facility including, but not limited to, identifying whether Applicant has submitted a previous Application; and, if this Application proposes an increase in generation capability of a Generating Facility, identify whether the Generating Facility is subject to an existing PJM Service Agreement; and, if so, provide those details.

SECTION 3: LONG-TERM FIRM TRANSMISSION SERVICE

14. Request:

OASIS Request	Start	Stop	Amount	Path	Date & Time Request

15. PURPOSE: A Phase I System Impact Study, incorporated within a Cycle’s System Impact Studies, is used to determine whether the Transmission System is adequate to accommodate all or part of an Applicant’s request for long-term firm transmission service under Tariff, Part II (POINT-TO-POINT TRANSMISSION SERVICE) and Tariff, Part III (NETWORK INTEGRATION TRANSMISSION SERVICE). The FERC comparability standard is applied in evaluating the impact of all requests.

16. SCOPE OF WORK AND STUDY DEPOSIT: PJM will perform a Phase I System Impact

Study to determine if the PJM network has sufficient capability to grant Applicant’s request for long-term firm transmission service, based on expected system conditions and topology. The required cash Study Deposit for the Phase I System Impact Study, as described in Tariff, Part VII, Subpart B, section 306(A) or Tariff, Part VIII, Subpart B, section 403(A), is due prior to the Application Deadline.

- 17. NETWORK ANALYSIS AND DELIVERABILITY TEST: PJM evaluates requests for long-term firm transmission service using deliverability tests commensurate with the testing employed for evaluating Interconnection Requests. The energy from a Generating Facility or the energy delivered using long-term firm transmission service that is ultimately committed to meet resource requirements must be deliverable to where it is needed in the event of a system emergency. Therefore, there must be sufficient transmission network transfer capability within the control area. PJM determines the sufficiency of network transfer capability through a series of “deliverability tests.” All Interconnection Requests and long-term firm transmission service requests in PJM are subjected to the same deliverability tests. The FERC comparability standard is applied in evaluating the impact of all requests.
- 18. Skip to section 5.

SECTION 4: MERCHANT TRANSMISSION FACILITY SPECIFICATIONS

- 19. Applicant requests interconnection to the Transmission System of Merchant Transmission Facilities with the following specifications:

- a. Location of proposed facilities:

- b. Substation(s) where Applicant proposes to interconnect or add its facilities:

- c. Proposed voltage and nominal capability of new facilities or increase in capability of existing facilities:

- d. Description of proposed facilities and equipment:

- e. Planned date the proposed facilities or increase in capability will be in service:

f. Will the proposed facilities be Merchant A.C. or Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities?

A.C. _____ or D.C. _____ or Controllable A.C. _____

i. If the proposed facilities will be Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities, does Applicant elect to receive either:

_____ (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR)

OR

_____ (2) Incremental Deliverability Rights, Incremental Auction Revenue Rights, and Incremental Available Transfer Capability Revenue Rights.

If Applicant elects (1) above, provide the following:

_____ Total project MWs to be evaluated as Firm (capacity) injection for TIR.

_____ Total project MWs to be evaluated as Non-firm (energy) injection for TIR.

_____ Total project MWs to be evaluated as Firm (capacity) withdrawal for TWR.

_____ Total project MWs to be evaluated a Non-firm (energy) withdrawal for TWR.

If Applicant elects (2) above, state the location on the Transmission System where Applicant proposes to receive Incremental Deliverability Rights associated with its proposed facilities:

ii. If the proposed facilities will be Controllable A.C. Merchant Transmission Facilities, and provided that Applicant contractually binds itself in the Service Agreement related to its project always to operate its Controllable A.C. Merchant Transmission Facilities in a manner effectively the same as operation of D.C. transmission facilities, the Service Agreement will provide Applicant with the same types of transmission rights that are available under the Tariff for Merchant D.C.

Transmission Facilities. For purposes of this Agreement, Applicant represents that, should it execute a Service Agreement for its project described herein, it will agree in the Service Agreement to operate its facilities continuously in a controllable mode.

iii. If the proposed facilities will be Merchant A.C. Transmission Facilities without continuous controllability as described in the preceding paragraph, specify the location on the Transmission System where Applicant proposes to receive any Incremental Deliverability Rights associated with its proposed facilities:

20. Site Control: In accordance with Tariff, Part VII, Subpart A, section 302 or Part VIII, Subpart A, section 402, provide evidence of an ownership interest in, or right to acquire or control through a deed, lease, or option for at least a one-year term beginning from the Application Deadline, 100 percent of the Site for Applicant's major equipment (e.g., converter station). In addition, provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further at PJM's request, Applicant shall provide copies of landowner attestations or county recordings.

SECTION 5: SCOPE AND TIMING OF SYSTEM IMPACT STUDIES

21. Transmission Provider, in consultation with the affected Transmission Owner(s), will conduct System Impact Studies, in three phases, to provide Applicant with information on the required Interconnection Facilities and Network Upgrades needed to support Applicant's New Service Request.
22. Consistent with Tariff, Part VII, Subpart C or Tariff, Part VIII, Subparts C and D, the Phase I System Impact Study begins at the end of the 90-day Application Review Phase, and runs for 120 days followed by a 30-day Decision Point I period for withdrawal or modification. If no withdrawal, the Phase II System Impact Study begins at the end of the Decision Point I period and runs for 180 days followed by a 30-day Decision Point II period for withdrawal or modification. If no withdrawal, the Phase III System Impact Study begins at the end of the Decision Point II period and runs for 180 days followed by release of the Phase III System Impact Study report and the start of final agreement negotiations. If a phase or period does not end on a Business Day, the phase or period shall be extended to end on the next Business Day.
23. The System Impact Studies include good faith estimates that attempt to determine the cost of necessary facilities, and upgrades to existing facilities, to accommodate Applicant's New Service Request, and to identify Applicant's cost responsibility, but those estimates shall not be deemed final or binding. The scope of the System Impact Studies may include, but are not limited to, short circuit analyses, stability analyses, an interconnection facilities study, and a system upgrades facilities study.
24. The System Impact Studies necessarily will employ various assumptions regarding

Applicant's New Service Request, other New Service Requests, and PJM's Regional Transmission Expansion Plan at the time of study. IN NO EVENT SHALL THIS AGREEMENT OR THE SYSTEM IMPACT STUDIES IN ANY WAY BE DEEMED TO OBLIGATE TRANSMISSION PROVIDER OR TRANSMISSION OWNERS TO CONSTRUCT ANY FACILITIES OR UPGRADES OR TO PROVIDE ANY TRANSMISSION OR INTERCONNECTION SERVICE TO OR ON BEHALF OF APPLICANT EITHER AT THIS POINT IN TIME OR IN THE FUTURE.

25. Consistent with Tariff, Part VII, Subpart G or Tariff, Part VIII, Subpart G, Transmission Provider will coordinate with Affected System Operators the conduct of 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. Applicant will cooperate with 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 Applicant's New Service Request.

SECTION 6: CONFIDENTIALITY

26. Applicant agrees to provide all information requested by Transmission Provider necessary to complete and review this Application. Subject to this section 6, and to the extent required by Tariff Part VII, Subpart E, section 327 or Tariff, Part VIII, Subpart E, section 425, information provided pursuant to this Application shall be and remain confidential.
27. Upon completion of each System Impact Study for a New Service Request, the corresponding reports will be listed on Transmission Provider's website and, to the extent required by Tariff, Part VII, Subpart E, section 327 or Tariff, Part VIII, Subpart E, section 425 or Commission regulations, will be made publicly available. Applicant acknowledges and consents to such disclosures as may be required under Tariff, Part VIII, Subpart E, section 425 or Commission regulations.
28. Applicant acknowledges that, consistent with the confidentiality provisions of Tariff, Part VII, Subpart E, section 327 or Tariff, Part VIII, Subpart E, section 425, Transmission Provider may contract with consultants, including Transmission Owners, to provide services or expertise in the study process, and Transmission Provider may disseminate information as necessary to those consultants, and rely upon them to conduct part or all of the System Impact Studies.

SECTION 7: COST RESPONSIBILITY

29. Transmission Provider shall apply Applicant's Study Deposit in payment of the invoices for the costs of the System Impact Studies.
30. Actual study costs may exceed the Study Deposit. Notwithstanding the amount of the Study Deposit, Applicant shall reimburse Transmission Provider for all, or for Applicant's allocated portion of, the actual cost of the System Impact Studies in accordance with Applicant's cost responsibility. Applicant is responsible for, and must pay, all actual study

costs. If Transmission Provider sends Applicant notification of additional study costs, then Applicant must either: (i) pay all additional study costs within 20 days (or, if the 20th day is not a Business Day, then the next Business Day) 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.

SECTION 8: DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

31. In completing the System Impact Studies, Transmission Provider, Transmission Owner(s), and any other subcontractors employed by Transmission Provider must rely on information provided by Applicant 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 SYSTEM IMPACT STUDIES. Applicant 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 Agreement nor the System Impact Studies prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by Transmission Provider or Transmission Owner(s) to provide Interconnection Service or transmission service to or on behalf of Applicant either at this time or in the future.
32. 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 agreement 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 or of the non-performance or delay in performance of Transmission Provider's obligations under this Agreement.

SECTION 9: MISCELLANEOUS

33. 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
interconnectionagreementnotices@pjm.com

Applicant:

34. No waiver by either Party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
35. This Agreement, or any part thereof, may not be amended, modified, or waived other than by a writing signed by all Parties.
36. This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors, and assigns.
37. This Agreement shall become effective on the date it is executed by both Parties and shall remain in effect until the earlier of (a) the date on which Applicant enters into a final Service Agreement with PJM (and Transmission Owner as applicable) in accordance with Tariff, Part VII, Subpart D or Tariff, Part VIII, Subpart D or (b) termination or withdrawal of this Application.
38. **Governing Law, Regulatory Authority, and Rules:**
This Agreement shall be deemed a contract made under, and the interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with, the applicable Federal laws and/or laws of the State of Delaware without regard to conflicts of law provisions that would apply the laws of another jurisdiction. This Agreement 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.
39. **No Third-Party Beneficiaries:**
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest, and where permitted their assigns.

40. **Multiple Counterparts:**
This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.
41. **No Partnership:**
This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
42. **Severability:**
If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
43. **Reservation of Rights:**
Transmission Provider shall have the right to make a unilateral filing with the Federal Energy Regulatory Commission (“FERC”) to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; and Applicant shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC’s rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

Applicant: **[Name of Party]**

By: _____
Name Title Date

Printed Name

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD TERMS AND CONDITIONS FOR INTERCONNECTIONS**

SCHEDULES:

- **SCHEDULE A - GENERATING FACILITY LOCATION/SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM**
- **SCHEDULE C - LIST OF METERING EQUIPMENT**
- **SCHEDULE D - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE E - SCHEDULE OF CHARGES**
- **SCHEDULE F - SCHEDULE OF NON-STANDARD TERMS & CONDITIONS**
- **SCHEDULE G - PROJECT DEVELOPER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE H - INTERCONNECTION REQUIREMENTS FOR ALL WIND, SOLAR AND NON-SYNCHRONOUS GENERATION FACILITIES**
- **SCHEDULE I - INTERCONNECTION SPECIFICATIONS FOR AN ENERGY STORAGE RESOURCE**
- **SCHEDULE J - SCHEDULE OF TERMS AND CONDITIONS FOR SURPLUS INTERCONNECTION SERVICE**
- **SCHEDULE K - REQUIREMENTS FOR INTERCONNECTION SERVICE BELOW FULL ELECTRICAL GENERATING CAPABILITY**
- **SCHEDULE L - INTERCONNECTION CONSTRUCTION TERMS AND CONDITIONS**
- **SCHEDULE L, APPENDIX 1 - NEGOTIATED CONTRACT OPTION TERMS**
- **SCHEDULE M - SCHEDULE OF TERMS AND CONDITIONS FOR REPLACEMENT GENERATION INTERCONNECTION SERVICE**

- **SCHEDULE N – [Reserved].**
- **SCHEDULE O – [Reserved].**

SCHEDULE O

Co-Located Generating Facility Associated with Co-Located Load

{Include the appropriate language from the alternatives below.}

{Include the following language if the Generating Facility is not associated with Co-Located Load:}

Not Required

{If applicable: the following applies when a Project Developer intends to use its Generating Facility to serve Co-Located Load through Tariff, Part XI}

Information required for a Project Developer who intends to use its Generating Facility to serve Co-Located Load through Tariff, Part XI:

- a. Eligible Customer taking transmission service on behalf of the Co-Located Load:

- b. Gross Demand (MW) of Co-Located Load: _____ MW

- c. Contact Information for Co-Located Load: _____ MW

- d. Contact Information for Eligible Customer:

- e. Identify the Project Developer Interconnection Facilities to which the Co-Located Load will interconnect.

Tariff, Part IX, Subpart G

FORM OF
NECESSARY STUDIES AGREEMENT

(Project Identifier #___)

NECESSARY STUDIES AGREEMENT
By And Among
PJM INTERCONNECTION, L.L.C.
And

**Necessary Studies Agreement
By and Among
PJM Interconnection, L.L.C.
and**

(Project Identifier #____)

RECITALS

1. This Necessary Studies Agreement (“NSA”) entered into by and between _____ (“Project Developer”) 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 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] related to PJM Project Identifier # _____, 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 has notified the Interconnection Parties that it plans to undertake modifications to its Generating Facility or Merchant Transmission Facility and/or any associated Project Developer 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 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 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 of all required information regarding the Planned Modifications within 30 days of the Effective Date. Project Developer is obligated to update the data following any requests from PJM. If Project Developer 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, 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 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 and Transmission Provider’s receipt of the information required under this NSA, section 3, Transmission Provider shall notify Project Developer 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 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 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 shall provide to Transmission Provider, as of the Effective Date, an initial deposit of \$50,000 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, and Transmission Provider's receipt of the information under this NSA, section 3.
 - a. If Project Developer fails to submit an initial deposit of \$50,000 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 \$50,000 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 with estimated additional studies, Project Developer is responsible for and must pay all actual study costs.

- i. If Transmission Provider sends notification to Project Developer of estimated additional study costs, then Project Developer 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 by Transmission Provider.
- ii. If Project Developer 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 shall make any payment due to Transmission Provider. If Project Developer withdraws its Necessary Studies request and terminates this NSA prior to the completion of the Necessary Studies or analysis work, Project Developer 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 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 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 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 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

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, Transmission Provider agrees to provide notice of such Breach and in the same manner as its notice to Project Developer, to any Project Finance Entity provided that the Project Developer 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, and the Project Developer 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 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: Project Developer 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 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 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:

By: _____
Name Title Date

Printed name of signer: _____

ATTACHMENT 1

Planned Modifications

{Describe Planned Modifications.}

{If Project Developer plans to become a Co-Located Generating Facility that will serve Co-Located Load, pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), Project Developer must provide:

- (a) the proposed Co-Located Load configuration, including a single-line diagram,
- (b) the reduction in Capacity Interconnection Rights resulting from the Co-Located Load configuration, and
- (c) to the extent available, any necessary control technologies and protection systems needed to prevent such Co-Located Load from withdrawing energy from the Transmission System in excess of energy withdrawals permitted under the Eligible Customer's Service Agreement}

{If Project Developer plans to become a Co-Located Generating Facility that will serve Co-Located 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 seeks to modify its Interconnection Service Agreement or Generation Interconnection Agreement to serve Co-Located Load.

_____ YES

_____ NO

If Yes, the modifications to its Generating Facility located at _____ associated with the service to Co-Located 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 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 Co-Located Load.

If Yes, designate requested Transmission Service type(s) :

____ Regional Network Transmission Service

____ Interim Regional Network Transmission Service

OR

____ Firm Contract Demand Transmission Service

____ Non-Firm Contract Demand Transmission Service

If Yes, designate the Eligible Customer that will take service on behalf of the Co-Located Load and provide its name, address, telephone number, and e-mail address.

Eligible Customer

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Tariff, Part XI

**TRANSMISSION SERVICES AVAILABLE FOR ELIGIBLE CUSTOMERS TAKING
SERVICE ON BEHALF OF CO LOCATED LOADS**

[Reserved: Interim Network Integration Transmission Service]

[Reserved: Firm Contract Demand Transmission Service and Non-Firm Contract Demand
Transmission Service]

Service Agreement No. [Insert]

ATTACHMENT F-3A

**Service Agreement For
Regional Network Integration Transmission Service
And/or
Interim Regional Network Integration Transmission Service
(For Co-Located Load)**

[Reserved]

Service Agreement No. [Insert]

ATTACHMENT F-4

**Service Agreement For
Contract Demand Transmission Service
(For Co-Located Load)**

[Reserved].

Attachment B

Revisions to the
PJM Open Access Transmission Tariff

(Marked Format)

Included within this Attachment B:

Definitions A-B

Definitions C-D

Definitions L-M-N

Definitions R-S

Part III - NITS

Section 28.1

Section 29.1

Section 29.2

Section 31.6

Section 34.2

Section 34.3

Part VII, Sub.A, Section 300 Def. B

Part VII, Sub.A, Section 300 Def. C

Part VII, Sub.A, Section 300 Def. N

Part VIII, Sub.A, Section 400 Def. B

Part VIII, Sub.A, Section 400 Def. C

Part VIII, Sub.A, Section 400 Def. N

Part VIII, Sub.A, Section 400 Def. R

Part VIII, Sub.A, Section 401

Part VIII, Sub.A, Section 403

Part IX, Sub.A, ASA Form

Part IX, Sub.B, GIA Appx

Part IX, Sub.G, NSA

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 PJM Settlement credit application, PJM Settlement 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.

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 or planned Generating Facility that is physically connected to a Co-Located Load.

Co-Located Load:

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

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.

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 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 – 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 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.

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.

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 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. Any facility that qualifies as a Non-Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

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 – 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, where such generation has a cumulative nameplate rating of no greater than 50 MW (not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system). Notwithstanding the foregoing and for a transition period through December 18, 2028, Retail Behind The Meter Generation includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network

Customer to net load prior to December 18, 2025. Provided further, Retail Behind The Meter Generation includes any generation used to serve a retail load served by a Network Customer to net load if it is the subject of a contractual arrangement (including but not limited to a bilateral agreement or interconnection agreement) that was in effect as of December 18, 2025 through the end of the term of such agreement, which may be renewed or extended per the terms of such agreement. Further, Retail Behind The Meter Generation also includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations. Any facility that qualifies as Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

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 = $0.73 * \text{unit specific Minimum Run Time (in hours)}$
- Intermediate Soak Time = $0.61 * \text{unit specific Minimum Run Time (in hours)}$
- Hot Soak Time = $0.43 * \text{unit specific Minimum Run Time (in hours)}$

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 [1.11A2.3](#) and the parallel provisions of Tariff, Attachment K-Appendix, section [1.11A2.3](#).

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.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

References to section numbers in this Part III refer to sections of this Part III, unless otherwise specified.

PreambleGeneral

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. PJM Settlement 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.

Eligible Customers taking transmission service on behalf of Co-Located Load must take one of the following services: (1) Network Integration Transmission Service under Tariff, Part III, with the option to seek Interim Network Integration Transmission Service subject to the provisions in Part XI; (2) Firm Contract Demand Transmission Service under Tariff, Part XI; or (3) Non-Firm Contract Demand Transmission Service under Tariff, Part XI. Co-Located Load which is not served through one of these services must take all necessary steps to disconnect from the Transmission System.

An Eligible Customer taking transmission service on behalf of a Co-Located Load may not take Network Integration Transmission Service or Interim Network Integration Transmission Service for that Co-Located Load at the same time it is taking Firm Contract Demand Transmission Service or Non-Firm Contract Demand Transmission Service on behalf of that Co-Located Load.

Any Generation Project Developer with an effective Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the pro forma GIA in Part IX, Subpart B.

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 Co-located 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, except that, for Eligible Customers taking service on behalf of Co-Located Load, the appropriate Form of Service Agreement to be used will be Attachment F-3A.

Any Eligible Customer taking service on behalf of Co-Located Load must also satisfy these conditions to receive Network Integration Transmission Service.

- (iii) The Eligible Customer has been designated to take transmission service on behalf of a Co-Located Load in the Application and Study Agreement or the Generation Interconnection Agreement for the Co-Located Generating Facility.
- (iv) The Eligible Customer must designate the individual Co-Located Load on whose behalf the Eligible Customer will take Network Integration Transmission Service. The Co-Located 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 Co-Located 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 Co-Located 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.

31.6 Annual Load and Resource Information Updates:

Even if an Application is no longer required, 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 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, 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, 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 Co-Located Load must provide the Transmission Provider with annual updates of (i) the demand characteristics of the Co-Located Load and (ii) the supply characteristics of the designated Generating Facility, both consistent with the information included in its Application under Tariff, Part III.

34.2 Netting of Retail Behind the Meter Generation.

The daily load of a Network Customer does not include load served by operating Retail 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.

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:

$$\text{Network Customer Netting Credit} = (\text{NRT} / \text{PJM NRBTMG}) * \text{Network Customer operating NRBTMG}$$

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.

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 pm 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 the 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 Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the pro forma GIA in Part IX, Subpart 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 Change in Ownership 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, [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 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 pm Eastern prevailing time in which the Federal Reserve System is open for business and is not a scheduled PJM holiday.

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

Cancellation Costs:

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

Capacity:

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

Capacity Interconnection Rights:

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

Capacity Resource:

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

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 Service Agreement that plans to use a Generating Facility to serve Co-Located Load must provide PJM and the Transmission Owner with advance written notice to begin the Necessary Studies process provided in Tariff, Part VIII, Subpart A, section 401(H)(3)(b). 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 VII, such agreement must be superseded by a Generation Interconnection Agreement pursuant to Tariff, Part VIII and the pro forma GIA in Part IX, Subpart 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 Change in Ownership 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 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 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, where such generation has a cumulative nameplate rating of no greater than 50 MW (not including back-up generation at the same electrical location as the retail load that can only be used to serve such retail load during conditions that may threaten the integrity or reliability of the PJM Region or the regional power system). Notwithstanding the foregoing and for a transition period through December 18, 2028, Retail Behind The Meter Generation includes any generation with a

cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load prior to December 18, 2025. Provided further, Retail Behind The Meter Generation includes any generation used to serve a retail load served by a Network Customer to net load if it is the subject of a contractual arrangement (including but not limited to a bilateral agreement or interconnection agreement) that was in effect as of December 18, 2025 through the end of the term of such agreement, which may be renewed or extended per the terms of such agreement. Further, Retail Behind The Meter Generation also includes any generation with a cumulative nameplate rating greater than 50 MW used to serve a retail load served by a Network Customer to net load that, as of December 18, 2025, was a Qualifying Facility consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and its implementing regulations. Any facility that qualifies as Retail Behind The Meter Generation shall be excluded from Co-Located Load configurations.

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, (ii) increase the capability of a Generating Facility in the PJM Region, (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.

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-transferable 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.
- H3. 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:
- A1. 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.
- B2. 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 Study Agreement.

a. 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 or Project Developer Interconnection Facilities shall be required to enter into a Necessary Study Agreement with Transmission Provider in the form set forth in Tariff, Part IX, Subpart G. 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. A 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. A Project Developer whose planned modifications include Co-Located 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.

i. 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:

(a) the proposed configuration for the Co-Located Load and Co-Located 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 Co-Located Load will interconnect.

(b) all Eligible Customer information required in the application, including the type of Transmission Service the Eligible Customer will take on behalf of the Co-Located Load.

(c) the amount of reduction to Capacity Interconnection Rights to facilitate the Co-Located Load configuration.

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

ii. Necessary Studies to be performed by Transmission Provider include thermal, short circuit, and stability studies under various seasonal and load conditions, as specified in more detail in the PJM Manuals. Transmission Provider shall assess the impact of the reduction in Capacity Interconnection Rights associated with the planned Co-Located Load and Co-Located Generating Facility, any necessary control technologies and protection systems required as part of the Co-Located Load configuration, and any other changed conditions identified by Project Developer or Transmission Owner associated with the Co-Located Load configuration.

iii. 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 Co-Located Load, including to reflect any reduction in Capacity Interconnection Rights. Subject to Project Developer having a fully executed and effective Generation Interconnection Agreement governing a Co-Located Load configuration, Project Developer may not begin serving Co-Located Load from the existing Generating Facility until all required Network Upgrades, necessary control technologies and protection systems, and metering identified as necessary are complete and in service.

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. [Reserved].

r. Additional Requirements for an Application for a Generation Interconnection Request for a Co-Located Generating Facility that will serve a Co-Located Load

For Transmission Provider to consider an Application for a Generation Interconnection Request for a Co-Located Generating Facility that will serve a Co-Located 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 Co-Located Load.

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

iii. To the extent available, details of any necessary control technologies and protection systems needed to prevent such Co-Located 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 Co-Located Load but does not identify an Eligible Customer, the Project Developer's Application will be withdrawn. To the extent that a Project Developer seeks to serve Co-Located 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 Co-Located 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 IX, Subpart A

**Form of
Application and Studies Agreement**

1. This Application and Studies Agreement (“Application” or “Agreement”), dated _____, is entered into by and between _____ (Project Developer or Eligible Customer, hereafter “Applicant”) and PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”) (individually a “Party” and together the “Parties”) pursuant to PJM Interconnection, L.L.C. Open Access Transmission Tariff (“Tariff”), Part VII, Subpart C or Part VIII, Subpart B. Capitalized terms used in this Application, unless otherwise indicated, shall have the meanings ascribed to them in Tariff, Part VII, Subpart A, section 300 or Part VIII, Subpart A, section 400.

2. Prior to the Application Deadline, Applicant must electronically provide to Transmission Provider through the PJM website or OASIS, as applicable, all applicable information identified below, which is then subject to validation during the Application Phase as set forth in Tariff, Part VII, Subpart C or Tariff, Part VIII, Subparts B and C and in the PJM Manuals. Only valid New Service Requests will proceed past the Application Phase.

3. Before Transmission Provider will review or process the Application, in addition to submitting a completed and signed Application prior to the Application Deadline, Applicant must electronically submit to Transmission Provider prior to the Application Deadline the (i) required cash Study Deposit by wire transfer and (ii) required Readiness Deposit by wire transfer or letter of credit. Applicant’s wire transfer(s) or letter(s) of credit must specify the Application reference number to which the Study Deposit and Readiness Deposit correspond, or Transmission Provider will not review or process the Application.

SECTION 1: APPLICANT INFORMATION

4. Name, address, telephone number, and e-mail address of Applicant. If Applicant has designated an agent, include the agent’s contact information.

Applicant

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Applicant’s Agent (if applicable)

Company Name: _____

Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Email: _____
Agent's contact person: _____

If Application is for a Co-Located Generating Facility that will serve Co-Located Load, designate the Eligible Customer that will take service on behalf of the Co-Located Load and provide its name, address, telephone number, and e-mail address:

Eligible Customer

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Company Representative Name: _____

Company Representative Title: _____

Phone: _____ Email: _____

5. An Internal Revenue Service Form W-9 or comparable state-issued document for Applicant.
6. Documentation proving the existence of a legally binding relationship between Applicant and any entity with a vested interest in this Application and associated project (e.g., a parent company, a subsidiary, or financing company acting as agent for Applicant). Such documentation may include, but is not limited to, Applicant's Articles of Organization and Operating Agreement describing the nature of the legally binding relationship.
7. Applicant's banking information, or the banking information of any entity with a legally binding relationship to Applicant that wishes to make payments and receive refunds on behalf of Applicant, in association with this Application and corresponding project:

Bank Name: _____

Account Holder Name: _____

ABA number: _____

Account Number: _____

Company: _____

Tax Reporting Name: _____
 Tax ID: _____
 Address: _____
 City: _____
 State: _____
 Zip: _____
 Phone: _____
 Email: _____

8. If the Application is a request for long-term firm transmission service, see section 3.
9. Location of the proposed Point of Interconnection (POI) 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.

POI substation name: _____ or
 POI line name: _____ (endpoint 1) to _____ (endpoint 2)
 POI Distance from endpoint 1: _____ miles
 POI Distance from endpoint 2: _____ miles
 Interconnection voltage: _____ kV
 Address: _____
 City: _____ State: _____ Zip Code: _____
 GPS Coordinates: _____ N _____ W

10. If the project is a Merchant Transmission Facility, see section 4.

SECTION 2: GENERATING FACILITY SPECIFICATIONS

11. Specify the nature of the Generating Facility project.

_____ New Generating Facility

_____ Increase in generation capability of an existing Generating Facility

_____ Replacement of existing Generating Facility with no increase in generation capability

12. Specify the type of Interconnection Service requested for the Generating Facility.

___ Energy Resource only

___ Capacity Resource (includes Energy Resource) with Capacity Interconnection Rights

13. Provide the following information about the Generating Facility:

a. Generating Facility location and site plan:

Provide a physical address or equivalent written description of the location of the Generating Facility, as well as global positioning system (GPS) coordinates. When known, provide GPS coordinates for the location of the Generating Facility's main power transformer(s).

Provide a current site plan in PDF depicting the (1) property boundaries; (2) Generating Facility layout, including the Generating Facility's collector substation (if applicable) or interconnection switchyard (if required); and (3) Interconnection Facilities extending from the Generating Facility's main power transformer(s) to the proposed POI.

b. Generating Facility Site Control:

In accordance with Tariff, Part VII, Subpart A, section 302 or Part VIII, Subpart A, section 402, provide evidence of an ownership interest in, or right to acquire or control through a deed, lease, or option for at least a one-year term beginning from the Application Deadline, 100 percent of the Site for the Generating Facility, including the location of the high-voltage side of the Generating Facility's main power transformer(s). In addition, provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further at PJM's request, Applicant shall provide copies of landowner attestations or county recordings.

c. Will the Generating Facility physically connect to distribution or sub-transmission facilities currently not subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC), for the purpose of injecting energy at the POI and engaging in FERC-jurisdictional Wholesale Transactions, as described in Tariff, Part VII, Subpart F or Tariff, Part VIII, Subpart F? (Y/N)

If yes, if available, provide with this Application a copy of the executed interconnection agreement between Applicant and the owner of the distribution or sub-transmission facilities to which the Generating Facility will physically connect. If the two-party interconnection agreement is not yet available, provide

any available documentation demonstrating that Applicant has requested or applied for interconnection through the relevant non-jurisdictional process, and provide a status report.

- d. For the Generating Facility, has Applicant obtained, or does Applicant intend to obtain, Qualifying Facility status under the Public Utility Regulatory Policies Act? (Y/N)

If yes, provide evidence of Qualifying Facility status or eligibility. Further, verify that Applicant intends that the Qualifying Facility will engage in Wholesale Transactions in PJM’s FERC-jurisdictional wholesale markets (Y/N).

- e. Will the Generating Facility share Project Developer’s Interconnection Facilities with another Generating Facility, either existing or planned? (Y/N)

If yes, demonstrate that the relevant parties have entered into, or will enter into, a shared facilities agreement with respect to the shared Interconnection Facilities.

- f. Maximum Facility Output and Capacity Interconnection Rights:

- i. For a new Generating Facility, provide the following information:

Total Requested Maximum Facility Output (maximum injection at the POI), in Megawatts	
Total Requested Capacity Interconnection Rights, in Megawatts	

- ii. For a requested increase in generation capability of an existing Generating Facility, identify the Generating Facility and provide the following information:

	Existing	Requested Increase	Total
Maximum Facility Output (maximum injection at the POI), in Megawatts			
Capacity Interconnection Rights, in Megawatts			

- iii. For a new Behind the Meter Generating Facility, provide the following information:

Gross Output in Megawatts	
Behind the Meter Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)	
Total Requested Maximum Facility Output (maximum injection at the POI), in Megawatts	
Total Requested Capacity Interconnection Rights, in Megawatts	

- iv. For a requested increase in generation capability of an existing Behind the Meter Generating Facility, identify the Generating Facility and provide the following information:

	Existing	Increase	Total
Gross Output in Megawatts			
Behind the Meter Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)			
Maximum Facility Output (maximum injection at the POI), in Megawatts			
Capacity Interconnection Rights, in Megawatts			

v. For a new Co-Located Generating Facility that will serve Co-Located Load, provide the following information:

<u>Gross Output in Megawatts</u>	
<u>Co-Located Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)</u>	
<u>Total Requested Maximum Facility Output (maximum injection at the POI), in Megawatts</u>	
<u>Total Requested Capacity Interconnection Rights, in Megawatts</u>	
<u>The level of Interconnection Service requested</u>	

vi. For a requested increase in generation capability of an existing Generating Facility that will serve Co-Located Load, identify the Generating Facility and provide the following information:

	<u>Existing</u>	<u>Increase</u>	<u>Total</u>
<u>Gross Output in Megawatts</u>			
<u>Co-Located Load in Megawatts (the sum of auxiliary load and any other load to be served behind the meter)</u>			
<u>Maximum Facility Output (maximum injection at the POI), in Megawatts</u>			

<u>Capacity Interconnection Rights, in Megawatts</u>			
<u>The level of Interconnection Service requested</u>			
<u>{If available} A description of the Project Developer's existing Project Developer Interconnection Facilities and where they propose to connect the Co-Located Load</u>			

- g. Provide a description of the equipment configuration and electrical design specifications for the Generating Facility, as further defined in the PJM Manuals and reflected in the single-line diagram. For a Co-Located Generating Facility that will serve Co-Located Load, the single-line diagram must also detail the configuration for the Co-Located Load configuration, including depicting the electrical location of the load in relation to the Co-Located Generating Facility and the electrical connections between the Co-Located Generating Facility and the Co-Located Load.
- h. Specify the fuel type of the Generating Facility.
- i. If the Generating Facility will be a multi-fuel Generating Facility, or if a proposed increase in generation capability of an existing Generating Facility will create a multi-fuel Generating Facility, describe the physical and electrical configuration in as much detail as possible.
- j. If the Generating Facility will include storage device(s), will the storage device(s) be charged using energy from the Transmission System at any time? (Y/N)

If yes, specify the maximum that will be withdrawn from the Transmission System at any time: ___ MWh (or kWh)

If yes, provide other technical and operating information on the storage device(s) as set forth in the PJM Manuals, including MWh stockpile and hour class, as applicable.

- k. If the Generating Facility will include storage, provide the primary frequency response operating range for the electric storage component, as described in the PJM Manuals.

Minimum State of Charge: _____ Maximum State of Charge: _____

- l. For a Non-Retail Behind the Meter Generation Facility, provide the following information (note that all of the provisions in Tariff, Part VII, Subpart E, section 317 or Tariff, Part VIII, Subpart E, section 415 apply):

- i. Identify the type and size of the load co-located (or to be co-located) with the Generating Facility, and attach a detailed single-line diagram in PDF depicting the electrical location of the load in relation to the Generating Facility.

- ii. Describe the electrical connections between the Generating Facility and the co-located load, as shown in the single-line diagram.

- m. Provide the date that the new Generating Facility, or the increase in generation capability of an existing Generating Facility, will be in service.

- n. Provide other relevant information for the Generating Facility including, but not limited to, identifying whether Applicant has submitted a previous Application; and, if this Application proposes an increase in generation capability of a Generating Facility, identify whether the Generating Facility is subject to an existing PJM Service Agreement; and, if so, provide those details.

SECTION 3: LONG-TERM FIRM TRANSMISSION SERVICE

- 14. Request:

OASIS Request	Start	Stop	Amount	Path	Date & Time Request

- 15. PURPOSE: A Phase I System Impact Study, incorporated within a Cycle’s System Impact Studies, is used to determine whether the Transmission System is adequate to

accommodate all or part of an Applicant’s request for long-term firm transmission service under Tariff, Part II (POINT-TO-POINT TRANSMISSION SERVICE) and Tariff, Part III (NETWORK INTEGRATION TRANSMISSION SERVICE). The FERC comparability standard is applied in evaluating the impact of all requests.

- 16. **SCOPE OF WORK AND STUDY DEPOSIT:** PJM will perform a Phase I System Impact Study to determine if the PJM network has sufficient capability to grant Applicant’s request for long-term firm transmission service, based on expected system conditions and topology. The required cash Study Deposit for the Phase I System Impact Study, as described in Tariff, Part VII, Subpart B, section 306(A) or Tariff, Part VIII, Subpart B, section 403(A), is due prior to the Application Deadline.
- 17. **NETWORK ANALYSIS AND DELIVERABILITY TEST:** PJM evaluates requests for long-term firm transmission service using deliverability tests commensurate with the testing employed for evaluating Interconnection Requests. The energy from a Generating Facility or the energy delivered using long-term firm transmission service that is ultimately committed to meet resource requirements must be deliverable to where it is needed in the event of a system emergency. Therefore, there must be sufficient transmission network transfer capability within the control area. PJM determines the sufficiency of network transfer capability through a series of “deliverability tests.” All Interconnection Requests and long-term firm transmission service requests in PJM are subjected to the same deliverability tests. The FERC comparability standard is applied in evaluating the impact of all requests.
- 18. Skip to section 5.

SECTION 4: MERCHANT TRANSMISSION FACILITY SPECIFICATIONS

- 19. Applicant requests interconnection to the Transmission System of Merchant Transmission Facilities with the following specifications:

- a. Location of proposed facilities:

- b. Substation(s) where Applicant proposes to interconnect or add its facilities:

- c. Proposed voltage and nominal capability of new facilities or increase in capability of existing facilities:

- d. Description of proposed facilities and equipment:

e. Planned date the proposed facilities or increase in capability will be in service:

f. Will the proposed facilities be Merchant A.C. or Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities?

A.C. _____ or D.C. _____ or Controllable A.C. _____

i. If the proposed facilities will be Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities, does Applicant elect to receive either:

_____ (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR)

OR

_____ (2) Incremental Deliverability Rights, Incremental Auction Revenue Rights, and Incremental Available Transfer Capability Revenue Rights.

If Applicant elects (1) above, provide the following:

_____ Total project MWs to be evaluated as Firm (capacity) injection for TIR.

_____ Total project MWs to be evaluated as Non-firm (energy) injection for TIR.

_____ Total project MWs to be evaluated as Firm (capacity) withdrawal for TWR.

_____ Total project MWs to be evaluated a Non-firm (energy) withdrawal for TWR.

If Applicant elects (2) above, state the location on the Transmission System where Applicant proposes to receive Incremental Deliverability Rights associated with its proposed facilities:

ii. If the proposed facilities will be Controllable A.C. Merchant Transmission Facilities, and provided that Applicant contractually binds itself in the Service Agreement related to its project always to operate its Controllable A.C. Merchant Transmission Facilities in a manner effectively the same as operation of D.C. transmission facilities, the Service Agreement will provide Applicant with the same types of transmission rights that are available under the Tariff for Merchant D.C. Transmission Facilities. For purposes of this Agreement, Applicant represents that, should it execute a Service Agreement for its project described herein, it will agree in the Service Agreement to operate its facilities continuously in a controllable mode.

iii. If the proposed facilities will be Merchant A.C. Transmission Facilities without continuous controllability as described in the preceding paragraph, specify the location on the Transmission System where Applicant proposes to receive any Incremental Deliverability Rights associated with its proposed facilities:

20. Site Control: In accordance with Tariff, Part VII, Subpart A, section 302 or Part VIII, Subpart A, section 402, provide evidence of an ownership interest in, or right to acquire or control through a deed, lease, or option for at least a one-year term beginning from the Application Deadline, 100 percent of the Site for Applicant's major equipment (e.g., converter station). In addition, provide a certification, executed by an officer or authorized representative of Applicant, verifying that the Site Control requirement is met. Further at PJM's request, Applicant shall provide copies of landowner attestations or county recordings.

SECTION 5: SCOPE AND TIMING OF SYSTEM IMPACT STUDIES

21. Transmission Provider, in consultation with the affected Transmission Owner(s), will conduct System Impact Studies, in three phases, to provide Applicant with information on the required Interconnection Facilities and Network Upgrades needed to support Applicant's New Service Request.
22. Consistent with Tariff, Part VII, Subpart C or Tariff, Part VIII, Subparts C and D, the Phase I System Impact Study begins at the end of the 90-day Application Review Phase, and runs for 120 days followed by a 30-day Decision Point I period for withdrawal or modification. If no withdrawal, the Phase II System Impact Study begins at the end of the Decision Point I period and runs for 180 days followed by a 30-day Decision Point II period for withdrawal or modification. If no withdrawal, the Phase III System Impact Study begins at the end of the Decision Point II period and runs for 180 days followed by release of the Phase III System Impact Study report and the start of final agreement negotiations. If a phase or period does not end on a Business Day, the phase or period shall be extended to end on the next Business Day.
23. The System Impact Studies include good faith estimates that attempt to determine the

cost of necessary facilities, and upgrades to existing facilities, to accommodate Applicant's New Service Request, and to identify Applicant's cost responsibility, but those estimates shall not be deemed final or binding. The scope of the System Impact Studies may include, but are not limited to, short circuit analyses, stability analyses, an interconnection facilities study, and a system upgrades facilities study.

24. The System Impact Studies necessarily will employ various assumptions regarding Applicant's New Service Request, other New Service Requests, and PJM's Regional Transmission Expansion Plan at the time of study. IN NO EVENT SHALL THIS AGREEMENT OR THE SYSTEM IMPACT STUDIES IN ANY WAY BE DEEMED TO OBLIGATE TRANSMISSION PROVIDER OR TRANSMISSION OWNERS TO CONSTRUCT ANY FACILITIES OR UPGRADES OR TO PROVIDE ANY TRANSMISSION OR INTERCONNECTION SERVICE TO OR ON BEHALF OF APPLICANT EITHER AT THIS POINT IN TIME OR IN THE FUTURE.
25. Consistent with Tariff, Part VII, Subpart G or Tariff, Part VIII, Subpart G, Transmission Provider will coordinate with Affected System Operators the conduct of 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. Applicant will cooperate with 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 Applicant's New Service Request.

SECTION 6: CONFIDENTIALITY

26. Applicant agrees to provide all information requested by Transmission Provider necessary to complete and review this Application. Subject to this section 6, and to the extent required by Tariff Part VII, Subpart E, section 327 or Tariff, Part VIII, Subpart E, section 425, information provided pursuant to this Application shall be and remain confidential.
27. Upon completion of each System Impact Study for a New Service Request, the corresponding reports will be listed on Transmission Provider's website and, to the extent required by Tariff, Part VII, Subpart E, section 327 or Tariff, Part VIII, Subpart E, section 425 or Commission regulations, will be made publicly available. Applicant acknowledges and consents to such disclosures as may be required under Tariff, Part VIII, Subpart E, section 425 or Commission regulations.
28. Applicant acknowledges that, consistent with the confidentiality provisions of Tariff, Part VII, Subpart E, section 327 or Tariff, Part VIII, Subpart E, section 425, Transmission Provider may contract with consultants, including Transmission Owners, to provide services or expertise in the study process, and Transmission Provider may disseminate information as necessary to those consultants, and rely upon them to conduct part or all of the System Impact Studies.

SECTION 7: COST RESPONSIBILITY

29. Transmission Provider shall apply Applicant's Study Deposit in payment of the invoices for the costs of the System Impact Studies.
30. Actual study costs may exceed the Study Deposit. Notwithstanding the amount of the Study Deposit, Applicant shall reimburse Transmission Provider for all, or for Applicant's allocated portion of, the actual cost of the System Impact Studies in accordance with Applicant's cost responsibility. Applicant is responsible for, and must pay, all actual study costs. If Transmission Provider sends Applicant notification of additional study costs, then Applicant must either: (i) pay all additional study costs within 20 days (or, if the 20th day is not a Business Day, then the next Business Day) 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.

SECTION 8: DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

31. In completing the System Impact Studies, Transmission Provider, Transmission Owner(s), and any other subcontractors employed by Transmission Provider must rely on information provided by Applicant 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 SYSTEM IMPACT STUDIES. Applicant 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 Agreement nor the System Impact Studies prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by Transmission Provider or Transmission Owner(s) to provide Interconnection Service or transmission service to or on behalf of Applicant either at this time or in the future.
32. 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 agreement 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 or of the non-performance or delay in performance of Transmission Provider's obligations

under this Agreement.

SECTION 9: MISCELLANEOUS

- 33. 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
interconnectionagreementnotices@pjm.com

Applicant:

- 34. No waiver by either Party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 35. This Agreement, or any part thereof, may not be amended, modified, or waived other than by a writing signed by all Parties.
- 36. This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors, and assigns.
- 37. This Agreement shall become effective on the date it is executed by both Parties and shall remain in effect until the earlier of (a) the date on which Applicant enters into a final Service Agreement with PJM (and Transmission Owner as applicable) in accordance with Tariff, Part VII, Subpart D or Tariff, Part VIII, Subpart D or (b) termination or withdrawal of this Application.
- 38. **Governing Law, Regulatory Authority, and Rules:**
This Agreement shall be deemed a contract made under, and the interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with, the applicable Federal laws and/or laws of the State of Delaware without regard to conflicts of law provisions that would apply the laws of another jurisdiction. This Agreement 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.

39. No Third-Party Beneficiaries:

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest, and where permitted their assigns.

40. Multiple Counterparts:

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

41. No Partnership:

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

42. Severability:

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

43. Reservation of Rights:

Transmission Provider shall have the right to make a unilateral filing with the Federal Energy Regulatory Commission ("FERC") to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; and Applicant shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

Applicant: **[Name of Party]**

By: _____
Name Title Date

Printed Name

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD TERMS AND CONDITIONS FOR INTERCONNECTIONS**

SCHEDULES:

- **SCHEDULE A - GENERATING FACILITY LOCATION/SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM**
- **SCHEDULE C - LIST OF METERING EQUIPMENT**
- **SCHEDULE D - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE E - SCHEDULE OF CHARGES**
- **SCHEDULE F - SCHEDULE OF NON-STANDARD TERMS & CONDITIONS**
- **SCHEDULE G - PROJECT DEVELOPER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE H - INTERCONNECTION REQUIREMENTS FOR ALL WIND, SOLAR AND NON-SYNCHRONOUS GENERATION FACILITIES**
- **SCHEDULE I - INTERCONNECTION SPECIFICATIONS FOR AN ENERGY STORAGE RESOURCE**
- **SCHEDULE J - SCHEDULE OF TERMS AND CONDITIONS FOR SURPLUS INTERCONNECTION SERVICE**
- **SCHEDULE K - REQUIREMENTS FOR INTERCONNECTION SERVICE BELOW FULL ELECTRICAL GENERATING CAPABILITY**
- **SCHEDULE L - INTERCONNECTION CONSTRUCTION TERMS AND CONDITIONS**
- **SCHEDULE L, APPENDIX 1 - NEGOTIATED CONTRACT OPTION TERMS**
- **SCHEDULE M - SCHEDULE OF TERMS AND CONDITIONS FOR REPLACEMENT GENERATION INTERCONNECTION SERVICE**

• SCHEDULE N – [Reserved].

• SCHEDULE O – [Reserved].

Tariff, Part IX, Subpart G

FORM OF
NECESSARY STUDIES AGREEMENT

(Project Identifier #___)

NECESSARY STUDIES AGREEMENT
By And Among
PJM INTERCONNECTION, L.L.C.
And

**Necessary Studies Agreement
By and Among
PJM Interconnection, L.L.C.
and**

(Project Identifier #____)

RECITALS

1. This Necessary Studies Agreement (“NSA”) entered into by and between _____ (“Project Developer”) 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 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] related to PJM Project Identifier # _____, 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 has notified ~~Transmission Provider~~the Interconnection Parties that it plans to undertake modifications to its Generating Facility or Merchant Transmission Facility and/or any associated Project Developer 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 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 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 of all required information regarding the Planned Modifications within 30 days of the Effective Date. Project Developer is obligated to update the data following any requests from PJM. If Project Developer 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, 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 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 and Transmission Provider’s receipt of the information required under this NSA, section 3, Transmission Provider shall notify Project Developer 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 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 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 shall provide to Transmission Provider, as of the Effective Date, an initial deposit of \$~~2550~~,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, and Transmission Provider's receipt of the information under this NSA, section 3.
 - a. If Project Developer fails to submit an initial deposit of \$~~2550~~,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 \$~~2550~~,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 with estimated additional studies, Project Developer is responsible for and must pay all actual study costs.

- i. If Transmission Provider sends notification to Project Developer of estimated additional study costs, then Project Developer 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 by Transmission Provider.
- ii. If Project Developer 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 shall make any payment due to Transmission Provider. If Project Developer withdraws its Necessary Studies request and terminates this NSA prior to the completion of the Necessary Studies or analysis work, Project Developer 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 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 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 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 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

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, Transmission Provider agrees to provide notice of such Breach and in the same manner as its notice to Project Developer, to any Project Finance Entity provided that the Project Developer 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, and the Project Developer 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 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: Project Developer 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 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 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:

By: _____
Name Title Date

Printed name of signer: _____

ATTACHMENT 1

Planned Modifications

{Describe Planned Modifications.}

{If Project Developer plans to become a Co-Located Generating Facility that will serve Co-Located Load, pursuant to Tariff, Part VIII, Subpart A, section 401(H)(3)(b), Project Developer must provide:

- (a) the proposed Co-Located Load configuration, including a single-line diagram,
- (b) the reduction in Capacity Interconnection Rights resulting from the Co-Located Load configuration, and
- (c) to the extent available, any necessary control technologies and protection systems needed to prevent such Co-Located Load from withdrawing energy from the Transmission System in excess of energy withdrawals permitted under the Eligible Customer’s Service Agreement}

{If Project Developer plans to become a Co-Located Generating Facility that will serve Co-Located 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 seeks to modify its Interconnection Service Agreement or Generation Interconnection Agreement to serve Co-Located Load.

 YES

 NO

If Yes, the modifications to its Generating Facility located at _____ associated with the service to Co-Located 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 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 Co-Located Load.

If Yes, designate requested Transmission Service type(s) :

_____ Regional Network Transmission Service

_____ Interim Regional Network Transmission Service

_____ OR

_____ Firm Contract Demand Transmission Service

_____ Non-Firm Contract Demand Transmission Service

If Yes, designate the Eligible Customer that will take service on behalf of the Co-Located Load and provide its name, address, telephone number, and e-mail address.

Eligible Customer

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____