

## **SCHEDULE 5**

### **Operating Reserve - Synchronized Reserve Service**

Synchronized Reserve Service is needed to serve load immediately in the event of a system contingency. Synchronized Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service or eligible Demand Resources as specified in Tariff, Attachment K-Appendix, section 1.7.19A. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. Each Transmission Owner and Network Customer must purchase this service from the Transmission Provider. The amount of and charges for Synchronized Reserve Service, as defined in accordance with NERC operating policies, will be accounted and paid for as set forth in Tariff, Attachment K-Appendix, section 3.2.3A. The Transmission Provider shall administer the purchases by customers of Synchronized Reserve Service. PJMSettlement shall be the Counterparty to the purchases by customers of Synchronized Reserve Service in the PJM Interchange Energy Market; provided however, that PJMSettlement shall not be the contracting party to bilateral transactions between market participants or with respect to a self-schedule or self-supply of generation resources by a customer to satisfy its Synchronized Reserve obligation.