

BLACKLINE LANGUAGE ENDORSED BY MRC IN FEBRUARY; REDLINE LANGUAGE OFFERED BY STAKEHOLDER AND CONSIDERED TO BE FRIENDLY BY PJM

From RAA Section 1.7A re: CIL Exception –

Capacity Import Limit shall mean

Notwithstanding the foregoing, a Capacity Resource located outside the PJM Region shall not be subject to the Capacity Import Limit if the Capacity Market Seller seeks an exception thereto by demonstrating to PJM, by no later than five (5) business days prior to the commencement of the offer period for the relevant RPM Auction, that such resource meets all of the following requirements:

(i) it has, at the time such exception is requested, met all applicable requirements to be treated as equivalent to PJM Region internal generation that is not subject to NERC tagging as an interchange transaction, or the Capacity Market Seller has committed in writing that it will meet such requirements, unless prevented from doing so by circumstances beyond the control of the Capacity Market Seller, prior to the relevant Delivery Year;

(ii) at the time such exception is requested, it has either: (a) long-term firm transmission service *with rollover rights* confirmed on the complete transmission path from such resource into PJM for the relevant Delivery Year and each subsequent Delivery Year up through and including the Delivery Year for the next Base Residual Auction if the initial Capacity Import Limit exception request is for a Delivery Year for which the Base Residual Auction has already been conducted and it will exercise such rights before the transmission service expires; or (b) long-term firm transmission service confirmed on the complete transmission path from such resource into PJM with rollover rights for the relevant Delivery Year if the Capacity Import Limit exception request is for a Base Residual Auction **unless the resource has received a must-offer exception effective prior to the period for which rollover rights would have been exercised, then the unit is only required to have long-term firm transmission service confirmed on the complete transmission path through the end of such Delivery Year;** and

(iii) it is, by written commitment of the Capacity Market Seller, subject to the same obligations imposed on Generation Capacity Resources located in the PJM Region by section 6.6 of Attachment DD of the PJM Tariff to offer their capacity into RPM Auctions; provided, however, that (a) the total megawatt quantity of all exceptions granted hereunder for a Delivery Year, plus the Capacity Import Limit for the applicable interface determined for such Delivery Year, may not exceed the total megawatt quantity of Network External Designated Transmission Service on such interface that PJM has confirmed for such Delivery Year; and (b) if granting a qualified exception would result in a violation of the rule in clause (a), PJM shall grant the requested exception but reduce the Capacity Import Limit by the quantity necessary to ensure that the total quantity of Network External Designated Transmission Service is not exceeded.