

1. Operating Agreement Revisions

a. Section 1, Definitions

~~Transmission Loading Relief Customer:~~

~~“Transmission Loading Relief Customer” shall mean an entity that, in accordance with Operating Agreement, Schedule 1, section 1.10.6A and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.6A, has elected to pay Transmission Congestion Charges during Transmission Loading Relief in order to continue energy schedules over contract paths outside the PJM Region that are increasing the cost of energy in the PJM Region.~~

b. Schedule 1, Section 1.10.6A:

~~1.10.6A Transmission Loading Relief Customers.~~

~~(a) An entity that desires to elect to pay Transmission Congestion Charges in order to continue its energy schedules during an Operating Day over contract paths outside the PJM Region in the event that PJM initiates Transmission Loading Relief that otherwise would cause PJM to request security coordinators to curtail such Member’s energy schedules shall:~~

~~(i) enter its election on OASIS by 11:00 a.m. of the day before the Operating Day, in accordance with procedures established by PJM, which election shall be applicable for the entire Operating Day; and~~

~~(ii) if PJM initiates Transmission Loading Relief, provide to PJM, at such time and in accordance with procedures established by PJM, the hourly integrated energy schedules that impacted the PJM Region (as indicated from the NERC Interchange Distribution Calculator) during the Transmission Loading Relief.~~

~~(b) If an entity has made the election specified in section (a), then PJM shall not request security coordinators to curtail such entity’s energy transactions, except as may be necessary to respond to Emergencies.~~

~~(c) In order to make elections under this section 1.10.6A, an entity must (i) have met the creditworthiness standards established by the Office of the Interconnection or provided a letter of credit or other form of security acceptable to the Office of the Interconnection, and (ii) have executed either the Agreement, a Service Agreement under the PJM Tariff, or other agreement committing to pay all Transmission Congestion Charges incurred under this section.~~

c. Schedule 1, Section 5.1.6:

~~5.1.6 Transmission Loading Relief Customer Calculation Reserved.~~

~~(a) Each Transmission Loading Relief Customer shall be assessed Transmission Congestion Charges for any increase in the cost of energy in the PJM Region resulting from its energy schedules over contract paths outside the PJM Region during Transmission Loading Relief.~~

~~(b) The Transmission Congestion Charge shall be the total amount of energy specified in such energy schedules multiplied by the difference between a Locational Marginal Price calculated by the Office of the Interconnection for the energy schedule source location specified in the NERC Interchange Distribution Calculator and a Locational Marginal Price calculated by the Office of the Interconnection for the energy schedule sink location specified in the NERC Interchange Distribution Calculator. Transmission Congestion Charges that are less than zero shall be set equal to zero for Transmission Loading Relief Customers.~~

~~(c) The Office of the Interconnection will determine the Locational Marginal Prices at the energy schedule source and sink locations external to PJM with reference to and based solely on the prices of energy in the PJM Region and at the Interface Pricing Points between adjacent Control Areas and the PJM Region and the system conditions and actual power flow distributions as described by the PJM State Estimator program. The Office of the Interconnection will determine the Locational Marginal Prices at the external energy schedule source and sink locations and the resulting Congestion Charge based on the portion of the energy schedule that flows through the PJM Region as reflected by the flow distributions from the PJM State Estimator program.~~

2. Open Access Transmission Tariff Revisions

a. Section 1, Definitions

~~Transmission Loading Relief Customer:~~

~~“Transmission Loading Relief Customer” shall mean an entity that, in accordance with Operating Agreement, Schedule 1, section 1.10.6A and the parallel provisions of Tariff, Attachment K-Appendix, section 1.10.6A, has elected to pay Transmission Congestion Charges during Transmission Loading Relief in order to continue energy schedules over contract paths outside the PJM Region that are increasing the cost of energy in the PJM Region.~~

b. Attachment K-Appendix, Section 1.10.6A:

~~1.10.6A Transmission Loading Relief Customers.~~

~~(a) An entity that desires to elect to pay Transmission Congestion Charges in order to continue its energy schedules during an Operating Day over contract paths outside the PJM Region in the event that PJM initiates Transmission Loading Relief that otherwise would cause PJM to request security coordinators to curtail such Member’s energy schedules shall:~~

(i) enter its election on OASIS by 11:00 a.m. of the day before the Operating Day, in accordance with procedures established by PJM, which election shall be applicable for the entire Operating Day; and

(ii) if PJM initiates Transmission Loading Relief, provide to PJM, at such time and in accordance with procedures established by PJM, the hourly integrated energy schedules that impacted the PJM Region (as indicated from the NERC Interchange Distribution Calculator) during the Transmission Loading Relief.

(b) If an entity has made the election specified in section (a), then PJM shall not request security coordinators to curtail such entity's energy transactions, except as may be necessary to respond to Emergencies.

(c) In order to make elections under this section 1.10.6A, an entity must (i) have met the creditworthiness standards established by the Office of the Interconnection or provided a letter of credit or other form of security acceptable to the Office of the Interconnection, and (ii) have executed either the Agreement, a Service Agreement under the PJM Tariff, or other agreement committing to pay all Transmission Congestion Charges incurred under this section.

c. Attachment K-Appendix, Section 5.1.6:

5.1.6 Transmission Loading Relief Customer Calculation Reserved.

(a) Each Transmission Loading Relief Customer shall be assessed Transmission Congestion Charges for any increase in the cost of energy in the PJM Region resulting from its energy schedules over contract paths outside the PJM Region during Transmission Loading Relief.

(b) The Transmission Congestion Charge shall be the total amount of energy specified in such energy schedules multiplied by the difference between a Locational Marginal Price calculated by the Office of the Interconnection for the energy schedule source location specified in the NERC Interchange Distribution Calculator and a Locational Marginal Price calculated by the Office of the Interconnection for the energy schedule sink location specified in the NERC Interchange Distribution Calculator. Transmission Congestion Charges that are less than zero shall be set equal to zero for Transmission Loading Relief Customers.

(c) The Office of the Interconnection will determine the Locational Marginal Prices at the energy schedule source and sink locations external to PJM with reference to and based solely on the prices of energy in the PJM Region and at the Interface Pricing Points between adjacent Control Areas and the PJM Region and the system conditions and actual power flow distributions as described by the PJM State Estimator program. The

Office of the Interconnection will determine the Locational Marginal Prices at the external energy schedule source and sink locations and the resulting Congestion Charge based on the portion of the energy schedule that flows through the PJM Region as reflected by the flow distributions from the PJM State Estimator program.