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113 Notices

113.1 Generation Owner Notice:

When a Generation Owner desires to deactivate a generating unit located in the PJM Region, such Generation Owner, or its Designated Agent, must provide notice of such proposed Deactivation in writing to the Transmission Provider. This notice shall include an indication of whether the generating unit is being retired or mothballed, the desired Deactivation Date, and, if mothballing, a good faith estimate of the time period the generating unit would be out of service. The desired Deactivation Date may be no earlier than the following: (a) July 1 of the current calendar year, if the Transmission Provider receives the notice between January 1 and March 31; (b) October 1 of the current calendar year, if the Transmission Provider receives the notice between April 1 and June 30; (c) January 1 of the following calendar year, if the Transmission Provider receives the notice between July 1 and September 30; or (d) April 1 of the following calendar year, if the Transmission Provider receives the notice between October 1 and December 31. The Transmission Provider shall promptly provide a copy of such notice to the Market Monitoring Unit. The desired Deactivation Date may be earlier than the above-referenced dates if the Generation Owner, or its Designated Agent, (i) receives notice from a state or federal regulatory entity that requires or compels the Generation Owner, as a matter of law, to deactivate its generating unit by a date earlier than the dates permitted by this Tariff, Part V, section 113.1 and (ii) receives such notice on a date that renders compliance with this provision infeasible.

113.2 Notice of Reliability Impact:

The Transmission Provider shall inform the Generation Owner, or its Designated Agent, whether the Deactivation of the generating unit would adversely affect the reliability of the Transmission System (“Notice of Reliability Impact”) by the following date: (a) May 31 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between January 1 and March 31; (b) August 31 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between April 1 and June 30; (c) November 30 of the current calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between July 1 and September 30; or (d) February 28 of the following calendar year, if the Transmission Provider received the notice required pursuant to Tariff, Part V, section 113.1 between October 1 and December 31. In the event there are no reliability issues associated with the proposed Deactivation of the generating unit, the Notice of Reliability Impact shall so notify the Generation Owner, or its Designated Agent, and the Generation Owner or its Designated Agent may deactivate its generating unit at any time thereafter. The Generation Owner shall coordinate with the appropriate Transmission Owner and the Transmission Provider regarding the removal of any transmission equipment located at the generating unit proposed for Deactivation. In the event the Transmission Provider determines that, in accordance with established reliability criteria, the Deactivation of the Generation Owner’s generating unit would adversely affect the reliability of the Transmission System absent upgrades to the Transmission System, the Notice of Reliability Impact shall notify the Generation Owner, or its Designated Agent, of the reliability concerns. Such Notice of Reliability Impact shall (1) identify the specific reliability impact resulting from the proposed

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Deactivation of the generating unit; and (2) provide an initial estimate of the period of time it will take to complete the Transmission System reliability upgrades necessary to alleviate the reliability impact. Regardless of whether the Deactivation of the generating unit would adversely affect the reliability of the Transmission System, the Generation Owner or its Designated Agent may deactivate its generating unit, subject to the notice requirements in Tariff, Part V, section 113.1. Within 30 days of the Generation Owner's or its Designated Agent's receipt of the Notice of Reliability Impact identifying reliability concerns pursuant to this Tariff, Part V, section 113.2, the Generation Owner or its Designated Agent shall inform Transmission Provider whether the generating unit proposed for Deactivation will continue operating beyond its desired Deactivation Date during the period of construction of the Transmission System reliability upgrades necessary to alleviate the reliability impact resulting from the Deactivation of the generating unit, and if the generating unit will continue operating, provide the Transmission Provider with an estimate of the amount of any project investment and the time period the generating unit would be out of service for repairs, if any, that would be required to keep the unit in, or return the unit to, operation. For generating units that will continue operating beyond their desired Deactivation Dates, the Transmission Provider shall (a) within 45 days of the Transmission Provider issuing the Notice of Reliability Impact pursuant to this Tariff, Part V, section 113.2, provide an updated estimate of the period of time it will take to complete the Transmission System upgrades necessary to alleviate the reliability impact; and (b) within 60 days of the Transmission Provider issuing the Notice of Reliability Impact pursuant to this Tariff, Part V, section 113.2, post on its internet site full details of the transmission upgrades necessary to alleviate the reliability impact that would result from the Deactivation of the generating unit. Upon receipt of notification from the Transmission Provider that Deactivation of the generating unit would cause reliability concerns, the Generation Owner shall immediately be entitled to file with the Commission a cost of service rate to recover the entire cost of operating the generating unit until such time as the generating unit is deactivated pursuant to this Part V ("Cost of Service Recovery Rate"). In the alternative, the Generation Owner may elect to receive the Deactivation Avoidable Cost Credit provided under this Part V.

113.3 Subsequent Deactivation Notice for Generating Units Continuing to Operate:

In the event that a Generation Owner or its Designated Agent, which has informed Transmission Provider pursuant to section 113.2 that a generating unit will continue operating, desires to deactivate such generating unit prior to the completion date of the Transmission System reliability upgrades necessary to alleviate the reliability impact resulting from the Deactivation of the generating unit, or the date that the Transmission Provider otherwise determines, in accordance with established reliability criteria, that the continued operation of the generating unit is no longer necessary for the reliability of the Transmission System, the Generation Owner or its Designated Agent shall provide notice of such proposed Deactivation in writing to the Transmission Provider no later than 90 days prior to the desired Deactivation Date for the generating unit.

113.4 Notice for Generation Units Providing Reactive Supply and Voltage Control:

In addition to the notice requirements in this Tariff, Part V, when a Generation Owner desires to deactivate a generating unit that provides reactive supply and voltage control service under Tariff,

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Schedule 2, such Generation Owner, or its Designated Agent, must satisfy the notice and filing requirements in Tariff, Schedule 2.