For Second Presentation to FRMSTF at January 13, 2020 Meeting
Proposed Revisions to PJM Operating Agreement

11.6 Membership Requirements.

(a) To qualify as a Member, an entity, Applicant, shall:

i) Be a Transmission Owner, a Generation Owner, an Other Supplier, an Electric Distributor, or an End-Use Customer; and

ii) Accept the obligations set forth in this Agreement; and

iii) Cure any default, including but not limited to paying all outstanding and unpaid obligations due to PJM and/or PJMSettlement by any former Member that is an Affiliate or which shares at least one Principal with the Applicant, if any, as required by PJM and/or PJMSettlement based on its evaluation of the membership application and related risk assessment.

(b) Certain Members that are Load Serving Entities are parties to the Reliability Assurance Agreement. Upon becoming a Member, any Applicant entity that is a Load Serving Entity in the PJM Region and that wishes to become a Market Buyer shall also simultaneously execute the Reliability Assurance Agreement.

(c) An Applicant entity that wishes to become a party to this Agreement shall apply, in writing, to the President of PJM setting forth its request, its qualifications for membership, its agreement to supply data and information as specified in this Agreement and any additional data or information reasonably requested by PJM and/or PJMSettlement, its agreement to pay all costs and expenses in accordance with Operating Agreement, Schedule 3, and providing all additional information specified pursuant to the Schedules to this Agreement for entities that wish to become Market Participants. Among other things, PJM will evaluate the application to determine whether the entity seeking to become a Member is qualified or presents any material risks to PJM. Such review shall include an examination of whether the Applicant is affiliated with, or has at least one Principal or key personnel in common with, a former Member that defaulted on any obligation owed to PJM and/or PJMSettlement, whether Applicant has defaulted on any obligations owed to any other Regional Transmission Organization or Independent System Operator, and other relevant factors. PJM and PJMSettlement will review any such applications to determine whether they satisfy the requirements. The determination whether an application for membership is approved shall be made within a reasonable period of time after sixty (60) days receipt of all documentation and information required by the Agreements and/or requested by PJM and/or PJMSettlement in the consideration of the application for membership. If an application for membership is not approved by the President of PJM, the Applicant will be provided a written notice explaining the basis for non-approval. An Applicant may appeal the non-approval of its application for membership to the Federal Energy Regulatory Commission.

(d) Nothing in this Section 11 is intended to remove, in any respect, the choice of participation by other utility companies or organizations in the operation of the PJM Region.
through inclusion in the System of a Member.

(e) An Applicant entity whose application is accepted by the President of PJM pursuant to Section 11.6(c) above shall execute a supplement to this Agreement in substantially the form prescribed in Operating Agreement, Schedule 4, which supplement shall be countersigned by the President of PJM or the President’s authorized designee. The entity Applicant shall become a Member effective on the date the supplement is countersigned by the President of PJM or the President’s authorized designee.

(f) Applicants Entities whose applications contemplate expansion or rearrangement of the PJM Region may become Members promptly as described in Sections 11.6(c) and 11.6(e) above, but the integration of the Applicant’s system into all of the operation and accounting provisions of the Operating Agreements and the Reliability Assurance Agreement, shall occur only after completion of all required installations and modifications of metering, communications, computer programming, and other necessary and appropriate facilities and procedures, as determined by the Office of the Interconnection. The Office of the Interconnection shall notify the other Members when such integration has occurred.

(g) Applicants Entities that become Members will be listed in Schedule 12 of this Operating Agreement, Schedule 12.

(h) In accordance with this Agreement, Members agree that PJM Settlement shall be the Counterparty with respect to certain transactions under the PJM Tariff and this Agreement.