

**FORM OF
INTERIM INTERCONNECTION
SERVICE AGREEMENT
FROM ATTACHMENT O-1 OF THE PJM TARIFF**

~~W0024890.DOC (Interim ISA Form Template as of 4-1-2020)~~

Tariff, Part IX, Subpart D
Engineering and Procurement Agreement

DRAFT

(Project Identifier # [])

**ENGINEERING AND PROCUREMENT
AGREEMENT**

By and Among

PJM INTERCONNECTION, L.L.C.

And

[]

And

[]

DRAFT

**ENGINEERING AND PROCUREMENT
INTERIM INTERCONNECTION SERVICE AGREEMENT**

By and Among
PJM Interconnection, L.L.C.

and

And

and

And

(~~PJM Queue Position Project Identifier #~~ [])

1.0 This ~~Interim Interconnection Service Engineering and Procurement~~ Agreement (“~~Interim ISAE&P Agreement~~”), including the Specifications attached hereto and incorporated herein, is entered into by and among PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”), [] (“~~Interconnection Customer Project Developer~~” [OPTIONAL: or [“short name”]]), and [] (“~~Interconnected Transmission Owner~~” [OPTIONAL: or [“short name”]]). ~~Transmission Provider, Project Developer and Transmission Owner are individually, a “Party” and together, the “Parties” and collectively are “Parties”.~~ [Use as/when applicable: This ~~Interim ISA E&P Agreement~~ supersedes the [] {insert details to identify the agreement being superseded, such as whether it is an ~~Interim Interconnection Service E&P Agreement, Interconnection Service Agreement, or or Generator Interconnection Agreement~~, the effective date of the agreement, the service agreement number designation, and the FERC docket number, if applicable, for the agreement being superseded.}] For purposes of the Agreement, the terms “Generation Interconnection Procedures” or “GIP” will refer to the interconnection procedures set forth in {Instructions: use Tariff, Part VII if this is a transition period agreement, or use Tariff, Part VIII if this is a post-transition period agreement}.

~~2.0 Attached are Specifications for the Customer Facility that Interconnection Customer~~ 2.0
The location and a description of the Generating Facility or Merchant Transmission Facility that Project Developer proposes to interconnect to the Transmission Provider’s Transmission System. ~~Interconnection Customer represents and warrants that, upon completion of their construction, it will own or control the facilities identified in the Specifications is attached hereto and made a part hereof.~~ In the event that ~~Interconnection Customer Project Developer~~ will not own the facilities, ~~Interconnection Customer Project Developer~~ represents and warrants that it is authorized by the owners of such facilities to enter into this ~~Interim ISA E&P Agreement~~ and to represent such control.

- 3.0 In order to advance the completion of its interconnection under the PJM Open Access Transmission Tariff (“Tariff”), ~~Interconnection Customer Project Developer~~ has requested an ~~Interim ISA E&P Agreement~~ and Transmission Provider has determined that ~~Interconnection Customer Project Developer~~ is eligible under the Tariff to obtain this ~~Interim ISA E&P Agreement~~. ~~This E&P Agreement is not intended to be used for the actual construction of any Interconnection Facilities or Transmission Upgrades.~~
- 4.0 (a) In accord with ~~Section 211 of the Tariff~~~~GIP~~, ~~Interconnection Customer~~~~section [to be provided]~~, ~~Project Developer~~, on or before the effective date of this ~~Interim ISA E&P Agreement~~, shall provide Transmission Provider (for the benefit of the ~~Interconnected~~ Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to Transmission Provider in the amount of \$ [REDACTED], which amount equals the estimated costs, determined in accordance with ~~Section 217 of the Tariff, of acquiring, designing, constructing and/or installing the facilities~~~~GIP~~, ~~section [to be provided]~~, of the engineering and procurement activities described in section 3.0-2.0 of the Attached Specifications. Should ~~Interconnection Customer Project Developer~~ fail to provide such security in the amount or form required, this ~~Interim ISA E&P Agreement~~ shall be terminated. ~~Interconnection Customer Project Developer~~ acknowledges (1) that it will be responsible for the actual costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section, and (2) that the payment security under this section does not include any additional amounts that it will owe in the event that it executes a final ~~Generator~~ Interconnection ~~Service~~ Agreement, as described in section 7.0(a) below.
- (b) ~~Interconnection Customer~~ ~~Project Developer~~ acknowledges (1) that the purpose of this ~~Interim ISA~~ is to expedite, at ~~Interconnection Customer’s~~ request, the ~~acquisition, design, construction and/or installation of certain materials and equipment~~~~E&P Agreement~~ is to expedite, at ~~Project Developer’s~~ request, the engineering and procurement of certain long-lead items, as described in the Specifications, necessary to interconnect its proposed facilities with Transmission Provider’s Transmission System for the establishment of the interconnection in order to advance the implementation of the Interconnection Request; and (2) that Transmission Provider’s Interconnection Studies related to such facilities have not been completed, but that the [identify completed feasibility and/or system impact System Impact or other study(ies)], dated [REDACTED], that included ~~Interconnection Customer’s Project Developer’s~~ project sufficiently demonstrated, in ~~Interconnection Customer’s Project Developer’s~~ sole opinion, the necessity of facilities additions to the Transmission System to accommodate ~~Interconnection Customer’s Project Developer’s~~ project to warrant, in ~~Interconnection Customer’s Project Developer’s~~ sole judgment, its request that the ~~Interconnected~~ Transmission Owner ~~acquire, design, construct and/or install~~ ~~provide engineering and procurement for~~ the equipment indicated in the Specifications for use in interconnecting ~~Interconnection Customer’s Project Developer’s~~ project with the Transmission System.
- 5.0 This ~~Interim ISA E&P Agreement~~ shall be effective on the date it is executed by all Interconnection Parties and shall terminate upon the execution and delivery by ~~Interconnection Customer Project Developer~~ and Transmission Provider of the final ~~Generator~~ Interconnection ~~Service~~ Agreement described in section 7.0(a) below, or on

such other date as mutually agreed upon by the parties, unless earlier terminated in accordance with the Tariff.

- 6.0 In addition to the milestones stated in ~~Section 212.5 of the Tariff~~GIP, section [to be provided], during the term of this ~~Interim ISAE&P Agreement~~, ~~Interconnection Customer-Project Developer~~ shall ensure that its generation project meets each of the following development milestones:

~~[SPECIFY MILESTONES-]~~

OR

~~[NOT APPLICABLE FOR THIS INTERIM ISA E&P AGREEMENT]~~

OR

~~[MILESTONE REQUIREMENTS WILL BE SPECIFIED IN THE FURTHER GENERATOR INTERCONNECTION SERVICE AGREEMENT DESCRIBED IN SECTION 7.0(a)]~~

- 7.0 (a) Transmission Provider and the ~~Interconnected~~ Transmission Owner agree to provide for the ~~acquisition, design, construction and/or installation engineering and procurement~~ of the facilities identified, and to the extent described, in ~~Section 3.0 section 2.0~~ of the Specifications in accordance with ~~Part IV of the Tariff~~GIP, as amended from time to time, and this ~~Interim ISAE&P Agreement~~. ~~Except to the extent for which the Specifications provide for interim interconnection rights for the Interconnection Customer, the~~ The parties agree that (1) this ~~Interim ISA E&P Agreement~~ shall not provide for or authorize Interconnection Service ~~or rights associated therewith~~ for the ~~Interconnection Customer-Project Developer~~, and (2) Interconnection Service will commence only after ~~Interconnection Customer-Project Developer~~ has entered into a final ~~Generator~~ Interconnection ~~Service~~ Agreement with Transmission Provider and the ~~Interconnection~~ Transmission Owner (or, alternatively, ~~the Project Developer, Transmission Owner or Transmission Provider~~ has exercised its right to initiate dispute resolution or to have the final ~~Generator~~ Interconnection ~~Service~~ Agreement filed with the FERC unexecuted) after completion of the ~~Facilities Study System Impact Studies~~ related to ~~Interconnection Customer's-Project Developer's~~ Interconnection Request and otherwise in accordance with the Tariff. The final ~~Generator~~ Interconnection ~~Service~~ Agreement may further provide for construction of, and payment for, transmission facilities additional to those identified in the attached Specifications. Should ~~Interconnection Customer-Project Developer~~ fail to enter into such final ~~Generator~~ Interconnection ~~Service~~ Agreement (or, alternatively, to initiate dispute resolution or request that the agreement be filed with the FERC unexecuted) within the time prescribed by the Tariff, Transmission Provider shall have the right, upon providing written notice to ~~Interconnection Customer-Project Developer~~, to terminate this ~~Interim ISAE&P Agreement~~.

(b) In the event that ~~Interconnection Customer Project Developer~~ decides not to interconnect its proposed facilities, as described in ~~Section-section~~ 1.0 of the Specifications to the Transmission System, it shall immediately give Transmission Provider written notice of its determination. ~~Interconnection Customer Project Developer~~ shall be responsible for the Costs incurred pursuant to this ~~Interim ISA E&P Agreement~~ by Transmission Provider and/or by the ~~Interconnected~~-Transmission Owner (1) on or before the date of such notice, and (2) after the date of such notice, if the costs could not reasonably be avoided despite, or were incurred by reason of, ~~Interconnection Customer's Project Developer's~~ determination not to interconnect. ~~Interconnection Customer's Project Developer's~~ liability under the preceding sentence shall include all Cancellation Costs in connection with the ~~acquisition, design, construction and/or installation engineering and procurement~~ of the facilities described in section ~~3.0-2.0~~ of the Specifications. In the event the ~~Interconnected~~-Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the ~~Interconnection Customer Project Developer~~, with a written demand for payment and with reasonable documentation of such Cancellation Costs. Within 60 days after the date of ~~Interconnection Customer's Project Developer's~~ notice, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (i) ~~Interconnection Customer's Project Developer's~~ cost responsibility under this ~~Interim ISA E&P Agreement~~ and the Tariff for Costs, including Cancellation Costs, of the facilities described in section ~~3.0-2.0~~ of the Specifications and (ii) ~~Interconnection Customer's Project Developer's~~ previous payments under this ~~Interim ISA E&P Agreement~~. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the ~~Interconnected~~-Transmission Owner has returned to it the portion of ~~Interconnection Customer's Project Developer's~~ previous payments that Transmission Provider must pay under that sentence. This ~~Interim ISA E&P Agreement~~ shall be deemed to be terminated upon completion of all payments required under this paragraph (b).

(c) Disposition of the facilities related to this ~~Interim ISA E&P Agreement~~ after receipt of ~~Interconnection Customer's Project Developer's~~ notice of its determination not to interconnect shall be decided in accordance with ~~Section 211.1 of the Tariff.GIP, section [to be provided]~~.

~~8.0 Interconnection Customer~~ ~~8.0~~ ~~Project Developer~~ agrees to abide by all rules and procedures pertaining to generation and transmission in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation set forth in the Operating Agreement and the PJM Manuals.

9.0 In analyzing and preparing the ~~Facilities Study or the System Impact Study if no Facilities Study is required~~, and in designing and constructing the ~~Attachment Transmission Owner Interconnection~~ Facilities, ~~Local Distribution~~ Upgrades and/or Network Upgrades described in the Specifications attached to this ~~Interim ISA E&P Agreement~~, Transmission Provider, the ~~Interconnected~~-Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by ~~Interconnection Customer Project Developer~~ and

possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE ~~INTERCONNECTED~~ TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR ~~INTERCONNECTED~~ TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF NO FACILITIES STUDY IS REQUIRED OR OF THE ~~ATTACHMENT TRANSMISSION OWNER INTERCONNECTION~~ FACILITIES, ~~LOCAL DISTRIBUTION~~ UPGRADES AND/OR NETWORK UPGRADES, ~~PROVIDED, HOWEVER, that Transmission Provider warrants that the transmission facilities described in Section 3.0 of the Specifications will be designed, constructed and operated in accordance with Good Utility Practice, as such term is defined in the Operating Agreement. Interconnection Customer Project Developer~~ Interconnection Customer Project Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

- 10.0 Within 120 days after the ~~Interconnected~~ Transmission Owner completes ~~acquisition, design, construction and/or installation~~ the engineering and procurement of the facilities described in ~~Section 3.0~~ section 2.0 of the Specifications, Transmission Provider shall provide ~~Interconnection Customer Project Developer~~ with an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) ~~Interconnection Customer's Project Developer's~~ responsibility under this ~~Interim ISA E&P Agreement~~ and the Tariff for the actual cost of such equipment, and (b) ~~Interconnection Customer's Project Developer's~~ previous aggregate payments to Transmission Provider and the ~~Interconnected~~ Transmission Owner hereunder. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the ~~Interconnected~~ Transmission Owner has returned to it the portion of ~~Interconnection Customer's Project Developer's~~ previous payments that Transmission Provider must pay under that sentence.
- 11.0 No third party beneficiary rights are created under this ~~Interim ISAE&P Agreement~~, provided, however, that payment obligations imposed on ~~Interconnection Customer Project Developer~~ hereunder are agreed and acknowledged to be for the benefit of the ~~Interconnected~~ Transmission Owner actually performing the services associated with the interconnection of the Generating Facilities and any associated upgrades of other facilities.
- 12.0 No waiver by either party of one or more defaults by the other in performance of any of the provisions of this ~~Interim ISA E&P Agreement~~ shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

13.0 This ~~Interim ISA E&P Agreement~~ or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties hereto. Parties acknowledge that, subsequent to execution of this agreement, errors may be corrected by replacing the page of the agreement containing the error with a corrected page, as agreed to and signed by the parties without modifying or altering the original date of execution, dates of any milestones, or obligations contained therein.

If the event an amendment is desired, Transmission Provider shall tender for execution an agreement to Project Developer. No later than fifteen (15) Business Days after Transmission Provider's tender for execution of such agreement, Project Developer shall either: (i) execute the agreement; or (ii) request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5, or that the agreement be filed unexecuted with the Commission. Such agreement shall be deemed terminated and withdrawn if Project Developer fails to comply with these requirements. Not later than fifteen (15) Business Days after execution by Project Developer, Transmission Owner shall either: (i) execute the agreement; or (ii) request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5, or request that a consent to assignment agreement be filed unexecuted with the Commission. Following execution by Transmission Owner, Transmission Provider shall either: (i) execute the agreement; or (ii) request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5, or (iii) file the agreement with FERC in unexecuted form. Transmission Provider may also file the agreement with FERC in unexecuted form if Transmission Owner does not comply with the requirements above.

14.0 This ~~Interim ISA E&P Agreement~~ shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.

15.0 This ~~Interim ISA E&P Agreement~~ shall not be construed as an application for service under Part II or Part III of the Tariff.

16.0 Any notice or request made to or by either Party regarding this ~~Interim ISA E&P Agreement~~ shall be made to the representative of the other Party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Interconnection Customer

— [CONTACT NAME/ADDRESS]
interconnectionagreementnotices@pjm.com

Project Developer

— [CONTACT NAME/ADDRESS]

Interconnected-Transmission Owner

[CONTACT NAME/ADDRESS]

- 17.0 All portions of the Tariff and the Operating Agreement pertinent to the subject of this Interim ISA-E&P Agreement are incorporated herein and made a part hereof.
- 18.0 This Interim ISA-E&P Agreement is entered into pursuant to ~~Part IV of the Tariff~~ GIP.
- 19.0 Neither party shall be liable for consequential, incidental, special, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise with respect to any claim, controversy or dispute arising under this Interim ISA-E&P Agreement.
- 20.0 Addendum of ~~Interconnection Customer's Project Developer's~~ Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with ~~Section-section~~ 20.1, Schedule A to this Interim ISA-E&P Agreement shall set forth the ~~Interconnection Customer's Project Developer's~~ agreement to conform with the IRS safe harbor provisions for non-taxable status.

20.1 Tax Liability

20.1.1 Safe Harbor Provisions:

This ~~Section-section~~ 20.1.1 is applicable only to Generation ~~Interconnection Customers~~ Project Developers. Provided that ~~Interconnection Customer-Project Developer~~ agrees to conform to all requirements of the Internal Revenue Service ("IRS") (e.g., the "safe harbor" provisions of IRS Notices 2001-82 and 88-129) that would confer nontaxable status on some or all of the transfer of property, including money, by ~~Interconnection Customer-Project Developer~~ to the ~~Interconnected~~-Transmission Owner for payment of the Costs of construction of the Transmission Owner Interconnection Facilities, the ~~Interconnected~~-Transmission Owner, based on such agreement and on current law, shall treat such transfer of property to it as nontaxable income and, except as provided in ~~Section-section~~ 20.1.2 below, shall not include income taxes in the Costs of Transmission Owner Interconnection Facilities that are payable by Project Developer under the E&P Agreement, the Generator Interconnection Customer under the Interim Interconnection Service Agreement, the Interconnection Service-Agreement or the Interconnection Construction Service Agreement. Interconnection Customer-Project Developer shall document its agreement to conform to IRS requirements for such non-taxable status in the E&P Agreement, Generator Interconnection Service-Agreement, and/or the Interconnection Construction Service Agreement, and/or the Interim Interconnection Service Agreement.

20.1.2 Tax Indemnity:

~~Interconnection Customer Project Developer~~ shall indemnify the ~~Interconnected~~ Transmission Owner for any costs that ~~Interconnected~~ Transmission Owner incurs in the event that the IRS and/or a state department of revenue (State) determines that the property, including money, transferred by ~~Interconnection Customer Project Developer~~ to the ~~Interconnected~~ Transmission Owner with respect to the construction of the Transmission Owner Interconnection Facilities is taxable income to the ~~Interconnected~~ Transmission Owner. ~~Interconnection Customer Project Developer~~ shall pay to the ~~Interconnected~~ Transmission Owner, on demand, the amount of any income taxes that the IRS or a State assesses to the ~~Interconnected~~ Transmission Owner in connection with such transfer of property and/or money, plus any applicable interest and/or penalty charged to the ~~Interconnected~~ Transmission Owner. In the event that the ~~Interconnected~~ Transmission Owner chooses to contest such assessment, either at the request of ~~Interconnection Customer Project Developer~~ or on its own behalf, and prevails in reducing or eliminating the tax, interest and/or penalty assessed against it, the ~~Interconnected~~ Transmission Owner shall refund to ~~Interconnection Customer Project Developer~~ the excess of its demand payment made to the ~~Interconnected~~ Transmission Owner over the amount of the tax, interest and penalty for which the ~~Interconnected~~ Transmission Owner is finally determined to be liable. ~~Interconnection Customer's Project Developer's~~ tax indemnification obligation under this section shall survive any termination of the ~~Interim Interconnection Service E&P Agreement or, the GIA or the Interconnection Construction Service Agreement~~.

20.1.3 Taxes Other Than Income Taxes:

Upon the timely request by ~~Interconnection Customer, and at Interconnection Customer's Project Developer, and at Project Developer's~~ sole expense, the ~~Interconnected~~ Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the ~~Interconnected~~ Transmission Owner for which ~~Interconnection Customer Project Developer~~ may be required to reimburse Transmission Provider under the terms of this ~~Interim Interconnection Service E&P Agreement or Part VI of the Tariff GIP~~. ~~Interconnection Customer Project Developer~~ shall pay to the ~~Interconnected~~ Transmission Owner on a periodic basis, as invoiced by the ~~Interconnected~~ Transmission Owner, the ~~Interconnected~~ Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. ~~Interconnection Customer Project Developer~~ and the ~~Interconnected~~ Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by ~~Interconnection Customer Project Developer~~ to the ~~Interconnected~~ Transmission Owner for such contested taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, ~~Interconnection Customer Project Developer~~ will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the ~~Interconnected~~ Transmission Owner.

20.1.4 Income Tax Gross-Up

20.1.4.1 Additional Security:

In the event that ~~Interconnection Customer Project Developer~~ does not provide the safe harbor documentation required under ~~Section-section~~ 20.1.1 prior to execution of this ~~Interim Interconnection Service Agreement E&P~~, within 15 days after such execution, Transmission Provider shall notify ~~Interconnection Customer Project Developer~~ in writing of the amount of additional Security that ~~Interconnection Customer Project Developer~~ must provide. The amount of Security that a Transmission ~~Interconnection Customer Project Developer~~ must provide initially pursuant to this ~~Interim Interconnection Service E&P~~ Agreement shall include any amounts described as additional Security under this ~~Section-section~~ 20.1.4 regarding income tax gross-up.

20.1.4.2 Amount:

The required additional Security shall be in an amount equal to the amount necessary to gross up fully for currently applicable federal and state income taxes the estimated Costs of ~~Local Transmission Owner Interconnection Facilities, Distribution~~ Upgrades and ~~-or~~ Network Upgrades for which ~~Interconnection Customer Project Developer~~ previously provided Security. Accordingly, the additional Security shall equal the amount necessary to increase the total Security provided to the amount that would be sufficient to permit the ~~Interconnected~~ Transmission Owner to receive and retain, after the payment of all applicable income taxes ("Current Taxes") and taking into account the present value of future tax deductions for depreciation that would be available as a result of the anticipated payments or property transfers (the "Present Value Depreciation Amount"), an amount equal to the estimated Costs of ~~Local Transmission Owner Interconnection Facilities, Distribution~~ Upgrades and ~~-or~~ Network Upgrades for which ~~Interconnection Customer Project Developer~~ is responsible under the ~~Generator~~ Interconnection ~~Service~~ Agreement. For this purpose, Current Taxes shall be computed based on the composite federal and state income tax rates applicable to the ~~Interconnected~~ Transmission Owner at the time the additional Security is received, determined using the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the ~~Interconnected~~ Transmission Owner's anticipated tax depreciation deductions associated with such payments or property transfers by its current weighted average cost of capital.

20.1.4.3 Time for Payment:

~~Interconnection Customer~~ ~~Project Developer~~ must provide the additional Security, in a form and with terms as required by ~~Sections 212.4 of the Tariff GIP, section [to be determined]~~, within 15 days after its receipt of Transmission Provider's notice under this section. The requirement for additional Security under this section shall be treated as a milestone included in the ~~Generator~~ Interconnection ~~Service~~ Agreement pursuant to ~~Section 212.5 of the Tariff GIP, section [to be determined]~~.

20.1.5 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this ~~Interim Interconnection Service E&P~~ Agreement or the Tariff is intended to adversely affect any ~~Interconnected~~ Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

~~21.0 Addendum of Interconnection Requirement for all Wind or Non-synchronous Generation Facilities. To the extent required, Schedule B to this Interim ISA sets forth interconnection requirements for all wind or non-synchronous generation facilities and is hereby incorporated by reference and made a part of this Interim ISA.~~

21 Breach, Cure And Default

21.1 Breach:

A Breach of this E&P Agreement shall include:

- (a) The failure to pay any amount when due;
- (b) The failure to comply with any material term or condition of this E&P Agreement, including but not limited to any material breach of a representation, warranty or covenant;
- (c) Assignment of the E&P Agreement in a manner inconsistent with its terms; or
- (d) Failure of a Party to provide information or data required to be determined under to another Party for such other Party to satisfy its obligations under this E&P Agreement.

21.2 Notice of Breach:

A Party not in Breach shall give written notice of an event of Breach to the Breaching Party, to Transmission Provider and to other persons that the Breaching Party identifies in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. In the event of a Breach by Project Developer, Transmission Provider or the Transmission Owner agree to provide notice of such Breach and in the same manner as its notice to Project Developer, to any Project Finance Entity provided that the Project Developer has provided the notifying Party with notice of an assignment to such Project Finance Entity(ies) and identifies such Project Finance Entity(ies).

21.3 Cure and Default:

A Party that commits a Breach and does not take steps to cure the Breach pursuant to this section 21.3 is automatically in Default of this E&P Agreement, and its project and this Agreement shall be deemed terminated and withdrawn. Transmission Provider shall take all necessary steps to effectuate this termination, including submitted the necessary filings with FERC.

21.4.1 Cure of Breach:

21.41.1 Except for the event of Breach set forth in section 21.1(a) above, the Breaching Party (a) may cure the Breach within thirty (30) days of the time the Non-Breaching Party sends such notice; or (b) if the Breach cannot be cured within thirty (30) days, may commence in good faith all steps that are reasonable and

appropriate to cure the Breach within such thirty (30) day time period and thereafter diligently pursue such action to completion pursuant to a plan to cure, which shall be developed and agreed to in writing by the Parties. Such agreement shall not be unreasonably withheld.

21.4.1.2 In an event of Breach set forth in section 21.1(a), the Breaching Party shall cure the Breach within five (5) days from the receipt of notice of the Breach. If the Breaching Party is the Project Developer, and the Project Developer fails to pay an amount due within five (5) days from the receipt of notice of the Breach, Transmission Provider may use Security to cure such Breach. If Transmission Provider uses Security to cure such Breach, Project Developer shall be in automatic Default and its project and this Agreement shall be deemed terminated and withdrawn.

21.5 Right to Compel Performance:

Notwithstanding the foregoing, upon the occurrence of a Default, a non-Defaulting Party shall be entitled to exercise such other rights and remedies as it may have in equity or at law. No remedy conferred by any provision of this E&P Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies

22.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, ~~Interconnected~~ Transmission Owners, market participants, and ~~Interconnection Customers~~ Project Developers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

23.0 This Agreement shall be deemed a contract made under, and the interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with, the applicable Federal and/or laws of the State of Delaware without regard to conflicts of laws provisions that would apply the laws of another jurisdiction.

IN WITNESS WHEREOF, Transmission Provider, ~~Interconnection Customer and Interconnected Project Developer and~~ Transmission Owner have caused this ~~Interim ISA E&P Agreement~~ to be executed by their respective authorized officials.

(~~PJM Queue Position Project Identifier #~~ [redacted])

Transmission Provider: PJM Interconnection, L.L.C.

By: [redacted] [redacted] [redacted]
Name Title Date

Printed name of signer: [redacted]

~~Interconnection Customer~~ Project Developer: [Name of Party]

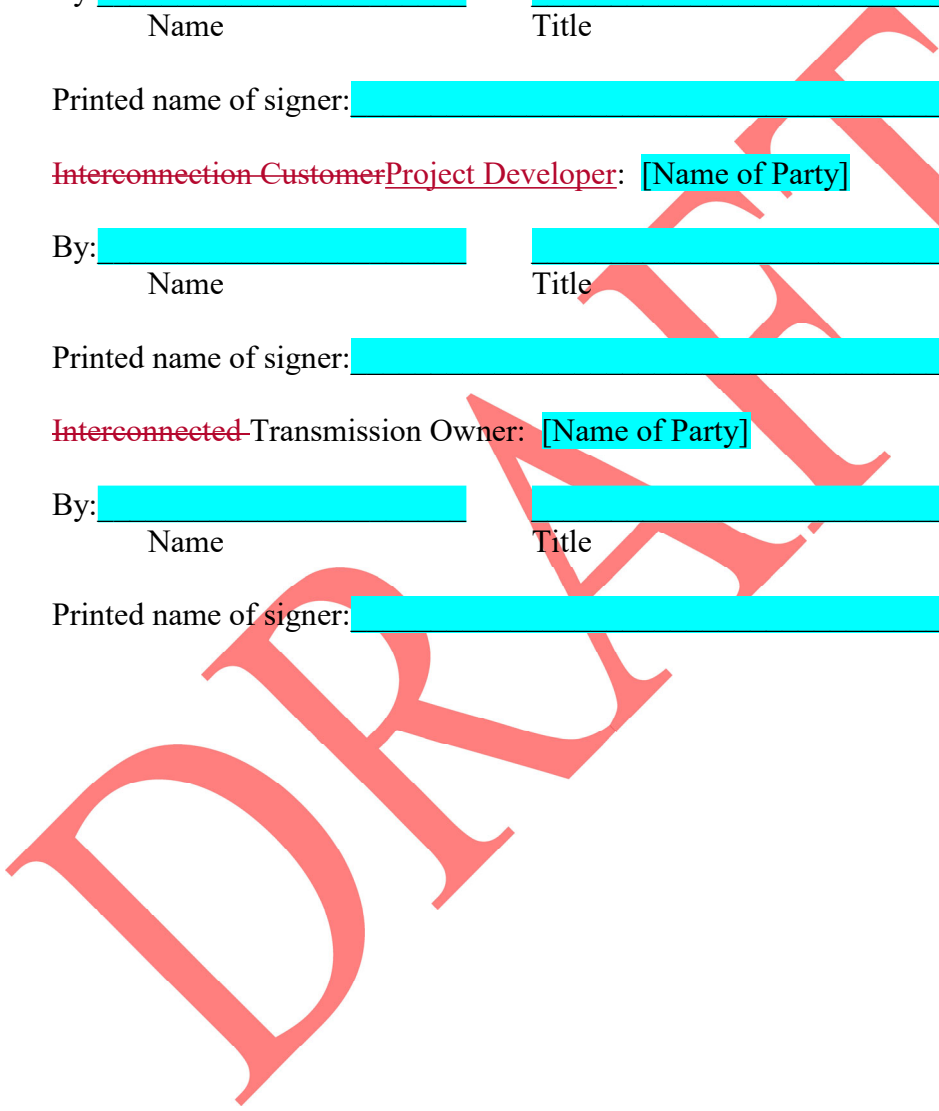
By: [redacted] [redacted] [redacted]
Name Title Date

Printed name of signer: [redacted]

~~Interconnected~~ Transmission Owner: [Name of Party]

By: [redacted] [redacted] [redacted]
Name Title Date

Printed name of signer: [redacted]



**SPECIFICATIONS FOR
ENGINEERING AND PROCUREMENT
INTERIM INTERCONNECTION SERVICE AGREEMENT**

**~~By and Among~~
BY AND AMONG
PJM INTERCONNECTION, L.L.C.**

~~And~~

~~And~~

~~AND~~

~~AND~~

~~(PJM Queue Position (Project Identifier # _____))~~

1.0 Description of ~~Customer-Generating Facility or Merchant Transmission~~ Facility to be interconnected with the Transmission System in the PJM Region:

a. Name of ~~Customer-Generating Facility or Merchant Transmission~~ Facility:

b. Location of ~~Customer-Generating Facility or Merchant Transmission~~ Facility:

~~c. Size in megawatts of Customer Facility: _____~~

~~{The following language should be included only for generating units~~

~~For Generation Interconnection Customer: _____~~

~~Maximum Facility Output of _____ MW}~~

~~{The following language applies when a Generation Interconnection Request involves an increase of the capacity of an existing Generating Facility: The stated size of the generating unit includes an increase in the Maximum Facility Output of the generating unit of _____ MW over Interconnection Customer's previous interconnection. This increase is a result of the Interconnection Request associated with this Interim Interconnection Service Agreement.}~~

~~{The following language should be included only for Merchant Transmission Facilities for Transmission Interconnection Customer:~~

~~Nominal Rated Capability: [redacted] MW~~

~~2.0 Interconnection Rights: Interconnection Customer shall obtain Capacity Interconnection Rights in accordance with Subpart C of Part VI of the Tariff at the location specified in section 1.0b upon its execution of the final Interconnection Service Agreement described in section 7.0(a) of this Interim ISA. **[if applicable, add:]**, provided, however, that pending execution of the final Interconnection Service Agreement, Interconnection Customer shall be entitled to the following interim rights:~~

~~Pursuant to and subject to the applicable terms of the Tariff, Interconnection Customer shall have Capacity Interconnection Rights as a Capacity Resource at the Point of Interconnection specified in this Interim ISA in the amount of [redacted] MW, for the time period of [redacted] to [redacted]. To the extent that the Customer Facility described in section 1.0 is not a Capacity Resource with Capacity Interconnection Rights, such Customer Facility shall be an Energy Resource. Pursuant to this Interim ISA, the Customer Facility will be permitted to inject [redacted] MW (nominal) into the system. PJM reserves the right to limit injections to this quantity in the event reliability would be affected by output greater than such quantity.]~~

~~3.0.A Facilities to be acquired, designed, constructed and/or installed by the Interconnected 2.0.A Facilities to be designed or procured by the Transmission Owner under this Interim ISA: E&P Agreement: **[List or state None]**~~

~~2.0.B Facilities to be designed or procured by the Project Developer under this E&P Agreement: **[List or state None]**~~

~~3.0.B Facilities to be acquired, designed, constructed and/or installed by the Interconnection Customer under this Interim ISA:~~

~~4.0 Interconnection Customer 3.0 Project Developer shall be subject to the charges detailed below:~~

~~4.1 Attachment 3.1 Transmission Owner Interconnection Facilities Charge:~~

~~4.2 Local 3.2 Distribution Upgrades Charge:~~

~~4.3 3.3 Network Upgrades Charge:~~

~~4.4 3.4 Cost Breakdown:~~

~~\$ Direct Labor
\$ Direct Material~~

|

\$	Indirect Labor
\$	Indirect Material
\$	Total

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SCHEDULES: {Note: Schedules A ~~and B~~ through C are required, others are optional; add if applicable and desirable for clarity.}

SCHEDULE A – INTERCONNECTION CUSTOMER’S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

SCHEDULE B - ~~INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY~~ ADDITIONAL PROVISIONS FOR BILLINGS AND PAYMENTS

SCHEDULE ■ - CUSTOMER FACILITY LOCATION/SITE PLAN

SCHEDULE ■ - SINGLE-LINE DIAGRAM

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SCHEDULE A

INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH
IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

{Include the appropriate language from the alternatives below:}

{Include the following language if not required:}

Not Required.

[OR]

{Include the following language if applicable to ~~Interconnection Customer~~Project Developer:}

As provided in ~~Section section~~ 20.1 of this ~~Interim ISA E&P Agreement~~ and subject to the requirements thereof, ~~Interconnection Customer~~Project Developer represents that it meets all qualifications and requirements as set forth in ~~Section section~~ 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 2016-36, 2016-25 I.R.B. (6/20/2016) (the "IRS Notice"). ~~Interconnection Customer~~Project Developer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notice, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by ~~Interconnection Customer to Interconnected Project Developer to~~ Transmission Owner with respect to the payment of the Costs of ~~construction and installation of engineering and procurement~~ the Transmission Owner Interconnection Facilities specified in this ~~Interim ISAE&P Agreement~~.

Nothing in ~~Interconnection Customer's Project Developer's~~ agreement pursuant to this Schedule A shall change ~~Interconnection Customer's Project Developer's~~ indemnification obligations under ~~Section section~~ 20.1 of this ~~Interim ISAE&P Agreement~~.

~~{Include the following Schedule B, as applicable, for New Service Requests received before
May 1, 2015}~~

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SCHEDULE B

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY

{Include the appropriate language from the alternatives below}

{Include the following language if the Customer Facility is not a wind generation facility}

Not Required

[OR]

{Include the following language when the Customer Facility is a wind generation facility}

~~Schedule B sets forth requirements and provisions specific to the interconnection of a wind generation facility that is greater than 20 MW. All other requirements pertaining to the interconnection of generation facilities above 20 MW set forth in Part IV of the Tariff continue to apply to wind generation facility interconnections.~~

~~A. Technical Standards Applicable to a Wind Generation Facility~~

~~i. Low Voltage Ride-Through (LVRT) Capability~~

~~A wind generation facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The Schedule B LVRT standard provides for a transition period standard and a post-transition period standard.~~

~~Transition Period LVRT Standard~~

~~The transition period standard applies to wind generation facilities subject to Commission Order No. 661 that have either: (i) Interconnection Service Agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generation turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

~~1. Wind generation facilities are required to remain in service during three-phase faults with normal clearing (which is a time period of approximately 4–9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generation facility substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generation facility shall be~~

required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generation facility step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generation facility may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generation facilities may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generation facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generation facility or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the initial effective date of the Schedule B LVRT standard are exempt from meeting the Schedule B LVRT standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Schedule B LVRT standard.

Post-transition Period LVRT Standard

All wind generation facilities subject to Commission Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generation facilities are required to remain in service during three-phase faults with normal clearing (which is a time period of approximately 4–9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generation facility substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generation facility shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generation facility may disconnect from the transmission system. A wind generation facility shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

- ~~3. Wind generation facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~
- ~~4. Wind generation facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generation facility or by a combination of generator performance and additional equipment.~~
- ~~5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the initial effective date of the Schedule B LVRT standard are exempt from meeting the Schedule B LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Schedule B LVRT Standard.~~

~~ii. **Power Factor Design Criteria (Reactive Power)**~~

~~The power factor requirements for wind generation facilities set forth in section 4.7.1 of Appendix 2 to Attachment O of the Tariff can be met by using, for example, power electronic devices designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind generation facility is in operation. Wind generation facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.~~

~~iii. **Supervisory Control and Data Acquisition (SCADA) Capability**~~

~~The wind generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.~~

~~iv. **Meteorological Data Reporting Requirement**~~

~~The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:~~

- ~~1. Temperature (degrees Fahrenheit)~~
- ~~2. Wind speed (meters/second)~~
- ~~3. Wind direction (degrees from True North)~~
- ~~4. Atmospheric pressure (hectopascals)~~
- ~~5. Forced outage data (wind turbine and MW unavailability)~~

The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:

[SPECIFICY AGREED UPON METEOROLOGICAL AND FORCED OUTAGE DATA REQUIREMENTS]

OR

[NOT APPLICABLE FOR THIS INTERIM ISA]

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~~{Include the following Schedule B, as applicable, for New Service Requests received on or after May 1, 2015}~~

~~SCHEDULE B~~

~~INTERCONNECTION REQUIREMENTS FOR ALL WIND AND NON-SYNCHRONOUS GENERATION FACILITIES~~

~~{Include the appropriate language from the alternatives below}~~

~~{Include the following language if the Customer Facility is not a wind or non-synchronous generation facility}~~

~~Not Required~~

~~[OR]~~

~~{Include the following language when the Customer Facility is a wind or non-synchronous generation facility}~~

~~A. Voltage Ride Through Requirements~~

~~The Customer Facility shall be designed to remain in service (not trip) for voltages and times as specified for the Eastern Interconnection in Attachment 1 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low voltage conditions, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).~~

~~B. Frequency Ride Through Requirements~~

~~The Customer Facility shall be designed to remain in service (not trip) for frequencies and times as specified in Attachment 2 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low frequency condition, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).~~

~~C. Supervisory Control and Data Acquisition (SCADA) Capability~~

~~The wind or non-synchronous generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind or non-synchronous generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind or non-synchronous generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.~~

~~D. Meteorological Data Reporting Requirement (Applicable to wind generation facilities only)~~

~~The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:~~

- ~~• Temperature (degrees Fahrenheit)~~
- ~~• Wind speed (meters/second)~~
- ~~• Wind direction (degrees from True North)~~
- ~~• Atmosphere pressure (hectopascals)~~
- ~~• Forced outage data (wind turbine and MW unavailability)~~

~~The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:~~

~~[SPECIFY AGREED UPON METEOROLOGICAL AND FORCED OUTAGE DATA REQUIREMENTS]~~

~~[OR]~~

~~[NOT APPLICABLE FOR THIS INTERIM ISA]~~

ADDITIONAL PROVISIONS FOR BILLINGS AND PAYMENTS

The following provisions shall apply with respect to charges for the Costs of the Transmission Owner for which the Project Developer is responsible.

Transmission Provider shall invoice Project Developer on behalf of the Transmission Owner, for the Transmission Owner's expected Costs during the next three months. Upon receipt of each of Project Developer's payments of such invoices, Transmission Provider shall reimburse the Transmission Owner. Project Developer shall pay each invoice received from Transmission Provider within twenty (20) days after receipt thereof. Interest on any unpaid, delinquent amounts shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. Section 35.19a(a)(2)(iii) and shall apply from the due date of the bill to the date of payment. If Project Developer fails to pay any invoice when and as due, Transmission Provider or Transmission Owner can provide notice of such failure to Project Developer and the other party, and Project Developer shall pay the amounts due within five (5) days from the receipt of such notice. Subject to obtaining any necessary authorizations from FERC, if Project Developer fails to make payment within five (5) days from the receipt of such notice, Transmission Provider and Transmission Owner shall each have the right to suspend performance hereunder. If Project Developer fails to make payment within fifteen (15) days from the receipt of such notice, Transmission Provider and

Transmission Owner shall each have the right to terminate this Agreement, or exercise such other rights and remedies, as each may have in equity or at law.

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