

POSTING DRAFT 4-285-1-14
WORK IN PROGRESS

INTERCONNECTION COORDINATION AGREEMENT
Between
PJM Interconnection, L.L.C.

And

**INTERCONNECTION COORDINATION AGREEMENT Between
PJM Interconnection, L.L.C.**

[Name of Designated Entity]

And

[Name of Transmission Owners]

This Interconnection Coordination Agreement, including the Schedules attached hereto and incorporated herein (collectively, "Agreement") is made and entered into as of the Effective Date (as specified in Section 2.0) by and among PJM Interconnection, L.L.C. ("Transmission Provider" or "PJM"), _____ ("Designated Entity") [OPTIONAL: or "[short name]"), and _____ ("Transmission Owner" [OPTIONAL: ["short name"]]) Transmission Provider, Designated Entity and Transmission Owner may be referred to herein individually as "Party" and collectively as "the Parties."

WITNESSETH

WHEREAS, in accordance with FERC Order No. 1000 and Schedule 6 of the Operating Agreement, Transmission Provider is required to designate among candidates, pursuant to a FERC-approved process, an entity to develop and construct a specified project to expand, replace and/or reinforce the Transmission System operated by Transmission Provider;

WHEREAS, pursuant to Section 1.5.8(i) of Schedule 6 of the Operating Agreement, the Transmission Provider notified Designated Entity that it was designated as the Designated Entity for the Project (described in Schedule A to this Agreement) to be included in the Regional Transmission Expansion Plan;

WHEREAS, pursuant to Section 1.5.8(j) of Schedule 6 of the Operating Agreement, Designated Entity accepted the designation as the Designated Entity for the Project and therefore has the obligation to build the Project;

WHEREAS, pursuant to Section 6 of the Operating Agreement, Transmission Owner has received and accepted the designation from Transmission Provider to construct modifications to its transmission facilities in order to effectuate interconnection with the Project, to which Transmission Provider has assigned a PJM upgrade ID identifier, which is unique to such construction modifications.

WHEREAS, the Project will interconnect to the Transmission Owner's transmission facilities, and therefore Designated Entity and Transmission Owner shall coordinate with each other to facilitate the interconnection of the Project to the Transmission Owner's transmission facilities in a reliable, safe, and timely manner to enable the Project to meet its Required Project In-Service Date; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, together with other good and valuable consideration, the receipt and sufficiency is hereby mutually acknowledged by each Party, the Parties mutually covenant and agree as follows:

Article 1 – Definitions and Other Documents

[Note – additional definitions may be added – and some may be deleted]

1.0 Defined Terms.

All capitalized terms used in this Agreement shall have the meanings ascribed to them in Part I of the Tariff or in definitions either in the body of this Agreement or its attached Schedules. In the event of any conflict between defined terms set forth in the Tariff or defined terms in this Agreement, including the Schedules, such conflict will be resolved in favor of the terms as defined in this Agreement and attached Schedules.

1.0.1 Confidential Information.

Any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy, or compilation relating to the Project or Transmission Owner facilities to which the Project will interconnect, which is designated as confidential by the party supplying the information, whether conveyed verbally, electronically, in writing, through inspection, or otherwise, and shall include, but may not be limited to information relating to the producing party's technology, research and development, business affairs and pricing, land acquisition and vendor contracts relating to the Project.

1.0.2 Effective Date.

Effective Date shall mean the date that this Agreement becomes effective pursuant to Section 2.0 of this Agreement.

1.0.3 Project.

Project shall mean the enhancement or expansion included in the PJM Regional Transmission Expansion Plan to be constructed by the Designated Entity described in Schedule A of this Agreement.

1.0.4 Project Finance Entity.

Project Finance Entity shall mean holder, trustee or agent for holders, of any component of Project Financing.

1.0.5 Project Financing.

Project Financing shall mean: one or more loans, leases, equity and/or debt financings, together with all modifications, renewals, supplements, substitutions and replacements thereof, the proceeds of which are used to finance or refinance the costs of the Project, any alteration, expansion or improvement to the Project, or the operation of the Project; or (b) loans and/or debt issues secured by the Project.

1.0.6 Reasonable Efforts.

Reasonable Efforts shall mean such efforts as are consistent with enabling the timely and effective design, construction, and interconnection to the Transmission System of the Project in a manner, which enables the Project to achieve its Required In-Service Date consistent with Good Utility Practice.

1.0.7 Required Project In-Service Date.

Required Project In-Service Date shall mean the date that the Project is required to: (i) be completed in accordance with the Scope of Work in Schedules B of the Designated Entity Agreement associated with the Project, (ii) meet the criteria outlined in Schedule D of the Designated Entity Agreement associated with the Project, and (iii) be under Transmission Provider operational dispatch.

1.1. Incorporation of Other Documents.

The Tariff, the Operating Agreement, and the Reliability Assurance Agreement, as they may be amended from time to time, are hereby incorporated herein and made a part hereof.

Article 2 – Effective Date and Term

2.0 Effective Date.

Subject to regulatory acceptance, this Agreement shall become effective on the date the Agreement has been executed by all Parties, or if this Agreement is individually filed with FERC for acceptance, upon the date specified by FERC.

2.1 Term.

This Agreement shall continue in full force and effect from the Effective Date until: (i) the Designated Entity Agreement associated with the Project expires or terminates; or (ii) the Agreement is terminated pursuant to Article 3 of this Agreement.

Article 3 – Early Termination

3.0 Termination by Transmission Provider.

In the event that: (i) the Designated Entity Agreement associated with the Project is terminated pursuant to Article 8.0 of that agreement, or (ii) the Project is modified such that it will not interconnect to Transmission Owner’s transmission facilities; Transmission Provider may terminate this Agreement by providing written notice of termination to Designated Entity and Transmission Owner, which shall become effective the later of sixty calendar days after the Designated Entity receives such notice or other such date the FERC establishes for the termination.

Comment [A1]: PJM reviewed this provision and determined not to change “may” to shall as there may be instances where the DEA is amended and terminated but the ICA could still stay in place.

3.1 Termination by Default.

This Agreement shall terminate in the event a Party is in default of this Agreement in accordance with Section 6.2 of this Agreement and such termination is approved by Transmission Provider in writing.

3.2 Filing at FERC.

To the extent required by law or regulation, Transmission Provider shall make the appropriate filing with FERC as required to effectuate the termination of this Agreement pursuant to this Article 3.

Article 4 -- Coordination

4.0 Designated Entity and Transmission Owner Responsibilities.

The Designated Entity and Transmission Owner shall coordinate with each other as set forth in this Article 4 to facilitate the interconnection of the Project to the Transmission Owner's transmission facilities in a reliable, safe, and timely manner to enable the Project to meet its Required Project In-Service Date.

4.0.1 Scope of Transmission Owner Responsibilities.

Transmission Owner shall coordinate with Designated Entity the interconnection of the Regional Transmission Expansion Plan upgrade identified as PJM Upgrade ID [REDACTED] designated by PJM to the Transmission Owner to make Transmission Owner's transmission facilities ready to receive the interconnection of the Project. Nothing in this Agreement shall be construed as obligating Transmission Owner to assure that Designated Entity satisfies Designated Entity's obligations under this Agreement, under the Designated Entity Agreement described in Schedule A of this Agreement, nor under any other agreement.

4.0.2 Scope of Designated Entity Responsibilities.

Designated Entity shall coordinate with Transmission Owner, the interconnection of the Project identified as PJM Upgrade ID [REDACTED] to the Regional Transmission Expansion Plan upgrade identified as PJM Upgrade ID [REDACTED] and described in Section 4.0.1 of this Agreement. Nothing in this Agreement shall be construed as obligating Designated Entity to assure that Transmission Owner satisfies Transmission Owner's obligations under this Agreement, under the Consolidated Transmission Owner's Agreement described in Schedule A of this Agreement, nor under any other agreement.

4.1 Transmission Provider Responsibilities.

Transmission Provider may facilitate the coordination between Designated Entity and Transmission Owner required by this Agreement, including convening meetings with the Designated Entity and the Transmission Owner to further facilitate coordination among the

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Parties, and to evaluate available options or alternatives to avoid delays, and coordinating outages as described in Section 4.2 of this Agreement.

4.2 Outage Coordination.

Designated Entity and Transmission Owner acknowledge and agree that certain outages of transmission facilities owned by the Transmission Owner may be necessary to complete the process of constructing and interconnecting the Project. Designated Entity and Transmission Owner further acknowledge and agree that any such outages shall be coordinated by and through Transmission Provider. Any delays due to emergency, load or maintenance which affect the timing of outages as required or approved by the Transmission Provider may not be considered a Breach under Article 5.

4.3 Construction and Interconnection.

4.3.1 No Conferral of Rights.

This Agreement shall confer no rights upon either Party to enter the right-of-way or property of the other Party, or interconnect its facilities, either physically or electrically, to the facilities of the other Party.

4.3.2 Interconnection Agreement.

Prior to interconnection, the Parties shall enter into an interconnection agreement setting forth the terms and conditions for (1) the interconnection of the Parties' transmission facilities, and (2) the ongoing relationship of the Parties with regard to the interconnection. In the event the Parties are unable to agree, either Party may request (i) dispute resolution consistent with Schedule 5 of the Operating Agreement or (i) the interconnection agreement be filed unexecuted with the Commission

4.3.3 Other Agreements.

The Parties recognize that, where appropriate, the Parties may enter into other agreements (beyond the interconnection agreement referred to in Section 4.3.2 above) such as construction agreements. Such other agreements shall be filed with FERC, if required. The terms and conditions of such other agreements are not addressed in this Agreement.

Article 5 – Breach and Default

5.0 Breach.

Except as otherwise provided in Article 7 of this Agreement, a breach of this Agreement shall include the failure of any Party to comply with any term or condition of this Agreement, including the Schedules attached hereto.

5.1 Notice of Breach.

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In the event of a breach, a Party not in breach of this Agreement shall give written notice of such breach to the Breaching Party, the other Non-Breaching Party and to any other persons, including Project Finance Entities that the breaching Party identifies in writing prior to the breach. 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.

5.2 Default.

A Party that commits a breach and does not take steps to cure the breach pursuant to Section 5.3 shall be in default of this Agreement.

5.3 Cure of Breach.

A breaching Party may (i) cure the breach within thirty days from the receipt of the notice of breach or other such date as determined by Transmission Provider to enable the Project meets its Required Project In-Service Date; or, (ii) if the breach cannot be cured within thirty days but may be cured in a manner that enables the Project to meet its Required Project In- Service Date, the breaching Party, within such thirty day time period, commences in good faith steps that are reasonable and appropriate to cure the breach and thereafter diligently pursue such action to completion.

5.4 Remedies.

Upon the occurrence of an event of Default, the non-defaulting Party shall be entitled to: (i) commence an action to require the Defaulting Party to remedy such default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof; (ii) suspend performance hereunder; and (iii) exercise such other rights and remedies as it may have in equity or at law. Nothing in this Section 5.4 is intended in any way to affect the rights of a third-party to seek any remedy it may have in equity or at law from the Designated Entity resulting from Designated Entity's default of this Agreement.

5.5 Remedies Cumulative.

No remedy conferred by any provision of this 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.

5.6 Waiver.

Any waiver at any time by any Party of its rights with respect to a breach or default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver or continuing waiver with respect to any other breach or default or other matter.

Article 6 – Liability and Indemnity

6.0 Liability.

For the purposes of this Agreement, Transmission Provider's liability to the Designated Entity, Transmission Owner, any third party, or any other person arising or resulting from any acts or omissions associated in any way with performance under this Agreement shall be limited in the same manner and to the same extent that Transmission Provider's liability is limited to any Transmission Customer, third party or other person under Section 10.2 of the Tariff arising or resulting from any act or omission in any way associated with service provided under the Tariff or any Service Agreement thereunder.

6.1 Indemnity.

For the purposes of this Agreement, Designated Entity and Transmission Owner shall at all times indemnify, defend, and save Transmission Provider and its directors, managers, members, shareholders, officers and employees harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's acts or omissions associated with the performance of its obligations under this Agreement to the same extent and in the same manner that a Transmission Customer is required to indemnify, defend and save Transmission Provider and its directors, managers, members, shareholders, officers and employees harmless under Section 10.3 of the Tariff.

Article 7 – Force Majeure

7.0 Force Majeure.

Force Majeure means any cause beyond the control of the affected Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of public enemy, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which in any foregoing cases, by exercise of due diligence, it has been unable to overcome. Force Majeure does not include: (i) a failure of performance that is due to an affected Party's own negligence or intentional wrongdoing; (ii) any removable or remedial causes (other than settlement of a strike or labor dispute), which an affected Party fails to remove or remedy within a reasonable time, or (iii) economic hardship of an affected Party.

7.1 Notice.

A Party that is unable to carry out an obligation imposed on it by this Agreement due to Force Majeure shall notify the other Party in writing within a reasonable time after the occurrence of the cause relied on.

7.2 Duration of Force Majeure.

A Party shall not be responsible for any non-performance or considered in Breach or Default under this Agreement, for any deficiency or failure to perform any obligation under this Agreement to the extent that such failure or deficiency is due to Force Majeure. A Party shall be excused from whatever performance is affected only for the duration of the Force Majeure and while the Party exercises Reasonable Efforts to alleviate such situation. As soon as the non-performing Party is able to resume performance of its obligations excused because of the occurrence of Force Majeure, such Party shall resume performance and give prompt notice thereof to the other Party.

Article 8 – Assignment

8.0 Assignment.

No Party may assign any of its rights or delegate any of its duties or obligations under this Agreement without prior written consent of Transmission Provider.

8.1 Assignment of Designated Entity Agreement.

In the event that the Designated Entity Agreement associated with the Project is assigned pursuant to Article 11 of the Designated Entity Agreement, this Agreement also shall be assigned contemporaneously with that assignment.

Article 9 – Information Exchange

9.0 Information Access.

Subject to Applicable Laws and Regulations, each Party shall make available to the other Parties information necessary to carry out obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than to carry out their obligations or enforce their rights under this Agreement.

9.1 Reporting of Non-Force Majeure Events.

Each Party shall notify the other Parties when it becomes aware of its inability to comply with the provisions of this Agreement for a reason other than Force Majeure. The Parties shall cooperate with each other and provide necessary information regarding such inability to comply, including, but not limited to, the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Section 9.1 shall not entitle the receiving Party to allege a cause of action for anticipatory breach of this Agreement.

Article 10 – Confidentiality

10.0 Confidentiality.

For the purposes of this Agreement, information shall be considered and treated as Confidential Information only if it meets the definition of Confidential Information set forth in Section 1.0.1 of this Agreement and is clearly designated or marked in writing as “confidential” on the face of the document, or, in the case of information conveyed orally, by inspection or by electronic media incapable of being marked as “confidential”, if the Party providing the information orally informs the Party receiving the information that the information is “confidential.” Confidential Information shall be treated consistent with Section 18.17 of the Operating Agreement. A Party shall be responsible for the costs associated with affording confidential treatment to its information.

Article 11 – Representations and Warranties

11.0 General.

The Parties hereby represent, warrant and covenant as follows, with these representations, warranties, and covenants effective during the full time this Agreement is effective:

11.0.1 Good Standing.

The Party is duly organized or formed, as applicable, validly existing and in good standing under the laws of its State of incorporation, organization or formation, and is in good standing under the laws of the respective State(s) in which it is incorporated, organized or formed.

11.0.2 Authority.

The Party has the right, power and authority to enter into this Agreement, to become a Party thereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of the Party, enforceable against the Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors’ rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

11.0.3 No Conflict.

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of the Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon Designated Entity or any of its assets.

Article 12 – Survival

12.0 Survival of Rights.

The rights and obligations of the Parties in this Agreement shall survive the termination, expiration, or cancellation of this Agreement to the extent necessary to provide for the determination and enforcement of said obligations arising from acts or events that occurred while this Agreement was in effect. The provisions of Article 6 also shall survive termination, expiration, or cancellation of this Agreement

Article 13 – Non-Standard Terms and Conditions

13.0 Schedule C -- Addendum of Non-Standard Terms and Conditions.

Subject to FERC acceptance or approval, the Parties agree that the terms and conditions set forth in the attached Schedule C are hereby incorporated by reference, and made a part of, this Agreement. In the event of any conflict between a provision of Schedule C that FERC has accepted and any provision of the standard terms and conditions set forth in this Agreement that relates to the same subject matter, the pertinent provision of Schedule C shall control.

Article 14 – Schedules

14.0 Schedule A: Description of the Project.

Schedule A provides a description of the Project to be constructed by the Designated Entity.

14.1 Schedule B: Single Line Diagram.

Schedule B contains a single line diagram that depicts the Project and the Transmission Owner transmission facilities to which the Project will interconnect.

Article 15 – Miscellaneous

15.0 Notices.

Any notice or request made to or by any Party regarding this Agreement shall be made by U.S. mail or reputable overnight courier to the addresses set forth below:

Transmission Provider:
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
Attention:

Designated Entity:

[Redacted]

Transmission Owner:

[Redacted]

15.1 Standard of Review.

Future modifications to this Agreement by the Parties or the FERC shall be subject to the just and reasonable standard and the Parties shall not be required to demonstrate that such modifications are required to meet the “public interest” standard of review as described in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

15.2 No Partnership.

Notwithstanding any provision of this Agreement, the Parties do not intend to create hereby any joint venture, partnership, association, taxable as a corporation, or other entity for the conduct of any business for profit.

15.3 Headings.

The Article and Section headings used in this Agreement are for convenience only and shall not affect the construction or interpretation of any of the provisions of this Agreement.

15.4 Interpretation.

Wherever the context may require, any noun or pronoun used herein shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural and vice versa.

15.5 Severability.

Each provision of this Agreement shall be considered severable and if for any reason any provision is determined by a court or regulatory authority of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated, and such invalid, void or unenforceable provision shall be replaced with valid and enforceable provision or provisions which otherwise give effect to the original intent of the invalid, void or unenforceable provision.

15.6 Further Assurances.

Each Party hereby agrees that it shall hereafter execute and deliver such further instruments, provide all information and take or forbear such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

15.7 Counterparts.

This Agreement may be executed in multiple counterparts to be construed as one effective as of the Effective Date.

15.8 Governing Law.

This Agreement shall be governed under the Federal Power Act and Delaware law, as applicable.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

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

By: _____
Name Title Date

Printed name of signer: _____

Designated Entity: [Name of Designated Entity]

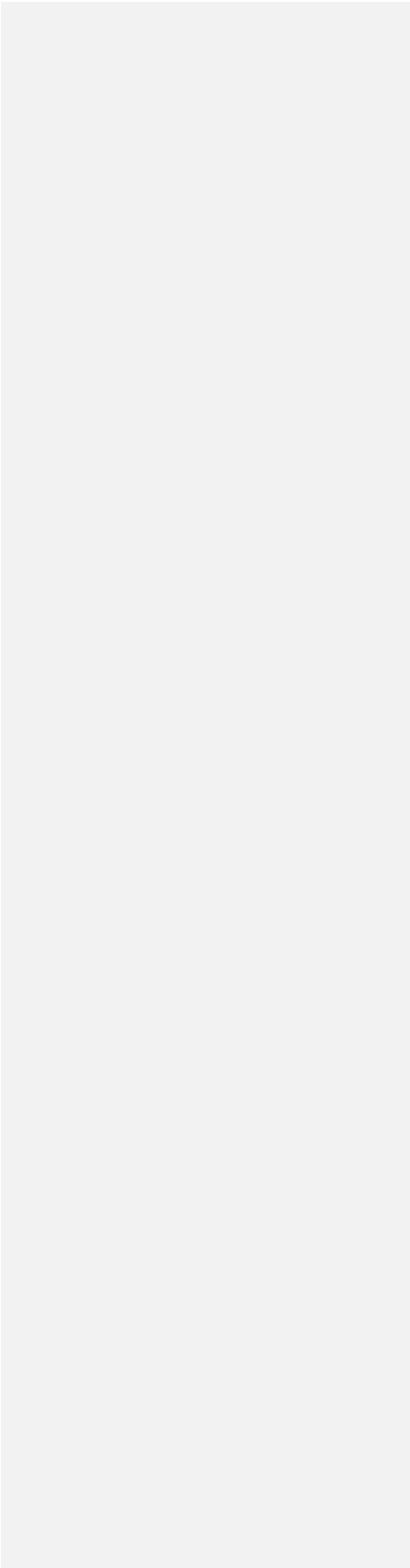
By: _____
Name Title Date

Printed name of signer: _____

Transmission Owner: [Name of Transmission Owner]

By: _____
Name Title Date

Printed name of signer: _____



SCHEDULE A
Description of Project

SCHEDULE B

Single-Line Diagram

The single line diagram below provides a high level concept of the project. Details of the interconnection point will be fully set forth in an interconnection agreement.

SCHEDULE C
Non-Standard Terms and Conditions