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September 7, 2018

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, D.C. 20426

*Re: PJM Interconnection L.L.C., Docket No. ER18-____-000
Compliance Filing Concerning Uplift*

Dear Secretary Bose:

In compliance with the Federal Energy Regulatory Commission's ("Commission") Order No. 844,¹ PJM Interconnection, L.L.C. ("PJM") submits modifications to the Amended and Restated Operating Agreement of PJM ("Operating Agreement") that will establish requirements to post zonal and resource-specific uplift payments, as well as operator-initiated commitments. As provided in Order No. 844, PJM requests that the Operating Agreement revisions proposed herein become effective January 1, 2019.²

I. BACKGROUND

On April 19, 2018, the Commission issued Order No. 844 to increase transparency with respect to reporting uplift payments, operator-initiated commitments, and transmission constraint penalty factors. Specifically, Order No. 844 requires PJM to establish requirements to report, on

¹ *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 163 FERC ¶ 61,041 (2018) ("Order No. 844").

² Order No. 844 at P 141.

a monthly basis, (1) total uplift payments and charges for each Zone,³ broken out by day and uplift category; (2) total uplift payments for each resource; and (3) for each operator-initiated commitment, the size of the commitment, transmission zone, commitment reason, and commitment start time.⁴ In addition, Order No. 844 also requires PJM to incorporate in to its governing documents transmission constraint penalty factors used in its market software, as well as the circumstances under which those factors can set locational marginal prices and any process by which they may be changed. The Commission recently granted PJM an extension of time until November 9, 2018 to incorporate such transmission constraint penalty factors into the relevant governing documents.⁵

To satisfy the remaining components of Order No. 844, PJM proposes to revise the existing section of PJM's confidentiality provisions contained within the Operating Agreement. The inclusion of the posting requirements in the Operating Agreement satisfies the uplift and operator-initiated commitment components of the Commission's directives in Order No. 844. Further, the explicit posting requirements under the Operating Agreement will make clear that

³ All capitalized terms that are not otherwise defined herein shall have the same meaning as they are defined in the Tariff, the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., or the Reliability Assurance Agreement among Load Serving Entities in the PJM Region.

⁴ Order No. 844 at P 1.

⁵ See Notice of Extension of Time, Docket No. RM17-2-000 (August 10, 2018). The ongoing stakeholder discussions on amending PJM's existing transmission constraint penalty factors are expected to conclude shortly and a final vote is anticipated at the October 25, 2018 Member's Committee meeting. PJM expects the amended transmission constraint penalty factors that will be filed in a separate section 205 proceeding will fully satisfy the remaining component of Order No. 844. PJM will submit an informational filing in this docket to explain how the 205 filing meets the requirements in Order No. 844. PJM notes that the contemplated changes will likely require changes to PJM's market software affecting transmission constraint penalty factors, which may require the implementation date of the transmission constraint penalty factors to be delayed until February, 2019.

any information posted by PJM with respect to uplift and operator-initiated commitments will not violate PJM's existing Member confidentiality provisions.⁶

II. SATISFACTION OF THE COMPLIANCE REQUIREMENTS OF ORDER NO. 844.

A. Requirement to Report Total Uplift Payments and Charges for Each Transmission Zone

Consistent with Order No. 844, PJM proposes to add a posting requirement in the Operating Agreement to enhance transparency of uplift payments, which will facilitate more informed stakeholder discussions that support planning processes, improve the ability of market participants to raise concerns with uplift payments, and support cost-effective solutions to system needs.⁷ Specifically, PJM proposes to post monthly reports that contain the total uplift payments and charges⁸ for each Zone⁹ or PJM Region, as applicable,¹⁰ broken out by day and existing uplift categories within 20 calendar days of the end of each month. The existing uplift categories

⁶ See Operating Agreement, section 18.17.

⁷ See Order No. 844 at P 50.

⁸ While the Commission explicitly required total uplift payments in the zonal uplift report, it is unclear whether the Commission also required posting charges to load for uplift payments. For instance, the Order also referenced the allocation of charges and charges for settlement purposes, but did not explicitly direct whether those should be included in the report. See Order No. 844 at PP 52, 59, and 60. In any event, to promote further transparency, PJM proposes to report both payments and charges in the monthly zonal uplift report.

⁹ It is noted that the Commission defined "transmission zone" in Order No. 844 at P 104 as a geographic area that is used for the local allocation of charges, such as a load zone that is used to settle charges for energy. PJM allocates charges to the Tariff-defined term "Zone" for purpose of settling energy charges, which is consistent with the transmission zone that is contemplated under the Commission's order. Specifically, PJM defines Zone as "an area within the PJM Region, as set forth in Tariff, Attachment J and RAA, Schedule 15, or as such areas may be (i) combined as a result of mergers or acquisitions or (ii) added as a result of the expansion of the boundaries of the PJM Region." See Tariff, section 1. To avoid confusion with using a different term, PJM proposes to use the term "Zone" rather than transmission zone in the language of the Operating Agreement.

¹⁰ For purposes of posting the total zonal uplift charges, PJM will post charges to the applicable Zone or PJM Region, such as the Western or Eastern Region as defined in Tariff, Attachment K – Appendix, section 3.2.3(q). This is appropriate because certain charge codes, such as balancing Operating Reserves, are charged to particular PJM Regions rather than individual Zones.

that will be reported in the monthly zonal uplift report will be based on PJM's existing uplift charges and payments. More particularly, such existing charges and payments include day ahead operating reserves, balancing operating reserves (including lost opportunity costs), reactive services, synchronous condensing, and Black Start Services.

While Order No. 844 allows the aggregation of transmission zones containing fewer than four resources, PJM's existing process already allows for the posting of uplift payments so long as it is no smaller than a Zone.¹¹ Given this existing manual language and practice of posting uplift payments, PJM does not intend to aggregate transmission zones with neighboring zones prior to posting zonal uplift payments and charges. Instead, PJM will post the total uplift payments and charges in each Zone regardless of the number of resources located within the Zone.

Finally, PJM proposes to include in the reporting requirement that it incorporate the best available information at the time the posting is created. This language is necessary because settlements may be revised for up to two years under appropriate circumstances.¹² For example, adjustments to settlements are sometimes necessary when Market Participants provide evidence of Operating Reserves that need to be resettled. In addition, PJM may occasionally need to update billing due to business rule or code changes (*i.e.*, intra-day offers and 5-minute settlements projects). While the number of settlement adjustment occurrences may vary, the amount of such adjustments is often insignificant. Therefore, it is just and reasonable to post the total uplift payments and charges by Zone within 20 days after the end of each month based on

¹¹ See PJM Manual 33: Administrative Services for the PJM Interconnection Operating Agreement, § 3.1 (rev. 13, March 22, 2018) ("Information regarding uplift payments may be released provided that such information represents generation in an area no smaller than a transmission zone").

¹² The two year limitation on claims is provided under Tariff, section 10.4.

the best available information *at the time of such posting*, without the obligation to correct and repost such information up two years after the occurrence as a result of possible settlement adjustments.¹³

Based on the foregoing and consistent with the Commission's Order, PJM proposes to revise Operating Agreement, section 18.17.1(e) and add a requirement for PJM to post zonal uplift credits and charges, as shown in blackline below:

(ii) Within 20 calendar days after the end of each month, (a) the total daily uplift credits by Zone as set forth in Tariff, Attachment J and RAA, Schedule 15, and applicable uplift charge codes (including lost opportunity cost contained within operating reserves) and (b) the total daily uplift charges by applicable PJM Region or Zone, as set forth in Tariff, Attachment J and RAA, Schedule 15, and applicable uplift charge codes along with relevant subcategories by which they are allocated. The Office of Interconnection shall incorporate the best available information at the time the posting is created.

B. Requirement to Report Resource-Specific Uplift Payments

In addition to posting the total uplift payments and charges by Zone, PJM will also report the applicable resource name or identification number and the amount of uplift paid to each resource that received uplift payments specified by category.¹⁴ As directed in Order No. 844, PJM intends to post such information within 90 calendar days after the end of each applicable month.¹⁵

While the Commission did not require PJM to report resource-specific uplift payments by category, it permitted such information to be reported by category.¹⁶ In the interest of advancing

¹³ Notwithstanding, PJM commits to posting revised uplift payments and/or charges in the unlikely event that a settlement adjustment results in a significant difference from the original posting.

¹⁴ See Order No. 844 at P 74.

¹⁵ See Order No. 844 at P 80.

¹⁶ See Order No. 844 at P 82.

the Commission's goals of improving transparency on the causes of uplift, PJM elects to provide more granular information and proposes to report the amount of uplift paid to the resource for each corresponding category. Specifically, the uplift categories that will be reported include day ahead operating reserves, balancing operating reserves (including lost opportunity costs), reactive services, and synchronous condensing.

To avoid the disclosure of critical energy infrastructure information ("CEII"), PJM intends to refrain from reporting resource-specific uplift payments by category for Black Start Services. This is necessary because resources that are capable of providing Black Start Services are considered CEII. PJM acknowledges that the intentional omission of uplift payments for Black Start Services may occasionally result in the posting of less than the total uplift payments that a resource receives. For instance, if a resource receives no other uplift payment other than for Black Start Services, no amount of uplift would be reported under the proposed rule. In addition, the omission of uplift payments for Black Start Services will necessarily mean any uplift payments in this category would not be reported on a resource-specific level. Nevertheless, the omission of resource-specific uplift payments for Black Start Services is insignificant and does not detract from the Commission's overall goal of increased transparency. This is because uplift payments for Black Start Services from 2016 and 2017 represented only 0.2% of the total uplift payments for each year. There is more value in reporting resource-specific uplift payments by categories (excluding uplift payments for Black Start Services) than merely posting the total uplift payments without breaking up the payments by categories. Thus, on balance, it is just and reasonable to ensure the protection of CEII by not revealing the identity of Black Start Units (by not reporting uplift paid to individual Black Start Units) while still reporting all remaining uplift for individual resources by category. Additionally, as described in

section II.A above, PJM will still post uplift payments for Black Start Services in the zonal uplift report where individual resources will not be identified.

Any resources that receive uplift payments, including Demand Resources and Economic Load Response Participants, will be included in resource-specific uplift posting. PJM intends to post the resource name associated with the uplift amounts and relevant categories for all generation resources. However, to address concerns from Curtailment Service Providers (“CSPs”) regarding the disclosure of commercially sensitive and confidential customer information, for Demand Resources and Economic Load Response Participants, PJM will post (1) the individual resource identification number associated with the Demand Resource or Economic Load Response Participant’s relevant dispatch group or registration, (2) the name of the associated CSP, (3) the associated Zone and energy pricing point used to settle the energy, and (4) the corresponding amount of uplift credits by applicable uplift charge codes for the dispatch group or resource that received uplift credits.¹⁷ This combination of information enables Market Participants to ascertain the geographic information associated with any uplift payments made to Demand Resources and Economic Load Response Participants.¹⁸ Further, this addresses the concern of disclosing the CSP’s commercially sensitive and confidential customer information while fulfilling the Commission’s stated intent of “providing more granular technology-type and geographic information.”¹⁹

¹⁷ Unlike Demand Resources or Economic Load Response Participants, resource-specific names for individual generation resources are not commercially sensitive or confidential as they are already readily available through the US Energy Information Administration. *See* Form EIA-860.

¹⁸ This approach is superior to posting the name of the Demand Resource or Economic Load Response Participant. That is because the name provided by CSP’s in the registration does not necessarily allow for determining the geographic location of a Demand Resource or Economic Load Response Participant.

¹⁹ *See* Order No. 844 at P 75.

Finally, for the same reasons stated above with respect to reporting zonal uplift information, PJM proposes to incorporate the best available information at the time the posting is created for the resource-specific uplift payments. Based on the foregoing, PJM proposes to revise Operating Agreement, section 18.17.1(e) and add a requirement for PJM to post resource-specific uplift payments, as shown in blackline below:

(iii) Within 90 calendar days after the end of each month, the name of each generation resource unit and amount of uplift credit payments by applicable uplift charge codes (including lost opportunity cost contained within operating reserves, but excluding Black Start Service) for each resource unit that received uplift credits in that month. For Demand Resources or Economic Load Response Participants, the Office of Interconnection shall post, within 90 calendar days after the end of each month, the individual resource identification number associated with the Demand Resource or Economic Load Response Participant's relevant dispatch group or registration, the name of the associated Curtailment Service Provider, the Zone and energy pricing point used to settle the Demand Resource or Economic Load Response Participant's dispatch group or registration, and the corresponding amount of uplift credits by applicable uplift charge codes for the dispatch group or registration that received uplift credits in that month. The Office of Interconnection shall incorporate the best available information at the time the posting is created.

C. Operator-Initiated Commitments

In addition to the uplift posting requirements, as required by Order No. 844, PJM proposes to post all operator-initiated commitments that are executed after the Day-ahead Energy Market for any reason other than minimizing total production costs of serving load.²⁰ Since PJM's market software automatically commits resources based on minimizing total production costs, manual commitments would be the only commitment process that could be used when dispatching units out of economic order. PJM will post all information pertaining to Operator-initiated Commitments on PJM's website, on a monthly basis, within 30 calendar days after the end of each month. Specifically, as required by Order No. 844, the posted information

²⁰ Order No. 844 at P 100.

will include the number of megawatts, Zone, commitment reason, and commitment start time for each Operator-initiated Commitment.²¹

Consistent with the Commission's definition of operator-initiated commitment, PJM proposes to add a definition of Operator-initiated Commitment to the Operating Agreement, as shown in blackline below, to clarify that the Operator-initiated Commitments include only those commitments that are executed after the Day-ahead Energy Market:

"Operator-initiated Commitment" shall mean a commitment after the Day-ahead Energy Market and Day-ahead Scheduling Reserves Market, whether manual or automated, for a reason other than minimizing the total production costs of serving load.²²

To be clear, excluded from the definition of Operator-initiated Commitments are commitments for resources that are manually dispatched to turn on or off within one hour of an automated commitment recommendation. The PJM Day-ahead Energy Market, reliability assessment and commitment, and combustion turbine optimizer tools are automated hourly tools that only commit generation at the start of each hour. Operationally, however, PJM dispatches those committed units within a recommended hour, either prior to or after the recommended start hour, in order to maintain proper voltage and power balance. In other words, all committed resources for the same hour cannot simultaneously begin to inject into the grid so PJM staggers the manual dispatch of the recommended commitments. As a result, commitments that are made within one hour of a commitment recommendation are not considered Operator-initiated Commitments since they are manually dispatched based on the underlying recommendations that

²¹ See Order No. 844 at P 1. PJM clarifies that Operator-initiated Commitments are limited to unit commitments where PJM manually dispatches an offline resource to turn on. In contrast, altering the output of a unit (up or down) that is already running is not a commitment. Therefore, the posting of Operator-initiated Commitments do not include circumstances where resources that are already running are instructed to alter the output level.

²² In response to the Commission's directive in Order No. 844 at P 101, PJM notes that the Commission's refined definition of an Operator-initiated Commitment appropriately implicates all commitments after the Day-ahead Energy Market that do not minimize total production costs.

minimize the total production costs of serving load. All commitments made after the Day-ahead Energy Market and Day-ahead Scheduling Reserves Market that are outside one hour of the recommended commitment (prior to or after) are deemed Operator-initiated Commitments and will be included in the report that will be posted on a monthly basis.

For each Operator-initiated Commitment, PJM will provide the commitment reason, which could be for system wide capacity, constraint management, or voltage support. Consistent with Order No. 844, PJM proposes to include language in the Operating Agreement that does not limit commitment reasons to the three listed above.²³

Based on the foregoing and consistent with Order No. 844, PJM revises Operating Agreement, section 18.17.1(e) to add a requirement for PJM to post operator-initiated commitments, as shown in blackline below:

(iv) Within 30 calendar days after the end of each month, each Operator-initiated Commitment listing the size of the commitment in megawatts (where megawatts are equal to the economic maximum), Zone (as set forth in Tariff, Attachment J and RAA, Schedule 15), commitment reason, and commitment start time. Commitment reasons shall include, but are not limited to, system wide capacity, constraint management, and voltage support.

D. Reorganization of Other PJM Posting Requirements

As part of this compliance filing, PJM proposes to revise the existing language in Operating Agreement, section 18.17.1(e) to dedicate this subdivision to all of PJM's posting requirements. Thus, in addition to including PJM's existing posting requirement for non-aggregated bid data and Offer Data submitted by Market Participants as required by Order No. 719 in Operating Agreement, section 18.17.1(e), the posting of uplift payments and charges by Zone, uplift payments on resource-specific level, and operator-initiated commitments will also

²³ Order No. 844 at P 33.

be added to this subdivision. It is intuitive to amend this existing subdivision and establish all of PJM's posting requirements under Operating Agreement, section 18.17.1(e). More particularly, PJM proposes to amend Operating Agreement, section 18.17.1(e), as shown in blackline below, which simply reorganizes the language in the existing subdivision to allow inclusion of the uplift and Operator-initiated Commitment posting requirements described above:

~~(e)~~ Notwithstanding anything to the contrary in this Agreement or in the PJM Tariff, ~~to allow the tracking of Market Participants' non-aggregated bids and offers over time as required by FERC Order No. 719,~~ the Office of the Interconnection shall post the following on its ~~W~~web-site:

(i) the non-aggregated bid data and Offer Data submitted by Market Participants (for participation on the PJM Interchange Energy Market) approximately four months after the bid or offer was submitted to the Office of the Interconnection to allow the tracking of Market Participants' non-aggregated bids and offers over time as required by FERC Order No. 719. However, to protect the confidential, market sensitive and/or proprietary bidding strategies of Market Participants as well as the identity of Market Participants from being discernible from the published data, the posted information will not reveal the (a) name of the resource, (b) characteristics of a specific resource, (c) identity of the load, (d) name of the individual or entity submitting the data, (e) identity of the resource owner, or (f) location of the resource at a level lower than its Zone. The Office of the Interconnection also reserves the right to take any other precautionary measures that it deems appropriate to preserve the confidential, market sensitive and/or proprietary bidding strategies of Market Participants to the extent not specifically set forth herein.²⁴

III. EFFECTIVE DATE

Consistent with the directive in Order No. 844, PJM requests that the Operating Agreement revisions proposed herein become effective January 1, 2019 at which time PJM will implement the rules. To be clear, while PJM intends to implement the aforementioned rules effective January 1, 2019, the actual posting of uplift and Operator-initiated Commitments

²⁴ To avoid repetition, PJM omits subdivisions (ii), (iii), and (iv) from the blackline below as they were addressed above in explaining the proposed language on uplift and Operator-initiated Commitments.

reports will not be posted until up to 20, 90, and 30 calendar days after the end of January for the resource-specific uplift, zonal uplift, and Operator-initiated Commitment reports, respectively.

IV. DOCUMENTS ENCLOSED

PJM encloses the following:

1. This transmittal letter;
2. Attachment A – Revisions to the Operating Agreement, in redlined format;
and
3. Attachment B – Revisions to the Operating Agreement, in clean format.

V. COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to the following persons:

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Vice President – Federal Government Policy
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VI. SERVICE

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,²⁵ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region²⁶ alerting them that this filing has been made by PJM today and is available by following such link.

VII. CONCLUSION

PJM respectfully requests that the Commission accept this compliance filing and establish an effective date of January 1, 2019.

Respectfully submitted,



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*On behalf of
PJM Interconnection, L.L.C.*

²⁵ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

²⁶ PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected commissions.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA, this 7th day of September, 2018.



Chenchao Lu
Attorney for PJM Interconnection, L.L.C.

Attachment A

Revisions to the
PJM Operating Agreement

(Marked / Redline Format)

Definitions O - P

Offer Data:

“Offer Data” shall mean the scheduling, operations planning, dispatch, new resource, and other data and information necessary to schedule and dispatch generation resources and Demand Resource(s) for the provision of energy and other services and the maintenance of the reliability and security of the Transmission System in the PJM Region, and specified for submission to the PJM Interchange Energy Market for such purposes by the Office of the Interconnection.

Office of the Interconnection:

“Office of the Interconnection” shall mean the employees and agents of PJM Interconnection, L.L.C. subject to the supervision and oversight of the PJM Board, acting pursuant to the Operating Agreement.

Office of the Interconnection Control Center:

“Office of the Interconnection Control Center” shall mean the equipment, facilities and personnel used by the Office of the Interconnection to coordinate and direct the operation of the PJM Region and to administer the PJM Interchange Energy Market, including facilities and equipment used to communicate and coordinate with the Market Participants in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

On-Site Generators:

“On-Site Generators” shall mean generation facilities (including Behind The Meter Generation) that (i) are not Capacity Resources, (ii) are not injecting into the grid, (iii) are either synchronized or non-synchronized to the Transmission System, and (iv) can be used to reduce demand for the purpose of participating in the PJM Interchange Energy Market.

Open Access Same-Time Information System (OASIS) or PJM Open Access Same-time Information System:

“Open Access Same-Time Information System,” “PJM Open Access Same-time Information System” or “OASIS” shall mean the electronic communication system and information system and standards of conduct contained in Part 37 and Part 38 of the Commission’s regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS for the collection and dissemination of information about transmission services in the PJM Region, established and operated by the Office of the Interconnection in accordance with FERC standards and requirements.

Operating Day:

“Operating Day” shall mean the daily 24 hour period beginning at midnight for which transactions on the PJM Interchange Energy Market are scheduled.

Operating Margin:

“Operating Margin” shall mean the incremental adjustments, measured in megawatts, required in PJM Region operations in order to accommodate, on a first contingency basis, an operating contingency in the PJM Region resulting from operations in an interconnected Control Area. Such adjustments may result in constraints causing Transmission Congestion Charges, or may result in Ancillary Services charges pursuant to the PJM Tariff.

Operating Margin Customer:

“Operating Margin Customer” shall mean a Control Area purchasing Operating Margin pursuant to an agreement between such other Control Area and the LLC.

Operating Reserve:

“Operating Reserve” shall mean the amount of generating capacity scheduled to be available for a specified period of an Operating Day to ensure the reliable operation of the PJM Region, as specified in the PJM Manuals.

Operator-initiated Commitment:

“Operator-initiated Commitment” shall mean a commitment after the Day-ahead Energy Market and Day-ahead Scheduling Reserves Market, whether manual or automated, for a reason other than minimizing the total production costs of serving load.

Original PJM Agreement:

“Original PJM Agreement” shall mean that certain agreement between certain of the Members, originally dated September 26, 1956, and as amended and supplemented up to and including December 31, 1996, relating to the coordinated operation of their electric supply systems and the interchange of electric capacity and energy among their systems.

Other Supplier:

“Other Supplier” shall mean a Member that: (i) is engaged in buying, selling or transmitting electric energy, capacity, ancillary services, financial transmission rights or other services available under PJM’s governing documents in or through the Interconnection or has a good faith intent to do so, and; (ii) does not qualify for the Generation Owner, Electric Distributor, Transmission Owner or End-Use Customer sectors.

PJM Board:

“PJM Board” shall mean the Board of Managers of the LLC, acting pursuant to the Operating Agreement, except when such term is being used in Tariff, Attachment M, in which case PJM Board shall mean the Board of Managers of PJM or its designated representative, exclusive of any members of PJM Management.

PJM Control Area:

“PJM Control Area” shall mean the Control Area recognized by NERC as the PJM Control Area.

PJM Dispute Resolution Procedures:

“PJM Dispute Resolution Procedures” shall mean the procedures for the resolution of disputes set forth in Operating Agreement, Schedule 5.

PJM Governing Agreements:

“PJM Governing Agreements” shall mean the PJM Open Access Transmission Tariff, the Operating Agreement, the Consolidated Transmission Owners Agreement, the Reliability Assurance Agreement, or any other applicable agreement approved by the FERC and intended to govern the relationship by and among PJM and any of its Members.

PJM Interchange:

“PJM Interchange” shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds, or is exceeded by, the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller; or (e) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (f) the interval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Interchange Energy Market:

“PJM Interchange Energy Market” shall mean the regional competitive market administered by the Office of the Interconnection for the purchase and sale of spot electric energy at wholesale in interstate commerce and related services established pursuant to Operating Agreement, Schedule 1, and the parallel provisions of Tariff, Attachment K-Appendix.

PJM Interchange Export:

“PJM Interchange Export” shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load is exceeded by the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup sales; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller.

PJM Interchange Import:

“PJM Interchange Import” shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup purchases; or (c) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (d) the interval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Manuals:

“PJM Manuals” shall mean the instructions, rules, procedures and guidelines established by the Office of the Interconnection for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

PJM Mid-Atlantic Region:

“PJM Mid-Atlantic Region” shall mean the aggregate of the Transmission Facilities of Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power and Light Company, Jersey Central Power and Light Company, Mid-Atlantic Interstate Transmission, LLC, PECO Energy Company, PPL Electric Utilities Corporation, Potomac Electric Power Company, Public Service Electric and Gas Company, and Rockland Electric Company.

PJM Region:

“PJM Region” shall mean the aggregate of the Zones within PJM as set forth in Tariff, Attachment J.

PJMSettlement:

“PJMSettlement” or “PJM Settlement, Inc.” shall mean PJM Settlement, Inc. (or its successor), established by PJM as set forth in Operating Agreement, section 3.3.

PJM South Region:

“PJM South Region” shall mean the Transmission Facilities of Virginia Electric and Power Company.

PJM Tariff, Tariff, O.A.T.T., OATT or PJM Open Access Transmission Tariff:

“PJM Tariff,” “Tariff,” “O.A.T.T.,” or “PJM Open Access Transmission Tariff” shall mean that certain “PJM Open Access Transmission Tariff”, including any schedules, appendices, or exhibits attached thereto, on file with FERC and as amended from time to time thereafter.

PJM West Region:

“PJM West Region” shall mean the Zones of Allegheny Power; Commonwealth Edison Company (including Commonwealth Edison Co. of Indiana); AEP East Affiliate Companies; The Dayton Power and Light Company; the Duquesne Light Company; American Transmission Systems, Incorporated; Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc. and East Kentucky Power Cooperative, Inc.

Planning Period:

“Planning Period” shall mean the 12 months beginning June 1 and extending through May 31 of the following year, or such other period approved by the Members Committee.

Planning Period Balance:

“Planning Period Balance” shall mean the entire period of time remaining in the Planning Period following the month that a monthly auction is conducted.

Planning Period Quarter:

“Planning Period Quarter” shall mean any of the following three month periods in the Planning Period: June, July and August; September, October and November; December, January and February; or March, April and May.

Point-to-Point Transmission Service:

“Point-to-Point Transmission Service” shall mean the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Delivery under Tariff, Part II.

PRD Curve:

“PRD Curve” shall have the meaning provided in the Reliability Assurance Agreement.

PRD Provider:

“PRD Provider” shall have the meaning provided in the Reliability Assurance Agreement.

PRD Reservation Price:

“PRD Reservation Price” shall have the meaning provided in the Reliability Assurance Agreement.

PRD Substation:

“PRD Substation” shall have the meaning provided in the Reliability Assurance Agreement.

Pre-Emergency Load Response Program:

“Pre-Emergency Load Response Program” shall be the program by which Curtailment Service Providers may be compensated by PJM for Demand Resources that will reduce load when dispatched by PJM during pre-emergency conditions, and is described in Operating Agreement, Schedule 1, section 8 and the parallel provisions of Tariff, Attachment K-appendix, section 8.

President:

“President” shall have the meaning specified in Operating Agreement, section 9.2.

Price Responsive Demand:

“Price Responsive Demand” shall have the meaning provided in the Reliability Assurance Agreement.

Primary Reserve:

“Primary Reserve” shall mean the total reserve capability of generation resources that can be converted fully into energy or Demand Resources whose demand can be reduced within ten minutes of a request from the Office of the Interconnection dispatcher, and is comprised of both Synchronized Reserve and Non-Synchronized Reserve.

Primary Reserve Alert:

“Primary Reserve Alert” shall mean a notification from PJM to alert Members of an anticipated shortage of Operating Reserve capacity for a future critical period.

Primary Reserve Requirement:

“Primary Reserve Requirement” shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone as Primary Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty. The Primary Reserve Requirement is calculated in accordance with the PJM Manuals.

Prohibited Securities:

“Prohibited Securities” shall mean the Securities of a Member, Eligible Customer, or Nonincumbent Developer, or their Affiliates, if:

(1) the primary business purpose of the Member or Eligible Customer, or their Affiliates, is to buy, sell or schedule energy, power, capacity, ancillary services or transmission services as indicated by an industry code within the “Electric Power Generation, Transmission, and Distribution” industry group under the North American Industry Classification System (“NAICS”) or otherwise determined by the Office of the Interconnection;

(2) the Nonincumbent Developer has been pre-qualified as eligible to be a Designated Entity pursuant to Operating Agreement, Schedule 6;

(3) the total (gross) financial settlements regarding the use of transmission capacity of the Transmission System and/or transactions in the centralized markets that the Office of the Interconnection administers under the Tariff and the Operating Agreement for all Members or Eligible Customers affiliated with the publicly traded company during its most recently completed fiscal year is equal to or greater than 0.5% of its gross revenues for the same time period; or

(4) the total (gross) financial settlements regarding the use of transmission capacity of the Transmission System and/or transactions in the centralized markets that the Office of the Interconnection administers under the Tariff and the Operating Agreement for all Members or Eligible Customers affiliated with the publicly traded company during the prior calendar year is equal to or greater than 3% of the total transactions for which PJMSettlement is a Counterparty pursuant to Operating Agreement, section 3.3 for the same time period.

The Office of the Interconnection shall compile and maintain a list of the Prohibited Securities publicly traded and post this list for all employees and distribute the list to the Board Members.

Proportional Multi-Driver Project:

“Proportional Multi-Driver Project” shall mean a Multi-Driver Project that is planned as described in Operating Agreement, Schedule 6, section 1.5.10(h).

Pseudo-Tie:

“Pseudo-Tie shall have the same meaning set forth in the NERC Glossary of Terms Used in NERC Reliability Standards.

Public Policy Objectives:

“Public Policy Objectives” shall refer to Public Policy Requirements, as well as public policy initiatives of state or federal entities that have not been codified into law or regulation but which nonetheless may have important impacts on long term planning considerations.

Public Policy Requirements:

“Public Policy Requirements” shall refer to policies pursued by: (a) state or federal entities, where such policies are reflected in duly enacted statutes or regulations, including but not limited to, state renewable portfolio standards and requirements under Environmental Protection Agency regulations; and (b) local governmental entities such as a municipal or county government, where such policies are reflected in duly enacted laws or regulations passed by the local governmental entity.

18.17 Confidentiality.

18.17.1 Party Access.

(a) No Member shall have a right hereunder to receive or review any documents, data or other information of another Member, including documents, data or other information provided to the Office of the Interconnection, to the extent such documents, data or information have been designated as confidential pursuant to the procedures adopted by the Office of the Interconnection and/or the Market Monitoring Unit or to the extent that they have been designated as confidential by such other Member; provided, however, a Member may receive and review any composite documents, data and other information that may be developed based on such confidential documents, data or information if the composite does not disclose any individual Member's confidential data or information.

(b) Except as may be provided in this Agreement or in the PJM Open Access Transmission Tariff, the Office of the Interconnection shall not disclose to its Members or to third parties, any documents, data, or other information of a Member or entity applying for Membership, to the extent such documents, data, or other information has been designated confidential pursuant to the procedures adopted by the Office of the Interconnection or by such Member or entity applying for membership; provided that nothing contained herein shall prohibit the Office of the Interconnection from providing any such confidential information to its agents, representatives, or contractors to the extent that such person or entity is bound by an obligation to maintain such confidentiality; provided further that nothing contained herein shall prohibit the Office of the Interconnection from providing Member confidential information to the NERC, EIDSN, Inc., any Applicable Regional Entity, any reliability coordinator, and the agents, representatives, or contractors of such entity, to the extent that (i) the Office of the Interconnection determines in its reasonable discretion that the exchange of such information is required to enhance and/or maintain reliability within the Members' Applicable Regional Entities and their neighboring Regional Entities, or within the region of any reliability coordinator, (ii) such entity is bound by a written agreement to maintain such confidentiality, and (iii) the Office of the Interconnection has notified the affected party of its intention to release such information no less than five Business Days prior to the release. The Office of the Interconnection, its designated agents, representatives, and contractors shall maintain as confidential the electronic tag ("e-Tag") data of an e-Tag Author or Balancing Authority (defined as those terms are used in FERC Order No. 771) to the same extent as Member data under this section 18.17. Nothing contained herein shall prohibit the Office of the Interconnection or its designated agents, representatives, or contractors from providing to another Regional Transmission Organization ("RTO") or Independent System Operator ("ISO"), upon their request, the e-Tags of an e-Tag Author or Balancing Authority for intra-PJM Region transactions and interchange transactions scheduled to flow into, out of or through the PJM Region, to the extent such RTO or ISO has requested such information as part of its investigation of possible market violations or market design flaws, and to the extent that such RTO or ISO is bound by a tariff provision requiring that the e-Tag data be maintained as confidential or, in the absence of a tariff requirement governing confidentiality, a written agreement with the Office of the Interconnection consistent with FERC Order No. 771 and any clarifying orders and implementing regulations. The Office of the Interconnection shall collect and use confidential information only in connection with its authority under this Agreement and

the Open Access Transmission Tariff and the retention of such information shall be in accordance with the Office of the Interconnection's data retention policies.

(c) Nothing contained herein shall prevent the Office of the Interconnection from releasing a Member's confidential data or information to a third party provided that the Member has delivered to the Office of the Interconnection and/or the Market Monitoring Unit specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized. The Office of the Interconnection shall limit the release of a Member's confidential data or information to that specific authorization received from the Member. Nothing herein shall prohibit a Member from withdrawing such authorization upon written notice to the Office of the Interconnection, who shall cease such release as soon as practicable after receipt of such withdrawal notice.

(d) Reciprocal provisions to this section 18.17.1, Operating Agreement, section 18.17.2, Operating Agreement, section 18.17.3, Operating Agreement, section 18.17.4 and Operating Agreement, section 18.17.5, delineating the confidentiality requirements of PJM's Market Monitoring Unit, are set forth in Tariff, Attachment M – Appendix, section I.

(e) Notwithstanding anything to the contrary in this Agreement or in the PJM Tariff, ~~to allow the tracking of Market Participants' non-aggregated bids and offers over time as required by FERC Order No. 719~~, the Office of the Interconnection shall post the following on its ~~W~~web site:

(i) the non-aggregated bid data and Offer Data submitted by Market Participants (for participation on the PJM Interchange Energy Market) approximately four months after the bid or offer was submitted to the Office of the Interconnection to allow the tracking of Market Participants' non-aggregated bids and offers over time as required by FERC Order No. 719. However, to protect the confidential, market sensitive and/or proprietary bidding strategies of Market Participants as well as the identity of Market Participants from being discernible from the published data, the posted information will not reveal the (a) name of the resource, (b) characteristics of a specific resource, (c) identity of the load, (d) name of the individual or entity submitting the data, (e) identity of the resource owner, or (f) location of the resource at a level lower than its Zone. The Office of the Interconnection also reserves the right to take any other precautionary measures that it deems appropriate to preserve the confidential, market sensitive and/or proprietary bidding strategies of Market Participants to the extent not specifically set forth herein.

(ii) Within 20 calendar days after the end of each month, (a) the total daily uplift credits by Zone as set forth in Tariff, Attachment J, and RAA, Schedule 15, and applicable uplift charge codes (including lost opportunity cost contained within operating reserves) and (b) the total daily uplift charges by applicable PJM Region or Zone, as set forth in Tariff, Attachment J and RAA, Schedule 15, and applicable uplift charge codes along with relevant subcategories by which they are allocated. The Office of the Interconnection shall incorporate the best available information at the time the posting is created.

(iii) Within 90 calendar days after the end of each month, the name of each generation resource unit and amount of uplift credit payments by applicable uplift charge codes (including lost opportunity cost contained within operating reserves, but excluding Black Start Service) for each resource unit that received uplift credits in that month. For Demand Resources or Economic Load Response Participants, the Office of Interconnection shall post, within 90 calendar days after the end of each month, the individual resource identification number associated with the Demand Resource or Economic Load Response Participant's relevant dispatch group or registration, the name of the associated Curtailment Service Provider, the Zone and energy pricing point used to settle the Demand Resource or Economic Load Response Participant's dispatch group or registration, and the corresponding amount of uplift credits by applicable uplift charge codes for the dispatch group or registration that received uplift credits in that month. The Office of Interconnection shall incorporate the best available information at the time the posting is created.

(iv) Within 30 calendar days after the end of each month, each Operator-initiated Commitment listing the size of the commitment in megawatts (where megawatts are equal to the economic maximum), Zone (as set forth in Tariff, Attachment J and RAA, Schedule 15), commitment reason, and commitment start time. Commitment reasons shall include, but are not limited to, system wide capacity, constraint management, and voltage support.

(f) To the extent permitted pursuant to 18 C.F.R. §38.2 (or successor provisions), nothing contained herein shall prohibit the Office of the Interconnection from sharing non-public, operational information with an interstate natural gas pipeline operator for the purpose of promoting reliable service or operational planning. Further, the Office of the Interconnection shall be permitted to share non-public, operational information with natural gas local distribution companies and/or intrastate natural gas pipeline operators, as appropriate, for the purpose of promoting reliable service or operational planning, provided that such party has acknowledged, in writing, that it shall not disclose, or use anyone as a conduit for disclosure of, non-public, operational information received from the Office of Interconnection to a third party or in an unduly discriminatory or preferential manner or to the detriment of any natural gas and/or electric market. Such non-public, operational information received from natural gas local distribution companies and/or intrastate natural gas pipeline operators pursuant to this section will be subject to the confidentiality provisions set forth in this section 18.17.

18.17.2 Required Disclosure.

(a) Notwithstanding anything in the foregoing section to the contrary, and subject to the provisions of section 18.17.3 below, if the Office of the Interconnection is required by applicable law, order, or in the course of administrative or judicial proceedings, to disclose to third parties, information that is otherwise required to be maintained in confidence pursuant to this Agreement, the Office of the Interconnection or its designated agents, representatives, or contractors may make disclosure of such information; provided, however, that as soon as the Office of the Interconnection learns of the disclosure requirement and prior to it or its designated agents, representatives, or contractors making disclosure, the Office of the Interconnection shall notify the affected Member or Members of the requirement and the terms thereof and the affected Member or Members may direct, at their sole discretion and cost, any challenge to or

defense against the disclosure requirement. The Office of the Interconnection shall cooperate with such affected Members to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. The Office of the Interconnection shall cooperate with the affected Members to obtain proprietary or confidential treatment of such information by the person to whom such information is disclosed prior to any such disclosure.

(b) Nothing in this section 18.17 shall prohibit or otherwise limit the Office of the Interconnection's use of information covered herein if such information was: (i) previously known to the Office of the Interconnection without an obligation of confidentiality; (ii) independently developed by or for the Office of the Interconnection using non-confidential information; (iii) acquired by the Office of the Interconnection from a third party which is not, to the Office of the Interconnection's knowledge, under an obligation of confidence with respect to such information; (iv) which is or becomes publicly available other than through a manner inconsistent with this section 18.17.

(c) The Office of the Interconnection shall impose on any contractors retained to provide technical support or otherwise to assist with the implementation or administration of this Agreement or of the Open Access Transmission Tariff a contractual duty of confidentiality consistent with this Agreement. A Member shall not be obligated to provide confidential or proprietary information to any contractor that does not assume such a duty of confidentiality, and the Office of the Interconnection shall not provide any such information to any such contractor without the express written permission of the Member providing the information.

18.17.3 Disclosure to FERC and CFTC.

(a) Notwithstanding anything in this section to the contrary, if the FERC, the Commodity Futures Trading Commission ("CFTC"), or the staff of those commissions, during the course of an investigation or otherwise, requests information from the Office of the Interconnection that is otherwise required to be maintained in confidence pursuant to this Agreement, the Office of the Interconnection shall provide the requested information to the FERC, CFTC or their respective staff, within the time provided for in the request for information. In providing the information to the FERC or its staff, the Office of the Interconnection may request, consistent with 18 C.F.R. §§ 1b.20 and 388.112, or to the CFTC or its staff, the Office of the Interconnection may request, consistent with 17 C.F.R. §§ 11.3 and 145.9, that the information be treated as confidential and non-public by the respective commission and its staff and that the information be withheld from public disclosure. The Office of the Interconnection shall promptly notify any affected Member(s) if the Office of the Interconnection receives from the FERC, CFTC or their staff written notice that the commission has decided to release publicly, or has asked for comment on whether such commission should release publicly, confidential information previously provided to a commission by the Office of the Interconnection.

(b) Section 18.17.3(a) above shall not apply to requests for production of information under Subpart D of the FERC's Rules of Practice and Procedure (18 CFR Part 385) in proceedings before FERC and its administrative law judges. In all such proceedings, the Office of the Interconnection shall follow the procedures in section 18.17.2 above.

(c) Pursuant to the FERC Order No. 760, as codified under 18 C.F.R. § 35.28(g)(4), to the extent that the Office of the Interconnection already collects such data described in Order No. 760, the Office of the Interconnection shall electronically deliver to the FERC, on an ongoing basis and in a form and manner consistent with its own collection of data and in a form and manner acceptable to the FERC, data related to the markets that the Office of the Interconnection administers. Section 18.17.3(a) above shall not apply to data supplied to the FERC under this subsection (c) to satisfy the FERC Order No. 760 requirements.

(d) Pursuant to the FERC Order No. 771 and any clarifying orders, as codified under 18 C.F.R. § 366.2(d), the Office of the Interconnection shall ensure that FERC is included as an addressee on all e-Tags for transactions that sink within the PJM Region.

18.17.4 Disclosure to Authorized Commissions.

(a) Notwithstanding anything in this section to the contrary, the Office of the Interconnection shall disclose confidential information, otherwise required to be maintained in confidence pursuant to this Agreement, to an Authorized Commission under the following conditions:

- (i) The Authorized Commission has provided the FERC with a properly-executed Certification in the form attached hereto as Operating Agreement, Schedule 10A. Upon receipt of the Authorized Commission's Certification, the FERC shall provide public notice of the Authorized Commission's filing pursuant to 18 C.F.R. § 385.2009. If any interested party disputes the accuracy and adequacy of the representations contained in the Authorized Commission's Certification, that party may file a protest with the Commission within 14 days of the date of such notice, pursuant to 18 C.F.R. § 385.211. The Authorized Commission may file a response to any such protest within seven days. Each party shall bear its own costs in connection with such a FERC protest proceeding. If there are material changes in law that affect the accuracy and adequacy of the representations in the Certification filed with the Commission, the Authorized Commission shall, within thirty (30) days, submit an amended Certification identifying such changes. Any such amended Certification shall be subject to the same procedures for comment and review by the Commission as set forth above in this paragraph.

The Office of the Interconnection may not disclose data to an Authorized Commission during the Commission's consideration of the Certification and any filed protests. If the Commission does not act upon an Authorized Commission's Certification within 90 days of the date of filing, the Certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section. In the event that an interested party protests the Authorized Commission's Certification and the Commission approves the Certification, that party may not challenge any Information Request made by the Authorized Commission on the grounds that the Authorized

Commission is unable to protect the confidentiality of the information requested, in the absence of a showing of changed circumstances.

- (ii) Any confidential information provided to an Authorized Commission pursuant to this section shall not be further disclosed by the recipient Authorized Commission except by order of the Commission.
- (iii) The Office of the Interconnection shall be expressly entitled to rely upon such Authorized Commission Certifications in providing confidential information to the Authorized Commission, and shall in no event be liable, or subject to damages or claims of any kind or nature hereunder, due to the ineffectiveness or inaccuracy of such Authorized Commission Certifications.
- (iv) The Authorized Commission may provide confidential information obtained from the Office of the Interconnection to such of its employees, attorneys and contractors as needed to examine or handle that information in the course and scope of their work on behalf of the Authorized Commission, provided that (a) the Authorized Commission has internal procedures in place, pursuant to the Certification, to ensure that each person receiving such information agrees to protect the confidentiality of such information (such employees, attorneys or contractors to be defined hereinafter as “Authorized Persons”); (b) the Authorized Commission provides, pursuant to the Certification, a list of such Authorized Persons to the Office of the Interconnection and the Market Monitoring Unit and updates such list, as necessary, every ninety (90) days; and (c) any third-party contractors provided access to confidential information sign a non-disclosure agreement in the form attached hereto as Operating Agreement, Schedule 10 before being provided access to any such confidential information.
- (v) The Office of the Interconnection shall maintain a schedule of all Authorized Persons and the Authorized Commissions they represent, which shall be made publicly available on its website, or by written request. Such schedule shall be compiled by the Office of the Interconnection, based on information provided by any Authorized Commission. The Office of the Interconnection shall update the schedule promptly upon receipt of information from an Authorized Commission, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by the Office of the Interconnection in the compilation and/or maintenance of the schedule.

(b) The Office of the Interconnection may, in the course of discussions with an Authorized Person, orally disclose information otherwise required to be maintained in confidence, without

the need for a prior Information Request. Such oral disclosures shall provide enough information to enable the Authorized Person or the Authorized Commission with which that Authorized Person is associated to determine whether additional Information Requests are appropriate. The Office of the Interconnection will not make any written or electronic disclosures of confidential information to the Authorized Person pursuant to this section 18.17.4(b). In any such discussions, the Office of the Interconnection shall ensure that the individual or individuals receiving such confidential information are Authorized Persons as defined herein, orally designate confidential information that is disclosed, and refrain from identifying any specific Affected Member whose information is disclosed. The Office of the Interconnection shall also be authorized to assist Authorized Persons in interpreting confidential information that is disclosed. The Office of the Interconnection shall provide any Affected Member with oral notice of any oral disclosure immediately, but not later than one (1) Business Day after the oral disclosure. Such oral notice to the Affected Member shall include the substance of the oral disclosure, but shall not reveal any confidential information of any other Member and must be received by the Affected Member before the name of the Affected Member is released to the Authorized Person; provided however, disclosure of the identity of the Affected Party must be made to the Authorized Commission with which the Authorized Person is associated within two (2) Business Days of the initial oral disclosure.

(c) As regards Information Requests:

- (i) Information Requests to the Office of the Interconnection and/or Market Monitoring Unit by an Authorized Commission shall be in writing, which shall include electronic communications, addressed to the Office of the Interconnection, and shall: (a) describe the information sought in sufficient detail to allow a response to the Information Request; (b) provide a general description of the purpose of the Information Request; (c) state the time period for which confidential information is requested; and (d) re-affirm that only Authorized Persons shall have access to the confidential information requested. The Office of the Interconnection shall provide an Affected Member with written notice, which shall include electronic communication, of an Information Request by an Authorized Commission as soon as possible, but not later than two (2) Business Days after the receipt of the Information Request.
- (ii) Subject to the provisions of section (c)(iii) below, the Office of the Interconnection shall supply confidential information to the Authorized Commission in response to any Information Request within five (5) Business Days of the receipt of the Information Request, to the extent that the requested confidential information can be made available within such period; provided however, that in no event shall confidential information be released prior to the end of the fourth (4th) Business Day without the express consent of the Affected Member. To the extent that the Office of the Interconnection cannot reasonably prepare and deliver the requested confidential information within such five (5) day period, it shall, within such period, provide the Authorized Commission with a written schedule

for the provision of such remaining confidential information. Upon providing confidential information to the Authorized Commission, the Office of the Interconnection shall either provide a copy of the confidential information to the Affected Member(s), or provide a listing of the confidential information disclosed; provided, however, that the Office of the Interconnection shall not reveal any Member's confidential information to any other Member.

- (iii) Notwithstanding section (c)(ii) above, should the Office of the Interconnection or an Affected Member object to an Information Request or any portion thereof, any of them may, within four (4) Business Days following the Office of the Interconnection's receipt of the Information Request, request, in writing, a conference with the Authorized Commission to resolve differences concerning the scope or timing of the Information Request; provided, however, nothing herein shall require the Authorized Commission to participate in any conference. Any party to the conference may seek assistance from FERC staff in resolution of the dispute or terminate the conference process at any time. Should such conference be refused or terminated by any participant or should such conference not resolve the dispute, then the Office of the Interconnection or the Affected Member may file a complaint with the Commission pursuant to Rule 206 objecting to the Information Request within ten (10) Business Days following receipt of written notice from any conference participant terminating such conference. Any complaints filed at FERC objecting to a particular Information Request shall be designated by the party as a "fast track" complaint and each party shall bear its own costs in connection with such FERC proceeding. The grounds for such a complaint shall be limited to the following: (a) the Authorized Commission is no longer able to preserve the confidentiality of the requested information due to changed circumstances relating to the Authorized Commission's ability to protect confidential information arising since the filing of or rejection of a protest directed to the Authorized Commission's Certification; (b) complying with the Information Request would be unduly burdensome to the complainant, and the complainant has made a good faith effort to negotiate limitations in the scope of the requested information; or (c) other exceptional circumstances exist such that complying with the Information Request would result in harm to the complainant. There shall be a presumption that "exceptional circumstances," as used in the prior sentence, does not include circumstances in which an Authorized Commission has requested wholesale market data (or Market Monitoring Unit workpapers that support or explain conclusions or analyses) generated in the ordinary course and scope of the operations of the Office of the Interconnection and/or the Market Monitoring Unit. There shall be a presumption that circumstances in which an Authorized Commission has requested personnel files, internal emails and internal company memos, analyses and related work product constitute "exceptional circumstances"

as used in the prior sentence. If no complaint challenging the Information Request is filed within the ten (10) day period defined above, the Office of the Interconnection shall utilize its best efforts to respond to the Information Request promptly. If a complaint is filed, and the Commission does not act on that complaint within ninety (90) days, the complaint shall be deemed denied and the Office of Interconnection shall use its best efforts to respond to the Information Request promptly.

- (iv) Any Authorized Commission may initiate appropriate legal action at FERC within ten (10) Business Days following receipt of information designated as “Confidential,” challenging such designation. Any complaints filed at FERC objecting to the designation of information as “Confidential” shall be designated by the party as a “fast track” complaint and each party shall bear its own costs in connection with such FERC proceeding. The party filing such a complaint shall be required to prove that the material disclosed does not merit “Confidential” status because it is publicly available from other sources or contains no trade secret or other sensitive commercial information (with “publicly available” not being deemed to include unauthorized disclosures of otherwise confidential data).

(d) In the event of any breach of confidentiality of information disclosed pursuant to an Information Request by an Authorized Commission or Authorized Person:

- (i) The Authorized Commission or Authorized Person shall promptly notify the Office of the Interconnection, who shall, in turn, promptly notify any Affected Member of any inadvertent or intentional release, or possible release, of confidential information provided pursuant to this section.
- (ii) The Office of the Interconnection shall terminate the right of such Authorized Commission to receive confidential information under this section upon written notice to such Authorized Commission unless: (i) there was no harm or damage suffered by the Affected Member; or (ii) similar good cause is shown. Any appeal of the Office of the Interconnection’s and/or the Market Monitoring Unit’s actions under this section shall be to FERC. An Authorized Commission shall be entitled to reestablish its certification as set forth in section 18.17.4(a) above by submitting a filing with the Commission showing that it has taken appropriate corrective action. If the Commission does not act upon an Authorized Commission’s re-certification filing with sixty (60) days of the date of the filing, the re-certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section.
- (iii) The Office of the Interconnection and/or the Affected Member shall have the right to seek and obtain at least the following types of relief: (a) an

order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief with respect to any breach; and (c) the immediate return of all confidential information to the Office of the Interconnection.

- (iv) No Authorized Person or Authorized Commission shall have responsibility or liability whatsoever under this section for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with the release of confidential information to persons not authorized to receive it, provided that such Authorized Person is an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release. Nothing in this section (d)(iv) is intended to limit the liability of any person who is not an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.
- (v) Any dispute or conflict requesting the relief in section (d)(ii) or (d)(iii)(a) above, shall be submitted to FERC for hearing and resolution. Any dispute or conflict requesting the relief in section (d)(iii)(c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution.

18.17.5 Disclosure to New York ISO and New York ISO Market Advisor Concerning Facilities in PSE&G Zone.

(a) Subject to the requirements of section 18.17.5(b) below, the Office of the Interconnection may release confidential information of Public Service Electric & Gas Company (“PSE&G”), Consolidated Edison Company of New York (“ConEd”), and their affiliates, and the confidential information of any Member regarding generation and/or transmission facilities located within the PSE&G Zone to the New York Independent System Operator, Inc. (“New York ISO”), the market monitoring unit of the New York ISO and the New York ISO Market Advisor to the limited extent that the Office of the Interconnection or its Market Monitoring Unit determines necessary to carry out the responsibilities of the Office of the Interconnection, the New York ISO and the market monitoring units of the Office of the Interconnection and the New York ISO under FERC Opinion No. 476 (see Consolidated Edison Company v. Public Service Electric and Gas Company, et al., 108 FERC ¶ 61,120, at P 215 (2004)) to conduct joint investigations to ensure that gaming, abuse of market power, or similar activities do not take place with regard to power transfers under the contracts that are the subject of FERC Opinion No. 476.

(b) The Office of the Interconnection may release a Member’s confidential information pursuant to section 18.17.5(a) above to the New York ISO, the market monitoring unit of the New York ISO and the New York ISO Market Advisor only if the New York ISO, the market monitoring unit of the New York ISO and the New York ISO Market Advisor are subject to

obligations limiting the disclosure of such information that are equivalent to or greater than the limitations on disclosure specified in this section 18.17. Information received from the New York ISO, the market monitoring unit of the New York ISO, or the New York ISO Market Advisor under section 18.17.5(a) above that is designated as confidential shall be protected from disclosure in accordance with this section 18.17.

18.17.6 Disclosure of EMS Data to Transmission Owners on PJM EMS Terminal

(a) While the Office of the Interconnection has overall power system reliability in the Office of the Interconnection region, Transmission Owners within the Office of the Interconnection region perform certain reliability functions with respect to their individual Transmission Facilities and distribution systems. In order to facilitate reliable operations between the Office of the Interconnection and the Transmission Owners, the Office of the Interconnection may, without written authorization from any Member, install a read-only terminal in any Transmission Owner's secure control room facility, with access to Office of the Interconnection's Energy Management System (EMS) and its associated data transmission and generation data under the terms and conditions set forth in this section 18.17.6.

(b) The data and information produced by the Office of the Interconnection's EMS are confidential and/or commercially sensitive because it will display the real-time status of electric transmission lines and generation facilities, the disclosure of which could impact the market and the commercial interests of its participants. In addition, the responsive information will contain detailed information about real-time grid conditions, transmission lines, power flows, and outages, which may fall within the definition of Critical Energy Infrastructure Information (CEII) as set forth in 18 CFR § 388.112. The Office of the Interconnection shall not release any generator cost, price or other market information without written authorization pursuant to section 18.17.1 (c) above unless otherwise provided for under this Agreement. The only generator information that will be made available on the read-only PJM EMS terminal is real-time MW/MVAR output and Minimum/Maximum MW Range.

(c) The confidential or CEII information provided to the Transmission Owner on a read-only PJM EMS terminal shall only be held in the secure control room facility of the Transmission Owner. Such data shall be used for informational and operational purposes within the control room by Transmission Function employees as defined in the FERC's rules and regulations, 18 C.F.R. § 358.3 (j). No "screen-scraping" or other data transfer of information from the read-only terminal to other Transmission Owner systems or databases shall be permitted. No storage of information from the read-only terminal shall be permitted. The data shall be held confidential within the transmission function environment and not be disclosed to other personnel within the Transmission Owners' company, subsidiaries, marketing organizations, energy affiliates or independent third parties. The Transmission Owner may use the confidential or CEII information only for the purpose of performing Transmission Owner's reliability function and shall not otherwise use the confidential information for its own benefit or for the benefit of any other person.

(d) In the event of any breach:

- (i) The Transmission Owners shall promptly notify the Office of the Interconnection, which shall, in turn, promptly notify FERC and any Affected Member(s) of any inadvertent or intentional release, or possible release, of confidential or CEII information disclosed as provided above.
- (ii) The Office of the Interconnection shall terminate all rights of the Transmission Owner to receive confidential or CEII information as provided in this section 18.17.6; provided, however, that the Office of the Interconnection may restore a Transmission Owners' status after consulting with the Affected Member(s) and to the extent that: (a) the Office of the Interconnection determines that the disclosure was not due to the intentional, reckless or negligent action or omission of the Authorized Person; (b) there were no harm or damages suffered by the Affected Member(s); or (c) similar good cause shown. Any appeal of the Office of the Interconnection's actions under this section shall be to FERC.
- (iii) The Office of the Interconnection and/or the Affected Member(s) shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief and/or damages with respect to any breach; and (c) the immediate return of all confidential or CEII information to the Office of the Interconnection.
- (iv) Any dispute or conflict requesting the relief in section (d)(ii) or (d)(iii)(a) above, shall be submitted to FERC for hearing and resolution. Any dispute or conflict requesting the relief in section (d)(iii)(b) and (c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution.

18.17.7 Disclosure of Generator Data to Transmission Owners

(a) In order to facilitate reliable operations between the Office of the Interconnection and the Transmission Owners, the Office of the Interconnection may, without written authorization from any Member, provide to each Transmission Owner upon the Transmission Owner's request the following confidential generator information for any generator that: (1) is or will be modeled within the Transmission Owner's energy management system; or (2) is or will be identified in a Transmission Owner's restoration plan:

- (i) real-time unit status;
- (ii) real-time megawatt output;
- (iii) real-time megavolt amperes reactive ("MVAR");

- (iv) the start date, start time, stop date, and stop time for the unit's scheduled outages;
- (v) the unit's reactive capability curve; and
- (vi) data provided for Transmission Owner use for system restoration planning purposes only, including but not limited to the unit's start-up times, ramp rate, start-up auxiliary load profile and emergency low-load operation capabilities.

The Office of the Interconnection will provide such data only where it possesses such data. The Office of the Interconnection shall provide this confidential information only to transmission function employees, as transmission function employee is defined in section 18 C.F.R. § 358 of the FERC rules and regulations.

(b) A Transmission Owner may only use the generator data provided under section 18.17.7(a) above for the purpose of executing the Transmission Owner's reliability function and transmission function, as transmission function is defined in section 18 C.F.R. § 358 of the FERC rules and regulations, and shall not otherwise use the confidential information for its own benefit or the benefit of any other person. A Transmission Owner may disclose the generator data obtained under section 18.17.7(a) above only to the Transmission Owner's transmission function employees whose access to such data is necessary to perform the Transmission Owner's transmission functions. Transmission Owners shall not disclose the generator data obtained under section 18.17.7(a) above to any person, including marketing function employees as defined in section 18 C.F.R. § 358 of the FERC rules and regulations, except as permitted under this section 18.17.7.

(c) Each Transmission Owner shall protect and keep confidential all the information it receives from the Office of the Interconnection pursuant to this section 18.17.7. It may, copy, post, distribute, disclose or disseminate the data obtained pursuant to section 18.17.7(a) above only in the following manner. Each Transmission Owner may make a limited number of copies of written or electronic materials to enable the Transmission Owner to adequately use the information obtained pursuant to section 18.17.7(a) above within the terms and conditions of this section of this Agreement. If the Transmission Owner prints or electronically conveys any information in obtained pursuant to section 18.17.7(a) above, it shall protect each copy in accordance with this section 18.17.7 and mark each copy as "Confidential Information."

(d) The Transmission Owner shall destroy all information obtained under section 18.17.7(a) above upon the completion of the use of such information for the purpose of performing Transmission Owner's transmission functions, as transmission functions is defined in section 18 C.F.R. § 358 of the FERC rules and regulations.

(e) A Transmission Owner shall be responsible for the breach of this section 18.17.7 by any of its employees or representatives. In the event of any breach by the Transmission Owner of this section 18.17.7 by any of its employees or representatives, section 18.17.6(d) shall apply to the release of the confidential information.

Attachment B

Revisions to the
PJM Operating Agreement

(Clean Format)

Definitions O - P

Offer Data:

“Offer Data” shall mean the scheduling, operations planning, dispatch, new resource, and other data and information necessary to schedule and dispatch generation resources and Demand Resource(s) for the provision of energy and other services and the maintenance of the reliability and security of the Transmission System in the PJM Region, and specified for submission to the PJM Interchange Energy Market for such purposes by the Office of the Interconnection.

Office of the Interconnection:

“Office of the Interconnection” shall mean the employees and agents of PJM Interconnection, L.L.C. subject to the supervision and oversight of the PJM Board, acting pursuant to the Operating Agreement.

Office of the Interconnection Control Center:

“Office of the Interconnection Control Center” shall mean the equipment, facilities and personnel used by the Office of the Interconnection to coordinate and direct the operation of the PJM Region and to administer the PJM Interchange Energy Market, including facilities and equipment used to communicate and coordinate with the Market Participants in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

On-Site Generators:

“On-Site Generators” shall mean generation facilities (including Behind The Meter Generation) that (i) are not Capacity Resources, (ii) are not injecting into the grid, (iii) are either synchronized or non-synchronized to the Transmission System, and (iv) can be used to reduce demand for the purpose of participating in the PJM Interchange Energy Market.

Open Access Same-Time Information System (OASIS) or PJM Open Access Same-time Information System:

“Open Access Same-Time Information System,” “PJM Open Access Same-time Information System” or “OASIS” shall mean the electronic communication system and information system and standards of conduct contained in Part 37 and Part 38 of the Commission’s regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS for the collection and dissemination of information about transmission services in the PJM Region, established and operated by the Office of the Interconnection in accordance with FERC standards and requirements.

Operating Day:

“Operating Day” shall mean the daily 24 hour period beginning at midnight for which transactions on the PJM Interchange Energy Market are scheduled.

Operating Margin:

“Operating Margin” shall mean the incremental adjustments, measured in megawatts, required in PJM Region operations in order to accommodate, on a first contingency basis, an operating contingency in the PJM Region resulting from operations in an interconnected Control Area. Such adjustments may result in constraints causing Transmission Congestion Charges, or may result in Ancillary Services charges pursuant to the PJM Tariff.

Operating Margin Customer:

“Operating Margin Customer” shall mean a Control Area purchasing Operating Margin pursuant to an agreement between such other Control Area and the LLC.

Operating Reserve:

“Operating Reserve” shall mean the amount of generating capacity scheduled to be available for a specified period of an Operating Day to ensure the reliable operation of the PJM Region, as specified in the PJM Manuals.

Operator-initiated Commitment:

“Operator-initiated Commitment” shall mean a commitment after the Day-ahead Energy Market and Day-ahead Scheduling Reserves Market, whether manual or automated, for a reason other than minimizing the total production costs of serving load.

Original PJM Agreement:

“Original PJM Agreement” shall mean that certain agreement between certain of the Members, originally dated September 26, 1956, and as amended and supplemented up to and including December 31, 1996, relating to the coordinated operation of their electric supply systems and the interchange of electric capacity and energy among their systems.

Other Supplier:

“Other Supplier” shall mean a Member that: (i) is engaged in buying, selling or transmitting electric energy, capacity, ancillary services, financial transmission rights or other services available under PJM’s governing documents in or through the Interconnection or has a good faith intent to do so, and; (ii) does not qualify for the Generation Owner, Electric Distributor, Transmission Owner or End-Use Customer sectors.

PJM Board:

“PJM Board” shall mean the Board of Managers of the LLC, acting pursuant to the Operating Agreement, except when such term is being used in Tariff, Attachment M, in which case PJM Board shall mean the Board of Managers of PJM or its designated representative, exclusive of any members of PJM Management.

PJM Control Area:

“PJM Control Area” shall mean the Control Area recognized by NERC as the PJM Control Area.

PJM Dispute Resolution Procedures:

“PJM Dispute Resolution Procedures” shall mean the procedures for the resolution of disputes set forth in Operating Agreement, Schedule 5.

PJM Governing Agreements:

“PJM Governing Agreements” shall mean the PJM Open Access Transmission Tariff, the Operating Agreement, the Consolidated Transmission Owners Agreement, the Reliability Assurance Agreement, or any other applicable agreement approved by the FERC and intended to govern the relationship by and among PJM and any of its Members.

PJM Interchange:

“PJM Interchange” shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds, or is exceeded by, the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller; or (e) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (f) the interval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Interchange Energy Market:

“PJM Interchange Energy Market” shall mean the regional competitive market administered by the Office of the Interconnection for the purchase and sale of spot electric energy at wholesale in interstate commerce and related services established pursuant to Operating Agreement, Schedule 1, and the parallel provisions of Tariff, Attachment K-Appendix.

PJM Interchange Export:

“PJM Interchange Export” shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load is exceeded by the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup sales; or (c) the interval scheduled deliveries of Spot Market Energy by a Market Seller from an External Resource; or (d) the interval net metered output of any other Market Seller.

PJM Interchange Import:

“PJM Interchange Import” shall mean the following, as determined in accordance with the Operating Agreement and Tariff: (a) for a Market Participant that is a Network Service User, the amount by which its interval Equivalent Load exceeds the sum of the interval outputs of its operating generating resources; or (b) for a Market Participant that is not a Network Service User, the amount of its Spot Market Backup purchases; or (c) the interval scheduled deliveries of Spot Market Energy to an External Market Buyer; or (d) the interval scheduled deliveries to an Internal Market Buyer that is not a Network Service User.

PJM Manuals:

“PJM Manuals” shall mean the instructions, rules, procedures and guidelines established by the Office of the Interconnection for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

PJM Mid-Atlantic Region:

“PJM Mid-Atlantic Region” shall mean the aggregate of the Transmission Facilities of Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power and Light Company, Jersey Central Power and Light Company, Mid-Atlantic Interstate Transmission, LLC, PECO Energy Company, PPL Electric Utilities Corporation, Potomac Electric Power Company, Public Service Electric and Gas Company, and Rockland Electric Company.

PJM Region:

“PJM Region” shall mean the aggregate of the Zones within PJM as set forth in Tariff, Attachment J.

PJMSettlement:

“PJMSettlement” or “PJM Settlement, Inc.” shall mean PJM Settlement, Inc. (or its successor), established by PJM as set forth in Operating Agreement, section 3.3.

PJM South Region:

“PJM South Region” shall mean the Transmission Facilities of Virginia Electric and Power Company.

PJM Tariff, Tariff, O.A.T.T., OATT or PJM Open Access Transmission Tariff:

“PJM Tariff,” “Tariff,” “O.A.T.T.,” or “PJM Open Access Transmission Tariff” shall mean that certain “PJM Open Access Transmission Tariff”, including any schedules, appendices, or exhibits attached thereto, on file with FERC and as amended from time to time thereafter.

PJM West Region:

“PJM West Region” shall mean the Zones of Allegheny Power; Commonwealth Edison Company (including Commonwealth Edison Co. of Indiana); AEP East Affiliate Companies; The Dayton Power and Light Company; the Duquesne Light Company; American Transmission Systems, Incorporated; Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc. and East Kentucky Power Cooperative, Inc.

Planning Period:

“Planning Period” shall mean the 12 months beginning June 1 and extending through May 31 of the following year, or such other period approved by the Members Committee.

Planning Period Balance:

“Planning Period Balance” shall mean the entire period of time remaining in the Planning Period following the month that a monthly auction is conducted.

Planning Period Quarter:

“Planning Period Quarter” shall mean any of the following three month periods in the Planning Period: June, July and August; September, October and November; December, January and February; or March, April and May.

Point-to-Point Transmission Service:

“Point-to-Point Transmission Service” shall mean the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Delivery under Tariff, Part II.

PRD Curve:

“PRD Curve” shall have the meaning provided in the Reliability Assurance Agreement.

PRD Provider:

“PRD Provider” shall have the meaning provided in the Reliability Assurance Agreement.

PRD Reservation Price:

“PRD Reservation Price” shall have the meaning provided in the Reliability Assurance Agreement.

PRD Substation:

“PRD Substation” shall have the meaning provided in the Reliability Assurance Agreement.

Pre-Emergency Load Response Program:

“Pre-Emergency Load Response Program” shall be the program by which Curtailment Service Providers may be compensated by PJM for Demand Resources that will reduce load when dispatched by PJM during pre-emergency conditions, and is described in Operating Agreement, Schedule 1, section 8 and the parallel provisions of Tariff, Attachment K-appendix, section 8.

President:

“President” shall have the meaning specified in Operating Agreement, section 9.2.

Price Responsive Demand:

“Price Responsive Demand” shall have the meaning provided in the Reliability Assurance Agreement.

Primary Reserve:

“Primary Reserve” shall mean the total reserve capability of generation resources that can be converted fully into energy or Demand Resources whose demand can be reduced within ten minutes of a request from the Office of the Interconnection dispatcher, and is comprised of both Synchronized Reserve and Non-Synchronized Reserve.

Primary Reserve Alert:

“Primary Reserve Alert” shall mean a notification from PJM to alert Members of an anticipated shortage of Operating Reserve capacity for a future critical period.

Primary Reserve Requirement:

“Primary Reserve Requirement” shall mean the megawatts required to be maintained in a Reserve Zone or Reserve Sub-zone as Primary Reserve, absent any increase to account for additional reserves scheduled to address operational uncertainty. The Primary Reserve Requirement is calculated in accordance with the PJM Manuals.

Prohibited Securities:

“Prohibited Securities” shall mean the Securities of a Member, Eligible Customer, or Nonincumbent Developer, or their Affiliates, if:

(1) the primary business purpose of the Member or Eligible Customer, or their Affiliates, is to buy, sell or schedule energy, power, capacity, ancillary services or transmission services as indicated by an industry code within the “Electric Power Generation, Transmission, and Distribution” industry group under the North American Industry Classification System (“NAICS”) or otherwise determined by the Office of the Interconnection;

(2) the Nonincumbent Developer has been pre-qualified as eligible to be a Designated Entity pursuant to Operating Agreement, Schedule 6;

(3) the total (gross) financial settlements regarding the use of transmission capacity of the Transmission System and/or transactions in the centralized markets that the Office of the Interconnection administers under the Tariff and the Operating Agreement for all Members or Eligible Customers affiliated with the publicly traded company during its most recently completed fiscal year is equal to or greater than 0.5% of its gross revenues for the same time period; or

(4) the total (gross) financial settlements regarding the use of transmission capacity of the Transmission System and/or transactions in the centralized markets that the Office of the Interconnection administers under the Tariff and the Operating Agreement for all Members or Eligible Customers affiliated with the publicly traded company during the prior calendar year is equal to or greater than 3% of the total transactions for which PJMSettlement is a Counterparty pursuant to Operating Agreement, section 3.3 for the same time period.

The Office of the Interconnection shall compile and maintain a list of the Prohibited Securities publicly traded and post this list for all employees and distribute the list to the Board Members.

Proportional Multi-Driver Project:

“Proportional Multi-Driver Project” shall mean a Multi-Driver Project that is planned as described in Operating Agreement, Schedule 6, section 1.5.10(h).

Pseudo-Tie:

“Pseudo-Tie shall have the same meaning set forth in the NERC Glossary of Terms Used in NERC Reliability Standards.

Public Policy Objectives:

“Public Policy Objectives” shall refer to Public Policy Requirements, as well as public policy initiatives of state or federal entities that have not been codified into law or regulation but which nonetheless may have important impacts on long term planning considerations.

Public Policy Requirements:

“Public Policy Requirements” shall refer to policies pursued by: (a) state or federal entities, where such policies are reflected in duly enacted statutes or regulations, including but not limited to, state renewable portfolio standards and requirements under Environmental Protection Agency regulations; and (b) local governmental entities such as a municipal or county government, where such policies are reflected in duly enacted laws or regulations passed by the local governmental entity.

18.17 Confidentiality.

18.17.1 Party Access.

(a) No Member shall have a right hereunder to receive or review any documents, data or other information of another Member, including documents, data or other information provided to the Office of the Interconnection, to the extent such documents, data or information have been designated as confidential pursuant to the procedures adopted by the Office of the Interconnection and/or the Market Monitoring Unit or to the extent that they have been designated as confidential by such other Member; provided, however, a Member may receive and review any composite documents, data and other information that may be developed based on such confidential documents, data or information if the composite does not disclose any individual Member's confidential data or information.

(b) Except as may be provided in this Agreement or in the PJM Open Access Transmission Tariff, the Office of the Interconnection shall not disclose to its Members or to third parties, any documents, data, or other information of a Member or entity applying for Membership, to the extent such documents, data, or other information has been designated confidential pursuant to the procedures adopted by the Office of the Interconnection or by such Member or entity applying for membership; provided that nothing contained herein shall prohibit the Office of the Interconnection from providing any such confidential information to its agents, representatives, or contractors to the extent that such person or entity is bound by an obligation to maintain such confidentiality; provided further that nothing contained herein shall prohibit the Office of the Interconnection from providing Member confidential information to the NERC, EIDSN, Inc., any Applicable Regional Entity, any reliability coordinator, and the agents, representatives, or contractors of such entity, to the extent that (i) the Office of the Interconnection determines in its reasonable discretion that the exchange of such information is required to enhance and/or maintain reliability within the Members' Applicable Regional Entities and their neighboring Regional Entities, or within the region of any reliability coordinator, (ii) such entity is bound by a written agreement to maintain such confidentiality, and (iii) the Office of the Interconnection has notified the affected party of its intention to release such information no less than five Business Days prior to the release. The Office of the Interconnection, its designated agents, representatives, and contractors shall maintain as confidential the electronic tag ("e-Tag") data of an e-Tag Author or Balancing Authority (defined as those terms are used in FERC Order No. 771) to the same extent as Member data under this section 18.17. Nothing contained herein shall prohibit the Office of the Interconnection or its designated agents, representatives, or contractors from providing to another Regional Transmission Organization ("RTO") or Independent System Operator ("ISO"), upon their request, the e-Tags of an e-Tag Author or Balancing Authority for intra-PJM Region transactions and interchange transactions scheduled to flow into, out of or through the PJM Region, to the extent such RTO or ISO has requested such information as part of its investigation of possible market violations or market design flaws, and to the extent that such RTO or ISO is bound by a tariff provision requiring that the e-Tag data be maintained as confidential or, in the absence of a tariff requirement governing confidentiality, a written agreement with the Office of the Interconnection consistent with FERC Order No. 771 and any clarifying orders and implementing regulations. The Office of the Interconnection shall collect and use confidential information only in connection with its authority under this Agreement and

the Open Access Transmission Tariff and the retention of such information shall be in accordance with the Office of the Interconnection's data retention policies.

(c) Nothing contained herein shall prevent the Office of the Interconnection from releasing a Member's confidential data or information to a third party provided that the Member has delivered to the Office of the Interconnection and/or the Market Monitoring Unit specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized. The Office of the Interconnection shall limit the release of a Member's confidential data or information to that specific authorization received from the Member. Nothing herein shall prohibit a Member from withdrawing such authorization upon written notice to the Office of the Interconnection, who shall cease such release as soon as practicable after receipt of such withdrawal notice.

(d) Reciprocal provisions to this section 18.17.1, Operating Agreement, section 18.17.2, Operating Agreement, section 18.17.3, Operating Agreement, section 18.17.4 and Operating Agreement, section 18.17.5, delineating the confidentiality requirements of PJM's Market Monitoring Unit, are set forth in Tariff, Attachment M – Appendix, section I.

(e) Notwithstanding anything to the contrary in this Agreement or in the PJM Tariff, the Office of the Interconnection shall post the following on its website:

(i) the non-aggregated bid data and Offer Data submitted by Market Participants (for participation on the PJM Interchange Energy Market) approximately four months after the bid or offer was submitted to the Office of the Interconnection to allow the tracking of Market Participants' non-aggregated bids and offers over time as required by FERC Order No. 719. However, to protect the confidential, market sensitive and/or proprietary bidding strategies of Market Participants as well as the identity of Market Participants from being discernible from the published data, the posted information will not reveal the (a) name of the resource, (b) characteristics of a specific resource, (c) identity of the load, (d) name of the individual or entity submitting the data, (e) identity of the resource owner, or (f) location of the resource at a level lower than its Zone. The Office of the Interconnection also reserves the right to take any other precautionary measures that it deems appropriate to preserve the confidential, market sensitive and/or proprietary bidding strategies of Market Participants to the extent not specifically set forth herein.

(ii) Within 20 calendar days after the end of each month, (a) the total daily uplift credits by Zone as set forth in Tariff, Attachment J, and RAA, Schedule 15, and applicable uplift charge codes (including lost opportunity cost contained within operating reserves) and (b) the total daily uplift charges by applicable PJM Region or Zone, as set forth in Tariff, Attachment J and RAA, Schedule 15, and applicable uplift charge codes along with relevant subcategories by which they are allocated. The Office of the Interconnection shall incorporate the best available information at the time the posting is created.

(iii) Within 90 calendar days after the end of each month, the name of each generation resource unit and amount of uplift credit payments by applicable uplift charge codes (including

lost opportunity cost contained within operating reserves, but excluding Black Start Service) for each resource unit that received uplift credits in that month. For Demand Resources or Economic Load Response Participants, the Office of Interconnection shall post, within 90 calendar days after the end of each month, the individual resource identification number associated with the Demand Resource or Economic Load Response Participant's relevant dispatch group or registration, the name of the associated Curtailment Service Provider, the Zone and energy pricing point used to settle the Demand Resource or Economic Load Response Participant's dispatch group or registration, and the corresponding amount of uplift credits by applicable uplift charge codes for the dispatch group or registration that received uplift credits in that month. The Office of Interconnection shall incorporate the best available information at the time the posting is created.

(iv) Within 30 calendar days after the end of each month, each Operator-initiated Commitment listing the size of the commitment in megawatts (where megawatts are equal to the economic maximum), Zone (as set forth in Tariff, Attachment J and RAA, Schedule 15), commitment reason, and commitment start time. Commitment reasons shall include, but are not limited to, system wide capacity, constraint management, and voltage support.

(f) To the extent permitted pursuant to 18 C.F.R. §38.2 (or successor provisions), nothing contained herein shall prohibit the Office of the Interconnection from sharing non-public, operational information with an interstate natural gas pipeline operator for the purpose of promoting reliable service or operational planning. Further, the Office of the Interconnection shall be permitted to share non-public, operational information with natural gas local distribution companies and/or intrastate natural gas pipeline operators, as appropriate, for the purpose of promoting reliable service or operational planning, provided that such party has acknowledged, in writing, that it shall not disclose, or use anyone as a conduit for disclosure of, non-public, operational information received from the Office of Interconnection to a third party or in an unduly discriminatory or preferential manner or to the detriment of any natural gas and/or electric market. Such non-public, operational information received from natural gas local distribution companies and/or intrastate natural gas pipeline operators pursuant to this section will be subject to the confidentiality provisions set forth in this section 18.17.

18.17.2 Required Disclosure.

(a) Notwithstanding anything in the foregoing section to the contrary, and subject to the provisions of section 18.17.3 below, if the Office of the Interconnection is required by applicable law, order, or in the course of administrative or judicial proceedings, to disclose to third parties, information that is otherwise required to be maintained in confidence pursuant to this Agreement, the Office of the Interconnection or its designated agents, representatives, or contractors may make disclosure of such information; provided, however, that as soon as the Office of the Interconnection learns of the disclosure requirement and prior to it or its designated agents, representatives, or contractors making disclosure, the Office of the Interconnection shall notify the affected Member or Members of the requirement and the terms thereof and the affected Member or Members may direct, at their sole discretion and cost, any challenge to or defense against the disclosure requirement. The Office of the Interconnection shall cooperate with such affected Members to the maximum extent practicable to minimize the disclosure of the

information consistent with applicable law. The Office of the Interconnection shall cooperate with the affected Members to obtain proprietary or confidential treatment of such information by the person to whom such information is disclosed prior to any such disclosure.

(b) Nothing in this section 18.17 shall prohibit or otherwise limit the Office of the Interconnection's use of information covered herein if such information was: (i) previously known to the Office of the Interconnection without an obligation of confidentiality; (ii) independently developed by or for the Office of the Interconnection using non-confidential information; (iii) acquired by the Office of the Interconnection from a third party which is not, to the Office of the Interconnection's knowledge, under an obligation of confidence with respect to such information; (iv) which is or becomes publicly available other than through a manner inconsistent with this section 18.17.

(c) The Office of the Interconnection shall impose on any contractors retained to provide technical support or otherwise to assist with the implementation or administration of this Agreement or of the Open Access Transmission Tariff a contractual duty of confidentiality consistent with this Agreement. A Member shall not be obligated to provide confidential or proprietary information to any contractor that does not assume such a duty of confidentiality, and the Office of the Interconnection shall not provide any such information to any such contractor without the express written permission of the Member providing the information.

18.17.3 Disclosure to FERC and CFTC.

(a) Notwithstanding anything in this section to the contrary, if the FERC, the Commodity Futures Trading Commission ("CFTC"), or the staff of those commissions, during the course of an investigation or otherwise, requests information from the Office of the Interconnection that is otherwise required to be maintained in confidence pursuant to this Agreement, the Office of the Interconnection shall provide the requested information to the FERC, CFTC or their respective staff, within the time provided for in the request for information. In providing the information to the FERC or its staff, the Office of the Interconnection may request, consistent with 18 C.F.R. §§ 1b.20 and 388.112, or to the CFTC or its staff, the Office of the Interconnection may request, consistent with 17 C.F.R. §§ 11.3 and 145.9, that the information be treated as confidential and non-public by the respective commission and its staff and that the information be withheld from public disclosure. The Office of the Interconnection shall promptly notify any affected Member(s) if the Office of the Interconnection receives from the FERC, CFTC or their staff written notice that the commission has decided to release publicly, or has asked for comment on whether such commission should release publicly, confidential information previously provided to a commission by the Office of the Interconnection.

(b) Section 18.17.3(a) above shall not apply to requests for production of information under Subpart D of the FERC's Rules of Practice and Procedure (18 CFR Part 385) in proceedings before FERC and its administrative law judges. In all such proceedings, the Office of the Interconnection shall follow the procedures in section 18.17.2 above.

(c) Pursuant to the FERC Order No. 760, as codified under 18 C.F.R. § 35.28(g)(4), to the extent that the Office of the Interconnection already collects such data described in Order No.

760, the Office of the Interconnection shall electronically deliver to the FERC, on an ongoing basis and in a form and manner consistent with its own collection of data and in a form and manner acceptable to the FERC, data related to the markets that the Office of the Interconnection administers. Section 18.17.3(a) above shall not apply to data supplied to the FERC under this subsection (c) to satisfy the FERC Order No. 760 requirements.

(d) Pursuant to the FERC Order No. 771 and any clarifying orders, as codified under 18 C.F.R. § 366.2(d), the Office of the Interconnection shall ensure that FERC is included as an addressee on all e-Tags for transactions that sink within the PJM Region.

18.17.4 Disclosure to Authorized Commissions.

(a) Notwithstanding anything in this section to the contrary, the Office of the Interconnection shall disclose confidential information, otherwise required to be maintained in confidence pursuant to this Agreement, to an Authorized Commission under the following conditions:

- (i) The Authorized Commission has provided the FERC with a properly-executed Certification in the form attached hereto as Operating Agreement, Schedule 10A. Upon receipt of the Authorized Commission's Certification, the FERC shall provide public notice of the Authorized Commission's filing pursuant to 18 C.F.R. § 385.2009. If any interested party disputes the accuracy and adequacy of the representations contained in the Authorized Commission's Certification, that party may file a protest with the Commission within 14 days of the date of such notice, pursuant to 18 C.F.R. § 385.211. The Authorized Commission may file a response to any such protest within seven days. Each party shall bear its own costs in connection with such a FERC protest proceeding. If there are material changes in law that affect the accuracy and adequacy of the representations in the Certification filed with the Commission, the Authorized Commission shall, within thirty (30) days, submit an amended Certification identifying such changes. Any such amended Certification shall be subject to the same procedures for comment and review by the Commission as set forth above in this paragraph.

The Office of the Interconnection may not disclose data to an Authorized Commission during the Commission's consideration of the Certification and any filed protests. If the Commission does not act upon an Authorized Commission's Certification within 90 days of the date of filing, the Certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section. In the event that an interested party protests the Authorized Commission's Certification and the Commission approves the Certification, that party may not challenge any Information Request made by the Authorized Commission on the grounds that the Authorized Commission is unable to protect the confidentiality of the information requested, in the absence of a showing of changed circumstances.

- (ii) Any confidential information provided to an Authorized Commission pursuant to this section shall not be further disclosed by the recipient Authorized Commission except by order of the Commission.
- (iii) The Office of the Interconnection shall be expressly entitled to rely upon such Authorized Commission Certifications in providing confidential information to the Authorized Commission, and shall in no event be liable, or subject to damages or claims of any kind or nature hereunder, due to the ineffectiveness or inaccuracy of such Authorized Commission Certifications.
- (iv) The Authorized Commission may provide confidential information obtained from the Office of the Interconnection to such of its employees, attorneys and contractors as needed to examine or handle that information in the course and scope of their work on behalf of the Authorized Commission, provided that (a) the Authorized Commission has internal procedures in place, pursuant to the Certification, to ensure that each person receiving such information agrees to protect the confidentiality of such information (such employees, attorneys or contractors to be defined hereinafter as “Authorized Persons”); (b) the Authorized Commission provides, pursuant to the Certification, a list of such Authorized Persons to the Office of the Interconnection and the Market Monitoring Unit and updates such list, as necessary, every ninety (90) days; and (c) any third-party contractors provided access to confidential information sign a non-disclosure agreement in the form attached hereto as Operating Agreement, Schedule 10 before being provided access to any such confidential information.
- (v) The Office of the Interconnection shall maintain a schedule of all Authorized Persons and the Authorized Commissions they represent, which shall be made publicly available on its website, or by written request. Such schedule shall be compiled by the Office of the Interconnection, based on information provided by any Authorized Commission. The Office of the Interconnection shall update the schedule promptly upon receipt of information from an Authorized Commission, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by the Office of the Interconnection in the compilation and/or maintenance of the schedule.

(b) The Office of the Interconnection may, in the course of discussions with an Authorized Person, orally disclose information otherwise required to be maintained in confidence, without the need for a prior Information Request. Such oral disclosures shall provide enough information to enable the Authorized Person or the Authorized Commission with which that Authorized

Person is associated to determine whether additional Information Requests are appropriate. The Office of the Interconnection will not make any written or electronic disclosures of confidential information to the Authorized Person pursuant to this section 18.17.4(b). In any such discussions, the Office of the Interconnection shall ensure that the individual or individuals receiving such confidential information are Authorized Persons as defined herein, orally designate confidential information that is disclosed, and refrain from identifying any specific Affected Member whose information is disclosed. The Office of the Interconnection shall also be authorized to assist Authorized Persons in interpreting confidential information that is disclosed. The Office of the Interconnection shall provide any Affected Member with oral notice of any oral disclosure immediately, but not later than one (1) Business Day after the oral disclosure. Such oral notice to the Affected Member shall include the substance of the oral disclosure, but shall not reveal any confidential information of any other Member and must be received by the Affected Member before the name of the Affected Member is released to the Authorized Person; provided however, disclosure of the identity of the Affected Party must be made to the Authorized Commission with which the Authorized Person is associated within two (2) Business Days of the initial oral disclosure.

(c) As regards Information Requests:

- (i) Information Requests to the Office of the Interconnection and/or Market Monitoring Unit by an Authorized Commission shall be in writing, which shall include electronic communications, addressed to the Office of the Interconnection, and shall: (a) describe the information sought in sufficient detail to allow a response to the Information Request; (b) provide a general description of the purpose of the Information Request; (c) state the time period for which confidential information is requested; and (d) re-affirm that only Authorized Persons shall have access to the confidential information requested. The Office of the Interconnection shall provide an Affected Member with written notice, which shall include electronic communication, of an Information Request by an Authorized Commission as soon as possible, but not later than two (2) Business Days after the receipt of the Information Request.
- (ii) Subject to the provisions of section (c)(iii) below, the Office of the Interconnection shall supply confidential information to the Authorized Commission in response to any Information Request within five (5) Business Days of the receipt of the Information Request, to the extent that the requested confidential information can be made available within such period; provided however, that in no event shall confidential information be released prior to the end of the fourth (4th) Business Day without the express consent of the Affected Member. To the extent that the Office of the Interconnection cannot reasonably prepare and deliver the requested confidential information within such five (5) day period, it shall, within such period, provide the Authorized Commission with a written schedule for the provision of such remaining confidential information. Upon providing confidential information to the Authorized Commission, the

Office of the Interconnection shall either provide a copy of the confidential information to the Affected Member(s), or provide a listing of the confidential information disclosed; provided, however, that the Office of the Interconnection shall not reveal any Member's confidential information to any other Member.

- (iii) Notwithstanding section (c)(ii) above, should the Office of the Interconnection or an Affected Member object to an Information Request or any portion thereof, any of them may, within four (4) Business Days following the Office of the Interconnection's receipt of the Information Request, request, in writing, a conference with the Authorized Commission to resolve differences concerning the scope or timing of the Information Request; provided, however, nothing herein shall require the Authorized Commission to participate in any conference. Any party to the conference may seek assistance from FERC staff in resolution of the dispute or terminate the conference process at any time. Should such conference be refused or terminated by any participant or should such conference not resolve the dispute, then the Office of the Interconnection or the Affected Member may file a complaint with the Commission pursuant to Rule 206 objecting to the Information Request within ten (10) Business Days following receipt of written notice from any conference participant terminating such conference. Any complaints filed at FERC objecting to a particular Information Request shall be designated by the party as a "fast track" complaint and each party shall bear its own costs in connection with such FERC proceeding. The grounds for such a complaint shall be limited to the following: (a) the Authorized Commission is no longer able to preserve the confidentiality of the requested information due to changed circumstances relating to the Authorized Commission's ability to protect confidential information arising since the filing of or rejection of a protest directed to the Authorized Commission's Certification; (b) complying with the Information Request would be unduly burdensome to the complainant, and the complainant has made a good faith effort to negotiate limitations in the scope of the requested information; or (c) other exceptional circumstances exist such that complying with the Information Request would result in harm to the complainant. There shall be a presumption that "exceptional circumstances," as used in the prior sentence, does not include circumstances in which an Authorized Commission has requested wholesale market data (or Market Monitoring Unit workpapers that support or explain conclusions or analyses) generated in the ordinary course and scope of the operations of the Office of the Interconnection and/or the Market Monitoring Unit. There shall be a presumption that circumstances in which an Authorized Commission has requested personnel files, internal emails and internal company memos, analyses and related work product constitute "exceptional circumstances" as used in the prior sentence. If no complaint challenging the Information Request is filed within the ten (10) day period defined above, the Office of

the Interconnection shall utilize its best efforts to respond to the Information Request promptly. If a complaint is filed, and the Commission does not act on that complaint within ninety (90) days, the complaint shall be deemed denied and the Office of Interconnection shall use its best efforts to respond to the Information Request promptly.

- (iv) Any Authorized Commission may initiate appropriate legal action at FERC within ten (10) Business Days following receipt of information designated as “Confidential,” challenging such designation. Any complaints filed at FERC objecting to the designation of information as “Confidential” shall be designated by the party as a “fast track” complaint and each party shall bear its own costs in connection with such FERC proceeding. The party filing such a complaint shall be required to prove that the material disclosed does not merit “Confidential” status because it is publicly available from other sources or contains no trade secret or other sensitive commercial information (with “publicly available” not being deemed to include unauthorized disclosures of otherwise confidential data).

(d) In the event of any breach of confidentiality of information disclosed pursuant to an Information Request by an Authorized Commission or Authorized Person:

- (i) The Authorized Commission or Authorized Person shall promptly notify the Office of the Interconnection, who shall, in turn, promptly notify any Affected Member of any inadvertent or intentional release, or possible release, of confidential information provided pursuant to this section.
- (ii) The Office of the Interconnection shall terminate the right of such Authorized Commission to receive confidential information under this section upon written notice to such Authorized Commission unless: (i) there was no harm or damage suffered by the Affected Member; or (ii) similar good cause is shown. Any appeal of the Office of the Interconnection’s and/or the Market Monitoring Unit’s actions under this section shall be to FERC. An Authorized Commission shall be entitled to reestablish its certification as set forth in section 18.17.4(a) above by submitting a filing with the Commission showing that it has taken appropriate corrective action. If the Commission does not act upon an Authorized Commission’s re-certification filing with sixty (60) days of the date of the filing, the re-certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section.
- (iii) The Office of the Interconnection and/or the Affected Member shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief

with respect to any breach; and (c) the immediate return of all confidential information to the Office of the Interconnection.

- (iv) No Authorized Person or Authorized Commission shall have responsibility or liability whatsoever under this section for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with the release of confidential information to persons not authorized to receive it, provided that such Authorized Person is an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release. Nothing in this section (d)(iv) is intended to limit the liability of any person who is not an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.
- (v) Any dispute or conflict requesting the relief in section (d)(ii) or (d)(iii)(a) above, shall be submitted to FERC for hearing and resolution. Any dispute or conflict requesting the relief in section (d)(iii)(c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution.

18.17.5 Disclosure to New York ISO and New York ISO Market Advisor Concerning Facilities in PSE&G Zone.

(a) Subject to the requirements of section 18.17.5(b) below, the Office of the Interconnection may release confidential information of Public Service Electric & Gas Company (“PSE&G”), Consolidated Edison Company of New York (“ConEd”), and their affiliates, and the confidential information of any Member regarding generation and/or transmission facilities located within the PSE&G Zone to the New York Independent System Operator, Inc. (“New York ISO”), the market monitoring unit of the New York ISO and the New York ISO Market Advisor to the limited extent that the Office of the Interconnection or its Market Monitoring Unit determines necessary to carry out the responsibilities of the Office of the Interconnection, the New York ISO and the market monitoring units of the Office of the Interconnection and the New York ISO under FERC Opinion No. 476 (see Consolidated Edison Company v. Public Service Electric and Gas Company, et al., 108 FERC ¶ 61,120, at P 215 (2004)) to conduct joint investigations to ensure that gaming, abuse of market power, or similar activities do not take place with regard to power transfers under the contracts that are the subject of FERC Opinion No. 476.

(b) The Office of the Interconnection may release a Member’s confidential information pursuant to section 18.17.5(a) above to the New York ISO, the market monitoring unit of the New York ISO and the New York ISO Market Advisor only if the New York ISO, the market monitoring unit of the New York ISO and the New York ISO Market Advisor are subject to obligations limiting the disclosure of such information that are equivalent to or greater than the limitations on disclosure specified in this section 18.17. Information received from the New

York ISO, the market monitoring unit of the New York ISO, or the New York ISO Market Advisor under section 18.17.5(a) above that is designated as confidential shall be protected from disclosure in accordance with this section 18.17.

18.17.6 Disclosure of EMS Data to Transmission Owners on PJM EMS Terminal

(a) While the Office of the Interconnection has overall power system reliability in the Office of the Interconnection region, Transmission Owners within the Office of the Interconnection region perform certain reliability functions with respect to their individual Transmission Facilities and distribution systems. In order to facilitate reliable operations between the Office of the Interconnection and the Transmission Owners, the Office of the Interconnection may, without written authorization from any Member, install a read-only terminal in any Transmission Owner's secure control room facility, with access to Office of the Interconnection's Energy Management System (EMS) and its associated data transmission and generation data under the terms and conditions set forth in this section 18.17.6.

(b) The data and information produced by the Office of the Interconnection's EMS are confidential and/or commercially sensitive because it will display the real-time status of electric transmission lines and generation facilities, the disclosure of which could impact the market and the commercial interests of its participants. In addition, the responsive information will contain detailed information about real-time grid conditions, transmission lines, power flows, and outages, which may fall within the definition of Critical Energy Infrastructure Information (CEII) as set forth in 18 CFR § 388.112. The Office of the Interconnection shall not release any generator cost, price or other market information without written authorization pursuant to section 18.17.1 (c) above unless otherwise provided for under this Agreement. The only generator information that will be made available on the read-only PJM EMS terminal is real-time MW/MVAR output and Minimum/Maximum MW Range.

(c) The confidential or CEII information provided to the Transmission Owner on a read-only PJM EMS terminal shall only be held in the secure control room facility of the Transmission Owner. Such data shall be used for informational and operational purposes within the control room by Transmission Function employees as defined in the FERC's rules and regulations, 18 C.F.R. § 358.3 (j). No "screen-scraping" or other data transfer of information from the read-only terminal to other Transmission Owner systems or databases shall be permitted. No storage of information from the read-only terminal shall be permitted. The data shall be held confidential within the transmission function environment and not be disclosed to other personnel within the Transmission Owners' company, subsidiaries, marketing organizations, energy affiliates or independent third parties. The Transmission Owner may use the confidential or CEII information only for the purpose of performing Transmission Owner's reliability function and shall not otherwise use the confidential information for its own benefit or for the benefit of any other person.

(d) In the event of any breach:

- (i) The Transmission Owners shall promptly notify the Office of the Interconnection, which shall, in turn, promptly notify FERC and any

Affected Member(s) of any inadvertent or intentional release, or possible release, of confidential or CEII information disclosed as provided above.

- (ii) The Office of the Interconnection shall terminate all rights of the Transmission Owner to receive confidential or CEII information as provided in this section 18.17.6; provided, however, that the Office of the Interconnection may restore a Transmission Owners' status after consulting with the Affected Member(s) and to the extent that: (a) the Office of the Interconnection determines that the disclosure was not due to the intentional, reckless or negligent action or omission of the Authorized Person; (b) there were no harm or damages suffered by the Affected Member(s); or (c) similar good cause shown. Any appeal of the Office of the Interconnection's actions under this section shall be to FERC.
- (iii) The Office of the Interconnection and/or the Affected Member(s) shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief and/or damages with respect to any breach; and (c) the immediate return of all confidential or CEII information to the Office of the Interconnection.
- (iv) Any dispute or conflict requesting the relief in section (d)(ii) or (d)(iii)(a) above, shall be submitted to FERC for hearing and resolution. Any dispute or conflict requesting the relief in section (d)(iii)(b) and (c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution.

18.17.7 Disclosure of Generator Data to Transmission Owners

(a) In order to facilitate reliable operations between the Office of the Interconnection and the Transmission Owners, the Office of the Interconnection may, without written authorization from any Member, provide to each Transmission Owner upon the Transmission Owner's request the following confidential generator information for any generator that: (1) is or will be modeled within the Transmission Owner's energy management system; or (2) is or will be identified in a Transmission Owner's restoration plan:

- (i) real-time unit status;
- (ii) real-time megawatt output;
- (iii) real-time megavolt amperes reactive ("MVAR");
- (iv) the start date, start time, stop date, and stop time for the unit's scheduled outages;

- (v) the unit's reactive capability curve; and
- (vi) data provided for Transmission Owner use for system restoration planning purposes only, including but not limited to the unit's start-up times, ramp rate, start-up auxiliary load profile and emergency low-load operation capabilities.

The Office of the Interconnection will provide such data only where it possesses such data. The Office of the Interconnection shall provide this confidential information only to transmission function employees, as transmission function employee is defined in section 18 C.F.R. § 358 of the FERC rules and regulations.

(b) A Transmission Owner may only use the generator data provided under section 18.17.7(a) above for the purpose of executing the Transmission Owner's reliability function and transmission function, as transmission function is defined in section 18 C.F.R. § 358 of the FERC rules and regulations, and shall not otherwise use the confidential information for its own benefit or the benefit of any other person. A Transmission Owner may disclose the generator data obtained under section 18.17.7(a) above only to the Transmission Owner's transmission function employees whose access to such data is necessary to perform the Transmission Owner's transmission functions. Transmission Owners shall not disclose the generator data obtained under section 18.17.7(a) above to any person, including marketing function employees as defined in section 18 C.F.R. § 358 of the FERC rules and regulations, except as permitted under this section 18.17.7.

(c) Each Transmission Owner shall protect and keep confidential all the information it receives from the Office of the Interconnection pursuant to this section 18.17.7. It may, copy, post, distribute, disclose or disseminate the data obtained pursuant to section 18.17.7(a) above only in the following manner. Each Transmission Owner may make a limited number of copies of written or electronic materials to enable the Transmission Owner to adequately use the information obtained pursuant to section 18.17.7(a) above within the terms and conditions of this section of this Agreement. If the Transmission Owner prints or electronically conveys any information in obtained pursuant to section 18.17.7(a) above, it shall protect each copy in accordance with this section 18.17.7 and mark each copy as "Confidential Information."

(d) The Transmission Owner shall destroy all information obtained under section 18.17.7(a) above upon the completion of the use of such information for the purpose of performing Transmission Owner's transmission functions, as transmission functions is defined in section 18 C.F.R. § 358 of the FERC rules and regulations.

(e) A Transmission Owner shall be responsible for the breach of this section 18.17.7 by any of its employees or representatives. In the event of any breach by the Transmission Owner of this section 18.17.7 by any of its employees or representatives, section 18.17.6(d) shall apply to the release of the confidential information.