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

Jeanine S. Watson
Senior Counsel
T: (610) 666-4438 | F: (610) 666-8211
Jeanine.Watson@pjm.com

June 24, 2021

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. ER21-_____-000
Tariff Revisions Regarding Interconnection Deficiency Review Requirements

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act,[1] and part 35 of the Federal Energy Regulatory Commission ("Commission" or "FERC") regulations,[2] and in compliance with the Commission's March 31, 2021, order in Docket No. ER21-1016-000,[3] PJM Interconnection, L.L.C. ("PJM") hereby submits for filing revisions to PJM's Open Access Transmission Tariff ("Tariff"), Part IV, Subpart A interconnection deficiency review deadline requirements. These Tariff changes will allow PJM additional time to meet these deadlines and are needed in light of the extremely large number of New Service Requests PJM has received in recent queue windows and expects to continue to receive at the end of New Service Queues for the foreseeable future.[4] The revisions are designed to help reduce, if not eliminate, the number of waiver requests that the Commission has seen recently from PJM due to the high volume of new Service Requests received at the end of New Service Queues. The revisions also provide for a "soft close" of March 10 and September 10 for its New Services Queue windows to allow more time to review the New Service

[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. part 35.

[3] *PJM Interconnection, L.L.C.*, 174 FERC ¶61,261 (2021) ("March 31 Order").

[4] Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Tariff.

Requests without the unintentional consequences of shortening the amount of time available for the resulting model builds and analyses, and preventing PJM from meeting the Feasibility Study timeline requirements set forth in the Tariff, Part IV, Subpart A, section 36.2. Finally, the proposed revisions delete an obsolete defined term, "New Services Queue Closing Date." and include a number of minor, non-substantive changes.

The proposed revisions submitted herein were overwhelmingly endorsed by the PJM stakeholder body. Accordingly, PJM files the proposed Tariff revisions as Attachment A (redlined) and Attachment B (clean), and requests that the enclosed revisions become effective on August 23, 2021, sixty days post filing, so that these revisions are applied to the present queue window (AH1) and all future queue windows thereafter.

I. BACKGROUND

On January 29, 2021, PJM requested that the Commission grant it a limited-time waiver of one specific set of deadlines for the New Service Requests deficiency review requirements under its Tariff in order to allow PJM additional time to meet those deadlines for the AG2 and AH1 New Services Queues.[5] Specifically, PJM sought waiver of the following sections of Tariff, Part IV and Part VI, each of which establishes a five Business Day period for PJM to acknowledge receipt of a New Service Request, undertake a deficiency review of a New Service Request, or review the information provided by an Interconnection Customer in response to the initial deficiency notice, as they applied to New Service Requests received during the last month of the AG2 New Services Queue window and the first month of the AH1 New Services Queue window: sections 36.1.01, 36.1.01(2), 36.1.01(2)(c), and 36.1.01(2)(c)(iii); sections 36.1.03, 36.1.03(2), 36.1.03(2)(c), and

[5] *PJM Interconnection, L.L.C.*, Request of PJM Interconnection, L.L.C. for Waiver of Tariff Provisions, Docket No. ER21-1016-000 (Jan. 29, 2021) ("January 29 Filing").

36.1.03(2)(c)(iii); sections 110.1, 110.1(2), 110.1(2)(c), and 110.1(2)(c)(iii); sections 111.1, 111.1(2), 111.1(2)(c), and 111.1(2)(c)(iii); sections 112.1, 112.1(2), 112.1(2)(c), and 112.1(2)(c)(ii); sections 112A.1, 112A.1(2), 112A.1(2)(b), and 112A.1(2)(b)(iii); and sections 204.2.2.1 and 204.2.2.2.[6]

As PJM indicated in the January 29 Filing, PJM requested the waiver in light of the extremely large number of New Service Requests PJM has been receiving in recent queue windows and expected to receive at the end of the AG2 New Services Queue window.[7] PJM also indicated that, through its Planning Committee ("PC"), PJM was undertaking with its stakeholders a detailed review of its interconnection process with the idea of potentially developing Tariff changes that would improve the interconnection process and could obviate the need for future

[6] New Service Requests include Interconnection Requests. Tariff, Definitions – L-M-N (definition of New Service Requests). Transmission Interconnection Requests are addressed in section 36.1.03 of the Tariff; customers seeking Transmission Interconnection Service must submit a complete and fully executed Transmission Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment S. Pursuant to the Tariff, there are several types of new generation interconnection requests with corresponding applications. Large Generation Interconnection Requests are governed by section 36.1.01 of the Tariff; customers must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. Small Generation Interconnection Requests for generation resources of 20 MW or less and increases in the capacity of an existing generating unit by 20 MW or less over any consecutive 24-month period are governed by section 36.1.02 of the Tariff; these customers must submit a complete and fully executed Attachment N Generation Interconnection Feasibility Study Agreement. Small Generation Interconnection Requests for generation resources that are greater than 2 MW (synchronous) or greater than 5 MW (inverter-based) and increases in the capability of an existing generating unit by 20 MW or less but greater than 2 MW (synchronous) or greater than 5 MW (inverter-based) are governed by Subpart G, section 111.1 of the Tariff; these customers must submit a complete and fully executed Attachment N Generation Interconnection Feasibility Study Agreement. Small Generation Interconnection Requests for temporary energy resource additions of 20 MW or less but greater than 2 MW (synchronous) or greater than 5 MW (inverter-based) are governed by Subpart G, section 112.1 of the Tariff; customers must submit a complete and fully executed Attachment N Generation Interconnection Feasibility Study Agreement. Interconnection Requests for permanent or temporary energy resources of 2 MW or less (synchronous) or 5 MW or less (inverter-based) are governed by Subpart G, section 112A.1 of the Tariff; customers must submit a complete and fully executed Screens Process Interconnection Request, a form of which is located in the Tariff, Attachment Y. Upgrade Requests for Merchant Network Upgrades are governed by section 204.2.2 of the Tariff, and must submit a complete and fully executed Attachment EE Form of Upgrade Request. In addition, Tariff, Part VI, sections 204.2.2.1 and 204.2.2.2 establish five Business Day periods for PJM to review an Upgrade Request, and give the Interconnection Customer ten Business Days to respond to a deficiency notice, but do not provide a period for PJM to review and respond to the Interconnection Customer's response to a deficiency notice.

[7] *See* January 29 Filing at 2-3, 6-7.

waivers of the type sought in the January 29 Filing. As discussed further below, at the time of the January 29 Filing, PJM was holding a series of Interconnection Process Workshop meetings within the PC.

In the March 31 Order, the Commission noted that although it was granting the waiver requested in the January 29 Filing, it had also addressed two prior similar waiver requests filed by PJM in the past year (related to PJM's AF2 and AG1 New Services Queue window).[8] Accordingly, while the Commission agreed that it was appropriate for PJM to explore solutions through its stakeholder process, the Commission made clear that PJM should "timely follow-through on its commitment to revise its deficiency review tariff provisions through its stakeholder process to eliminate the need for similar waiver requests of its deficiency review deadlines in the future."[9] To keep the Commission informed about PJM's progress in the stakeholder process, the Commission directed PJM to submit an informational report within 45 days of the March 31 Order (or, by May 17, 2021) unless PJM's stakeholder process resulted in a Tariff filing with the Commission prior to May 17, 2021.[10] On May 11, 2021, in Docket No. ER21-1016-000, PJM submitted an informational filing informing the Commission of the status of PJM's efforts, in collaboration with its stakeholders, to improve PJM's Tariff, Part IV, Subpart A interconnection deficiency review deadline requirements.[11]

[8] March 31 Order at P 22.

[9] *Id*.

[10] *Id*. at P 22 n.29.

[11] *PJM Interconnection, L.L.C.*, Informational Report on Status of Tariff Revisions Regarding Interconnection Deficiency Review Requirements of PJM Interconnection, L.L.C., Docket No. ER21-1016-000 (May 11, 2021).

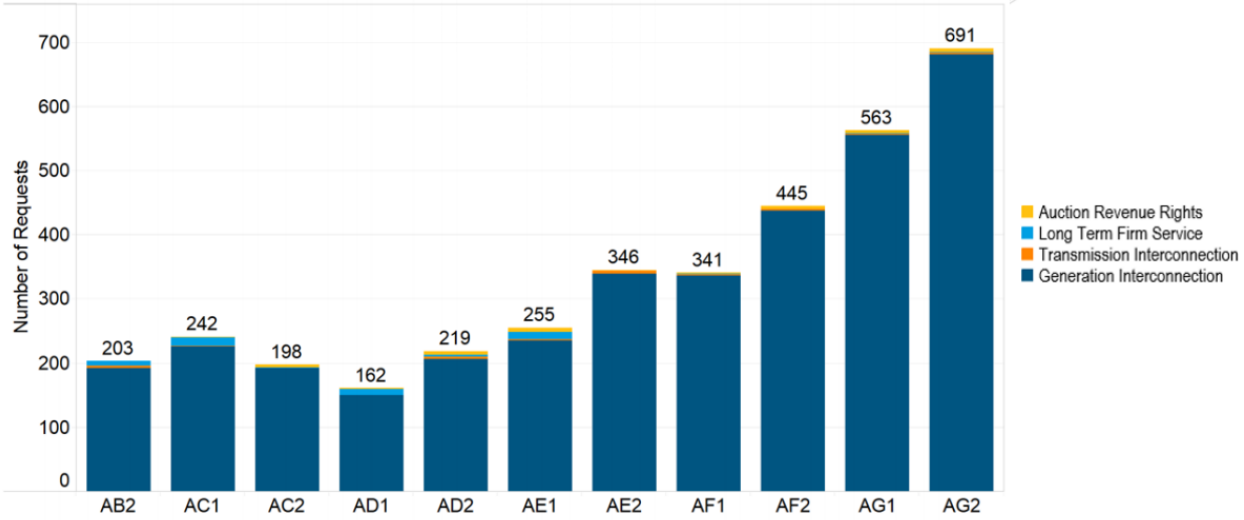
A. Current Tariff Requirements Are Inadequate for Present Day Conditions that Compromise PJM's Ability to Comply with Such Requirements

As indicated in the January 29 Filing, PJM has received each year leading up to the AG2 New Services Queue window a record-high volume of New Service Requests.[12] Specifically, there are presently 1,660 New Service Requests submitted from January 1, 2020, through March 31, 2021.[13] PJM administers two New Services Queue windows each year, one starting April 1 of each year and ending September 30 of each year, and the second starting October 1 of each year and ending March 31 of the next year. The present New Services Queue, AH1, opened on April 1, 2021, and will close on September 30, 2021. Table 1 below illustrates the increasing total number of New Service Requests submitted in each queue window in recent years.

[12] There are a number of reasons for this record increase in New Service Requests. One such factor is Congress' recent extension, yet again, of the production tax credit and investment tax credit for renewable energy resources passed in the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (2020) (enacting the Taxpayer Certainty and Disaster Tax Relief Act of 2020 as Division EE, which amended Sections 45 and 38 of the Internal Revenue Code with regard to the production tax credit and investment tax credit). *See also* Deloitte, *2020 Renewable Energy Industry Outlook*, at 2, (Nov. 18, 2019) https://www2.deloitte.com/content/dam/Deloitte/us/Documents/energy-resources/us-2020-renewable-energy-industry-outlook.pdf. (indicating that declining costs. raising capacity factors and the increased competiveness of battery storage lead to increased growth in 2019). This record-high volume of New Services Requests also directly impacts the number of projects under study in PJM, which directly impacts, on a cascading basis, PJM's study process and timing.

[13] Consequently, PJM, cumulatively, now has 2,016 active projects at various points in the study process.

TABLE 1: TOTAL NEW SERVICES REQUESTS BY APPLICATION TYPE



The present Tariff provisions establish relatively tight time frames that: (1) require PJM to acknowledge receipt of and review a New Service Request, and issue a notice of any deficiencies, within five Business Days of receipt of that request ("Acknowledgement and Review Phase"); (2) require the Interconnection Customer to respond to a deficiency notice within 10 Business Days;[14] and (3) provide PJM with an additional five Business Days to review the Interconnection Customer's response to the deficiency notice ("Response Phase").[15]

Despite the fact that each New Services Queue window is open for six months, PJM typically receives 50 percent or more of the total number of New Service Requests in a given queue window during the last month of the queue window, with most of the requests submitted at the very end of the queue window (i.e., during the last week and on the last day). This gives the PJM employees who process New Service Requests a very short window of time in which to process

[14] PJM is not proposing any change to the 10 Business Day period for Interconnection Customers to respond to the deficiency review.

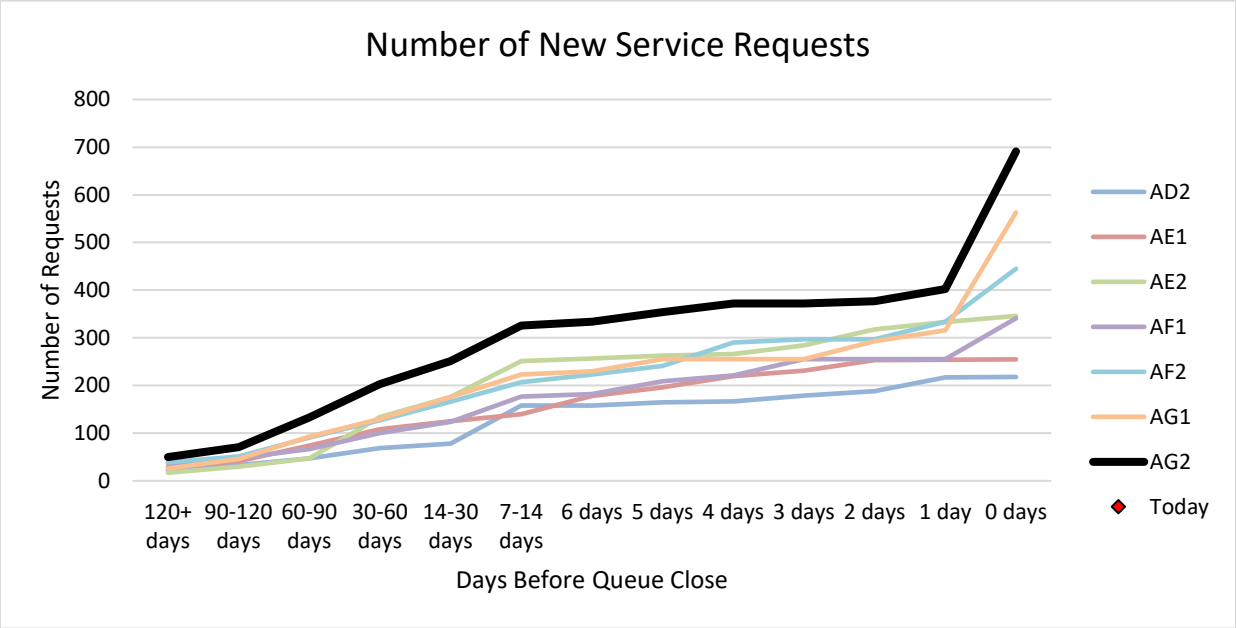
[15] *See, e.g.*, Tariff, Part IV, section 36.1.01(2)(c). Tariff, Part IV, section 112B.1 simply requires PJM to notify the Interconnection Customer within 10 Business Days if its application is complete, or to identify any inconsistencies.

an extremely large amount of requests. The fact that so many New Service Requests come in during the last week and on the last day of a queue window also significantly affects PJM's ability to perform reviews of New Service Requests submitted at the beginning of the next queue window, as PJM employees have to review and process the New Service Requests from the queue window that just ended at the same time they process New Service Requests being submitted in the next queue window.

Table 2 below, which shows the number of New Service Requests and how many days before the close of the queue window those requests were submitted for each of the last seven New Services Queues, illustrates the increasing total number of New Service Requests submitted in each queue window in recent years. The most recently completed New Services Queue, AG2, which closed on March 31, 2021, contained significantly more New Service Request submissions than prior queues had contained. Indeed, the AG2 New Services Queue represented an approximately 23 percent increase in total number of New Services Requests over the AG1 New Services Queue, and an approximately 55 percent increase over the AF2 New Services Queues.[16] Table 2 also shows an increasing trend for the bulk of the New Service Requests to be submitted during the last month of queue windows, and especially during the last week and on the last day of queue windows.

[16] While PJM cannot be certain, as noted above, PJM believes the remarkable increase in New Service Requests is driven by Congress' recent extension of the Production Tax Credits and Investment Tax Credits for renewable resources, as well as other factors including state renewable portfolio standards, state incentive programs and decreasing costs for inverter-based technology.

TABLE 2: TIMING OF NUMBER OF NEW SERVICES REQUESTS



The fact that an increasingly large proportion of the New Service Requests have been submitted in the last month, week, and day of the New Services Queue is further demonstrated in Table 3. Table 3 provides, for each of the last seven completed queues, the number of New Service Requests submitted during a period of days or on a day in the queue window. For example, this table shows for the AF1 New Services Queue that out of the total 341 New Service Requests received during the entire queue window, 164 New Service Requests were submitted in the last week (the period six days to zero days before the end of the queue window), with 86 of the 164 submitted on the last day. Similarly, out of 563 New Service Requests submitted in the AG1 New Services Queue, 340 were submitted during the last week of the queue window, and 247 were submitted on the last day. Likewise, out of 691 New Service Requests submitted in the AG2 New Services Queue, 365 were submitted during the last week of the queue window, and 289 were submitted on the last day.

TABLE 3: NUMBER OF NEW SERVICE REQUESTS BY DAYS RECEIVED BEFORE CLOSE OF QUEUE

Days Before Close	AD2	AE1	AE2	AF1	AF2	AG1	AG2
120+ days	23	29	17	37	39	26	50
90-120 days	10	12	13	11	12	20	21
60-90 days	14	33	17	19	40	47	62
30-60 days	22	34	87	33	36	37	70
14-30 days	9	17	42	24	39	46	48
7-14 days	80	15	75	53	41	47	75
6 days	0	38	6	5	16	7	8
5 days	7	18	6	27	18	25	20
4 days	2	24	3	12	49	0	18
3 days	12	11	18	34	7	0	0
2 days	9	22	34	0	0	38	5
1 day	29	1	15	0	37	23	25
0 days	1	1	13	86	111	247	289
Total	**218**	**255**	**346**	**341**	**445**	**563**	**691**

With the foregoing in mind, it is clear that the present Tariff provisions are inadequate to address present day conditions thereby causing, as noted in the Commission's March 31 Order, PJM to seek multiple waiver requests of its deficiency review deadlines.[17]

B. PJM's Various Stakeholder Processes Designed to Enhance Tariff Interconnection Rules

In October 2020, PJM launched a comprehensive set of workshops to explore and collaborate with developers, transmission owners and other stakeholders to improve the interconnection process in step with PJM's rapidly growing New Services Queues and evolving grid. Proposals considered by PJM and its stakeholders in those workshops ranged from those that PJM could address through improvements in its existing process, to proposals that involved far more sweeping solutions, many of which go to the fundamentals of Order No. 2003. PJM indicated

[17] *See supra* Section I; March 31 Order at P 22.

to its stakeholders that it is committed to addressing a few of the near term issues using its Fast Track Stakeholder process, undertaking the reforms that can be addressed without the need for a Commission filing, and working with stakeholders to address more significant proposed reforms including proposed policy changes that could be brought to the Commission.[18] As these workshops were concluding on March 5, 2021, with an issue charge and problem statement giving rise to an Interconnection Process Reform Task Force ("IPRTF") process,[19] PJM used its separate "Quick Fix" process to begin to address the deficiency review tariff provisions at the March 9, 2021 PC meeting (outside of the workshops and the IPRTF process).[20]

[18] *See* Jason Connell & Susan McGill, *Interconnection Workshop 3: PJM Response*, PJM Interconnection, L.L.C., 64 - 70 (Jan. 29, 2021), https://pjm.com/-/media/committees-groups/committees/pc/2021/20210129-workshop-3/20210129-item-03-pjm-presentation.ashx (addressing next steps). Materials for the PC meetings are posted on the PJM website. *See Planning Committee – Meeting Materials*, PJM Interconnection, L.L.C., https://pjm.com/committees-and-groups/committees/pc (last visited June 22, 2021). The PJM Planning Committee held Interconnection Process Workshops on October 30, 2020 (Workshop 1), December 11, 2020 (Workshop 2), January 29, 2021 (Workshop 3), and March 5, 2021 (Workshop 4). The December 11, 2020, Workshop 2, which included 20 presentations by stakeholders and five written comments, addressed 12 categories of changes to PJM's interconnection procedures. These categories were: Transparency (i.e., access to information ahead of and during the interconnection process), Schedule (Queue window frequency and duration; duration of study phases), Application (requirements to submit a new request to PJM), Base Case (cases used for interconnection studies), Studies (all study phases and assumptions used to conduct studies), Affected System (processes to coordinate work with affected systems), Cost Responsibility (cost accuracy and financial responsibility to reinforce the transmission system), Agreements (i.e., pro forma agreements such as study agreements, Interim Interconnection Service Agreement, Interconnection Service Agreement, Interconnection Construction Service Agreement), Interim Operation (operation of a facility prior to the completion of studies and construction of upgrades), Construction (construction activities and suspension), Disputes (methods to resolve disputes between any party), and Staffing (PJM and transmission owner staffing).

[19] *See* Jack Thomas & Ed Kovler, *IPRTF Participation*, PJM Interconnection, L.L.C. (Apr. 23, 2021), https://www.pjm.com/-/media/committees-groups/task-forces/iprtf/2021/20210423/20210423-item-02-new-group-kick-off-presentation.ashx. Meeting materials for the IPRTF are posted on the PJM website. *See Interconnection Process Reform Task Force*, PJM Interconnection, L.L.C., https://www.pjm.com/committees-and-groups/task-forces/iprtf (last visited June 22, 2021).

[20] The Quick Fix process allowed PJM to undertake a more focused review and stakeholder process concerning the Tariff revisions proposed in this filing, while other Tariff revisions are being considered through the IPRTF.

II. STAKEHOLDER PROCESS AND SUPPORT FOR THE PROPOSED REVISIONS TO THE TARIFF'S INTERCONNECTION DEFICIENCY REVIEW DEADLINE REQUIREMENTS

The proposed revised Tariff sheets were subject to the PJM stakeholder process, and were supported or deemed acceptable by stakeholders. PJM submitted the initial version of the subject Tariff sheets to stakeholders in December 2020, and made a number of changes to these provisions in response to stakeholder feedback. As part of the more focused Quick Fix process that commenced on March 9, 2021, PJM submitted an Issue Charge and Problem/Opportunity Statement for stakeholder consideration, describing the systemic increase in queue volume of New Service Requests, particularly at the end of each New Services Queue window, and recommended enhancements to its rules to address some of the deficiency review problems PJM is encountering as a direct result of the increased number and timing of New Service Requests. The Issue Charge and Problem/Opportunity Statement were presented to both the PC[21] and the Markets & Reliability Committee ("MRC").[22] On May 11, 2021, the PC overwhelmingly endorsed this matter.[23] On May 26, 2021, PJM presented the matter to the MRC for endorsement. Following a discussion, the MRC endorsed the proposal in a sector-weighted vote, with 5.0 in favor. On June 23, 2021, PJM presented the matter to the Members Committee ("MC") for endorsement as part of the Consent Agenda. The Consent Agenda was endorsed by the MC by acclamation, with two objections and no abstentions.

---

[21] *See* Jason Connell, *New Service Requests Deficiency Review Requirements*, PJM Interconnection, L.L.C. (April 6, 2021), https://pjm.com/-/media/committees-groups/committees/pc/2021/20210406/20210406-item-10a-new-service-requests-deficiency-review-requirements.ashx.

[22] *See* Jason Connell, *New Service Requests Deficiency Review Requirements*, PJM Interconnection, L.L.C. (April 21, 2021), https://pjm.com/-/media/committees-groups/committees/mrc/2021/20210421/20210421-item-04-1-new-service-requests-deficiency-review-requirements.ashx.

[23] As the proposed tariff redline changes were presented for informational purposes only at this stage of the stakeholder process, the PC endorsement is only with regard to the proposed Issue Charge and Problem/Opportunity Statement.

III. PROPOSED TARIFF REVISIONS

A. Overview

Consistent with the January 29 Filing, the proposed Tariff revisions in this filing are designed to afford PJM flexibility in addressing the large volume of New Service Requests PJM receives at the end of each New Services Queue window, by increasing beyond the presently applicable Tariff deadlines the amount of time for PJM's acknowledgment, deficiency review, and review of deficiency responses, of New Service Requests submitted in New Services Queue windows. As noted above, the present language in the Tariff establishes relatively tight time frames for the Acknowledgement and Review Phase and the Response Phase. The proposed Tariff revisions provide additional periods of time to PJM for the Acknowledgement and Review Phase and the Response Phase, in order to allow PJM employees sufficient time to process and meaningfully review the large number of New Service Requests that are submitted at the end of the New Services Queue windows. New Service Customers would continue to have the same time periods to provide their responses to PJM deficiency notices established in the Tariff, commencing as of the dates they receive their deficiency notices from PJM.

In response to requests by some of PJM's stakeholders, PJM is also proposing a "soft close" of March 10 and September 10 for its New Services Queue windows to allow more time to review the New Service Requests without shortening the amount of time available for the resulting model builds and analyses.[24] As a result of evaluating the "soft close" Tariff revisions, PJM also identified and now proposes to delete an obsolete term, "New Services Queue Closing Date," in its Tariff, Definitions section. PJM also proposes to address some ministerial clean-up changes.

[24] None of the proposed revisions impact the deficiency response period presently afforded to New Service Customers.

A number of parallel revisions are proposed to:

- sections 36.1.01, 36.1.01(2), 36.1.01(2)(c), and 36.1.01(2)(c)(iii);
- sections 36.1.03, 36.1.03(2), 36.1.03(2)(c), and 36.1.03(2)(c)(iii);
- sections 110.1, 110.1(2), 110.1(2)(c), and 110.1(2)(c)(iii);
- sections 111.1, 111.1(2), 111.1(2)(c), and 111.1(2)(c)(iii);
- sections 112.1, 112.1(2), 112.1(2)(c), and 112.1(2)(c)(ii);
- sections 112A.1, 112A.1(2), 112A.1(2)(b), and 112A.1(2)(b)(iii);
- section 112B.1; and
- sections 204.2.2.1 and 204.2.2.2.

As explained above, each of these groups of sections and subsections addresses a variation of new Generation Interconnection Requests with parallel rules for PJM's acknowledgment, deficiency review and review of deficiency responses of New Service Requests (section 36.1.03 addresses new Transmission Interconnection Requests with parallel rules for PJM's acknowledgment, deficiency review, and review of deficiency responses, of New Service Requests).

B. Proposed Revisions

In describing the proposed Tariff revisions, PJM will only refer to the proposed changes to sections 36.1.01, 36.1.01(2), 36.1.01(2)(c), and 36.1.01(2)(c)(iii). However, such references are intended to encompass the similar proposed changes to sections 36.1.03, 36.1.03(2), 36.1.03(2)(c), and 36.1.03(2)(c)(iii); sections 110.1, 110.1(2), 110.1(2)(c), and 110.1(2)(c)(iii); sections 111.1, 111.1(2), 111.1(2)(c), and 111.1(2)(c)(iii); sections 112.1, 112.1(2), 112.1(2)(c), and 112.1(2)(c)(ii); sections 112A.1, 112A.1(2), 112A.1(2)(b), and 112A.1(2)(b)(iii); section 112B.1;

and sections 204.2.2.1 and 204.2.2.2. With the foregoing in mind, in order to eliminate certain confusion over PJM's acknowledgement and initial deficiency review rules, PJM proposes to delete the following language from sections 36.1.01 and 36.1.01(2):

> **36.1.01 Generation Interconnection Request**
> The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Generation Interconnection Request ~~to the Transmission Provider's acknowledgment~~.
>
> **36.1.01(2) Deficiency Review**
> ~~Within five Business Days of the Interconnection Customer submitting a Generation Interconnection Request,~~ Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

To provide additional periods of time to PJM for the Acknowledgement and Review Phase and the Response Phase in order to allow PJM employees sufficient time to process and meaningfully review the large number of New Service Requests that are submitted at the end of the New Services Queue windows, PJM proposes to add the following language to sections 36.1.01(2)(c) and 36.1.01(2)(c)(iii):

> If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall <u>use Reasonable Efforts consistent with the volume of the New Services Queue to</u> notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ <u>fifteen</u> Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. <u>If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2.</u> This notification is referred to as a deficiency notice.

> iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts ~~have an additional five Business Days~~ consistent with the volume of the New Services Queue to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

While PJM's proposed deficiency review deadline is qualified by a "Reasonable Efforts" criterion, such criterion is tempered by the requirement that PJM's response timeline for the Acknowledgment and Review Phase and the Response Phase shall not serve as a basis for PJM to delay its compliance with its Interconnection Feasibility Study timeline provisions in the Tariff, Part IV, Subpart A, section 36.2.

As stated above, in response to requests by stakeholders, PJM is also proposing a "soft close" of March 10 and September 10 for its New Services Queue windows which affords PJM the additional time to conduct its Acknowledgement and Review Phase and Response Phase responsibilities without shortening the amount of time available for the resulting model builds and analyses. Accordingly, PJM proposes to add the following new section 36.1.01(3),[25] which states:

> The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No

[25] This section was previously marked as "[Reserved]."

> Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

Additionally, in examining the "soft close" approach, PJM identified and now proposes to delete an obsolete term, "New Services Queue Closing Date," in its Tariff, Definitions section, as follows:

> ~~**New Services Queue Closing Date**~~
> ~~"New Services Queue Closing Date" shall mean each April 30 and October 31 shall be the Queue Closing Date for the New Services Queue comprised of Interconnection Requests, Completed Applications, and Upgrade Requests received during the six-month period ending on such date.~~

This term only appears in the Definitions section of the Tariff and is not used again in the Tariff or any of PJM's other controlling documents, and thus can be deleted.

Finally, as part of the overall clean-up of Tariff sections affected by PJM's proposed revisions addressing the Acknowledgment and Review Phase as well as the Response Phase, PJM is proposing a number of non-substantive, ministerial revisions as reflected in Attachments A and B. These minor revisions are primarily for consistency in cross-references to other Tariff sections, and to make minor linguistic or other changes.

IV. EFFECTIVE DATE AND WAIVER REQUEST

Consistent with the Commission's prior notice requirements, 18 C.F.R. § 35.3(a)(1), PJM requests an effective date for the proposed Tariff changes of August 23, 2021, which is sixty days from the date of this filing, so that these revisions are applied to the present queue window (AH1) and all future queue windows thereafter. Additionally, this filing is being submitted under the abbreviated filing requirements set forth in 18 C.F.R. § 35.13(a)(2) because it does not reflect a rate increase. To the extent necessary, PJM seeks waiver of any other Commission filing requirements necessary to allow the Commission to accept this filing.

V. ADDITIONAL INFORMATION

A. Documents Included with Filing

In addition to this transmittal letter, the following documents are including in this filing:

Attachment A – Revised Tariff Sheets (marked); and

Attachment B – Revised Tariff Sheets (clean).

B. Communications and Correspondence

All notices, communications or correspondences addressed to PJM regarding this matter should be directed to, and PJM requests that the Secretary include on the Commission's official service list, the following:

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 423-4743
Craig.Glazer@pjm.com

Jeanine S. Watson
Assistant General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
(610) 666-4438
Jeanine.Watson@pjm.com

C. Service

PJM has served a copy of this filing on all PJM Members and on the affected state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,[26] PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: https://www.pjm.com/library/filing-order.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

[26] *See* 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

Region[27] alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within twenty-four hours of the filing.

VI. CONCLUSION

PJM respectfully requests that the Commission accept the Tariff provisions proposed herein to be effective August 23, 2021, without condition or modification.

Respectfully submitted,

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 423-4743
Craig.Glazer@pjm.com

Jeanine S. Watson
Assistant General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
(610) 666-4438
Jeanine.Watson@pjm.com

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

[27] PJM already maintains, updates, and regularly uses e-mail lists for all PJM Members and affected state commissions.

Attachment A

Revisions to the
PJM Open Access Transmission Tariff

(Marked/Redline Format)

Definitions – L – M – N

Limited Demand Resource:

"Limited Demand Resource**"** shall have the meaning specified in the Reliability Assurance Agreement.

Limited Demand Resource Reliability Target:

"Limited Demand Resource Reliability Target**"** for the PJM Region or an LDA, shall mean the maximum amount of Limited Demand Resources determined by PJM to be consistent with the maintenance of reliability, stated in Unforced Capacity that shall be used to calculate the Minimum Extended Summer Demand Resource Requirement for Delivery Years through May 31, 2017 and the Limited Resource Constraint for the 2017/2018 and 2018/2019 Delivery Years for the PJM Region or such LDA. As more fully set forth in the PJM Manuals, PJM calculates the Limited Demand Resource Reliability Target by first: i) testing the effects of the ten-interruption requirement by comparing possible loads on peak days under a range of weather conditions (from the daily load forecast distributions for the Delivery Year in question) against possible generation capacity on such days under a range of conditions (using the cumulative capacity distributions employed in the Installed Reserve Margin study for the PJM Region and in the Capacity Emergency Transfer Objective study for the relevant LDAs for such Delivery Year) and, by varying the assumed amounts of DR that is committed and displaces committed generation, determines the DR penetration level at which there is a ninety percent probability that DR will not be called (based on the applicable operating reserve margin for the PJM Region and for the relevant LDAs) more than ten times over those peak days; ii) testing the six-hour duration requirement by calculating the MW difference between the highest hourly unrestricted peak load and seventh highest hourly unrestricted peak load on certain high peak load days (e.g., the annual peak, loads above the weather normalized peak, or days where load management was called) in recent years, then dividing those loads by the forecast peak for those years and averaging the result; and (iii) (for the 2016/2017 and 2017/2018 Delivery Years) testing the effects of the six-hour duration requirement by comparing possible hourly loads on peak days under a range of weather conditions (from the daily load forecast distributions for the Delivery Year in question) against possible generation capacity on such days under a range of conditions (using a Monte Carlo model of hourly capacity levels that is consistent with the capacity model employed in the Installed Reserve Margin study for the PJM Region and in the Capacity Emergency Transfer Objective study for the relevant LDAs for such Delivery Year) and, by varying the assumed amounts of DR that is committed and displaces committed generation, determines the DR penetration level at which there is a ninety percent probability that DR will not be called (based on the applicable operating reserve margin for the PJM Region and for the relevant LDAs) for more than six hours over any one or more of the tested peak days. Second, PJM adopts the lowest result from these three tests as the Limited Demand Resource Reliability Target. The Limited Demand Resource Reliability Target shall be expressed as a percentage of the forecasted peak load of the PJM Region or such LDA and is converted to Unforced Capacity by multiplying [the reliability target percentage] times [the Forecast Pool Requirement] times [the DR Factor] times [the forecasted peak load of the PJM Region or such LDA, reduced by the amount of load served under the FRR Alternative].

Limited Resource Constraint:

"Limited Resource Constraint" shall mean, for the 2017/2018 Delivery Year and for FRR Capacity Plans the 2017/2018 and Delivery Years, for the PJM Region or each LDA for which the Office of the Interconnection is required under Tariff, Attachment DD, section 5.10(a) to establish a separate VRR Curve for a Delivery Year, a limit on the total amount of Unforced Capacity that can be committed as Limited Demand Resources for the 2017/2018 Delivery Year in the PJM Region or in such LDA, calculated as the Limited Demand Resource Reliability Target for the PJM Region or such LDA, respectively, minus the Short Term Resource Procurement Target for the PJM Region or such LDA, respectively.

Limited Resource Price Decrement:
"Limited Resource Price Decrement" shall mean, for the 2017/2018 Delivery Year, a difference between the clearing price for Limited Demand Resources and the clearing price for Extended Summer Demand Resources and Annual Resources, representing the cost to procure additional Extended Summer Demand Resources or Annual Resources out of merit order when the Limited Resource Constraint is binding.

List of Approved Contractors:

"List of Approved Contractors" shall mean a list developed by each Transmission Owner and published in a PJM Manual of (a) contractors that the Transmission Owner considers to be qualified to install or construct new facilities and/or upgrades or modifications to existing facilities on the Transmission Owner's system, provided that such contractors may include, but need not be limited to, contractors that, in addition to providing construction services, also provide design and/or other construction-related services, and (b) manufacturers or vendors of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) whose products the Transmission Owner considers acceptable for installation and use on its system.

Load Management:

"Load Management" shall mean a Demand Resource ("DR") as defined in the Reliability Assurance Agreement.

Load Management Event:

"Load Management Event" shall mean a) a single temporally contiguous dispatch of Demand Resources in a Compliance Aggregation Area during an Operating Day, or b) multiple dispatches of Demand Resources in a Compliance Aggregation Area during an Operating Day that are temporally contiguous.

Load Ratio Share:

"Load Ratio Share" shall mean the ratio of a Transmission Customer's Network Load to the Transmission Provider's total load.

Load Reduction Event:

"Load Reduction Event" shall mean a reduction in demand by a Member or Special Member for the purpose of participating in the PJM Interchange Energy Market.

Load Serving Charging Energy:

"Load Serving Charging Energy" shall mean energy that is purchased from the PJM Interchange Energy Market and stored in an Energy Storage Resource for later resale to end-use load.

Load Serving Entity (LSE):

"Load Serving Entity" or "LSE" shall have the meaning specified in the Reliability Assurance Agreement.

Load Shedding:

"Load Shedding" shall mean the systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Tariff, Part II or Part III.

Local Upgrades:

"Local Upgrades" shall mean modifications or additions of facilities to abate any local thermal loading, voltage, short circuit, stability or similar engineering problem caused by the interconnection and delivery of generation to the Transmission System. Local Upgrades shall include:

(i) Direct Connection Local Upgrades which are Local Upgrades that only serve the Customer Interconnection Facility and have no impact or potential impact on the Transmission System until the final tie-in is complete; and

(ii) Non-Direct Connection Local Upgrades which are parallel flow Local Upgrades that are not Direct Connection Local Upgrades.

Location:

"Location" as used in the Economic Load Response rules shall mean an end-use customer site as defined by the relevant electric distribution company account number.

LOC Deviation:

"LOC Deviation," shall mean, for units other than wind units, the LOC Deviation shall equal the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval real-time Locational Marginal Price at the resource's bus and adjusted for any Regulation or Tier 2 Synchronized Reserve assignments and limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit. For wind units, the LOC Deviation shall mean the deviation of the generating unit's output equal to the lesser of the PJM forecasted output for the unit or the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval integrated real-time Locational Marginal Price at the resource's bus, and shall be limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit.

Locational Deliverability Area (LDA):

"Locational Deliverability Area" or "LDA" shall mean a geographic area within the PJM Region that has limited transmission capability to import capacity to satisfy such area's reliability requirement, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, and as specified in Reliability Assurance Agreement, Schedule 10.1.

Locational Deliverability Area Reliability Requirement:

"Locational Deliverability Area Reliability Requirement" shall mean the projected internal capacity in the Locational Deliverability Area plus the Capacity Emergency Transfer Objective for the Delivery Year, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, less the minimum internal resources required for all FRR Entities in such Locational Deliverability Area.

Locational Price Adder:

"Locational Price Adder" shall mean an addition to the marginal value of Unforced Capacity within an LDA as necessary to reflect the price of Capacity Resources required to relieve applicable binding locational constraints.

Locational Reliability Charge:

"Locational Reliability Charge" shall have the meaning specified in the Reliability Assurance Agreement.

Locational UCAP:

"Locational UCAP" shall mean unforced capacity that a Member with available uncommitted capacity sells in a bilateral transaction to a Member that previously committed capacity through an RPM Auction but now requires replacement capacity to fulfill its RPM Auction commitment.

The Locational UCAP Seller retains responsibility for performance of the resource providing such replacement capacity.

Locational UCAP Seller:

"Locational UCAP Seller" shall mean a Member that sells Locational UCAP.

Long-lead Project:

"Long-lead Project" shall have the same meaning provided in the Operating Agreement.

Long-Term Firm Point-To-Point Transmission Service:

"Long-Term Firm Point-To-Point Transmission Service" shall mean firm Point-To-Point Transmission Service under Tariff, Part II with a term of one year or more.

Loss Price:

"Loss Price" shall mean the loss component of the Locational Marginal Price, which is the effect on transmission loss costs (whether positive or negative) associated with increasing the output of a generation resource or decreasing the consumption by a Demand Resource based on the effect of increased generation from or consumption by the resource on transmission losses, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

M2M Flowgate:

"M2M Flowgate" shall have the meaning provided in the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.

Maintenance Adder:

"Maintenance Adder" shall mean an adder that may be included to account for variable operation and maintenance expenses in a Market Seller's Fuel Cost Policy. The Maintenance Adder is calculated in accordance with the applicable provisions of PJM Manual 15, and may only include expenses incurred as a result of electric production.

Manual Load Dump Action:

"Manual Load Dump Action" shall mean an Operating Instruction, as defined by NERC, from PJM to shed firm load when the PJM Region cannot provide adequate capacity to meet the PJM Region's load and tie schedules, or to alleviate critically overloaded transmission lines or other equipment.

Manual Load Dump Warning:

"Manual Load Dump Warning" shall mean a notification from PJM to warn Members of an increasingly critical condition of present operations that may require manually shedding load.

Marginal Value:

"Marginal Value" shall mean the incremental change in system dispatch costs, measured as a $/MW value incurred by providing one additional MW of relief to the transmission constraint.

Market Monitor:

"Market Monitor**"** means the head of the Market Monitoring Unit.

Market Monitoring Unit or MMU:

"Market Monitoring Unit" or "MMU" means the independent Market Monitoring Unit defined in 18 CFR § 35.28(a)(7) and established under the PJM Market Monitoring Plan (Attachment M) to the PJM Tariff that is responsible for implementing the Market Monitoring Plan, including the Market Monitor. The Market Monitoring Unit may also be referred to as the IMM or Independent Market Monitor for PJM

Market Monitoring Unit Advisory Committee or MMU Advisory Committee:

"Market Monitoring Unit Advisory Committee" or "MMU Advisory Committee" shall mean the committee established under Tariff, Attachment M, section III.H.

Market Operations Center:

"Market Operations Center" shall mean the equipment, facilities and personnel used by or on behalf of a Market Participant to communicate and coordinate with the Office of the Interconnection in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

Market Participant:

"Market Participant" shall mean a Market Buyer, a Market Seller, an Economic Load Response Participant, or all three, except when such term is used in Tariff, Attachment M, in which case Market Participant shall mean an entity that generates, transmits, distributes, purchases, or sells electricity, ancillary services, or any other product or service provided under the PJM Tariff or Operating Agreement within, into, out of, or through the PJM Region, but it shall not include an Authorized Government Agency that consumes energy for its own use but does not purchase or sell energy at wholesale.

Market Participant Energy Injection:

"Market Participant Energy Injection" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Day-ahead generation schedules, real-time generation output, Increment Offers, internal bilateral transactions and import transactions, as further described in the PJM Manuals.

Market Participant Energy Withdrawal:

"Market Participant Energy Withdrawal" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Demand Bids, Decrement Bids, real-time load (net of Behind The Meter Generation expected to be operating, but not to be less than zero), internal bilateral transactions and Export Transactions, as further described in the PJM Manuals.

Market Seller Offer Cap:

"Market Seller Offer Cap" shall mean a maximum offer price applicable to certain Market Sellers under certain conditions, as determined in accordance with Tariff, Attachment DD. section 6 and Tariff, Attachment M-Appendix, section II.E.

Market Violation:

"Market Violation" shall mean a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies, as defined in 18 C.F.R. § 35.28(b)(8).

Material Modification:

"Material Modification" shall mean any modification to an Interconnection Request that has a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any Interconnection Request with a later Queue Position.

Maximum Daily Starts:

"Maximum Daily Starts" shall mean the maximum number of times that a generating unit can be started in an Operating Day under normal operating conditions.

Maximum Emergency:

"Maximum Emergency" shall mean the designation of all or part of the output of a generating unit for which the designated output levels may require extraordinary procedures and therefore are available to the Office of the Interconnection only when the Office of the Interconnection declares a Maximum Generation Emergency and requests generation designated as Maximum Emergency to run. The Office of the Interconnection shall post on the PJM website the aggregate amount of megawatts that are classified as Maximum Emergency.

Maximum Facility Output:

"Maximum Facility Output" shall mean the maximum (not nominal) net electrical power output in megawatts, specified in the Interconnection Service Agreement, after supply of any parasitic or host facility loads, that a Generation Interconnection Customer's Customer Facility is expected to produce, provided that the specified Maximum Facility Output shall not exceed the output of the proposed Customer Facility that Transmission Provider utilized in the System Impact Study.

Maximum Generation Emergency:

"Maximum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection to address either a generation or transmission emergency in which the Office of the Interconnection anticipates requesting one or more Generation Capacity Resources, or Non-Retail Behind The Meter Generation resources to operate at its maximum net or gross electrical power output, subject to the equipment stress limits for such Generation Capacity Resource or Non-Retail Behind The Meter resource in order to manage, alleviate, or end the Emergency.

Maximum Generation Emergency Alert:

"Maximum Generation Emergency Alert" shall mean an alert issued by the Office of the Interconnection to notify PJM Members, Transmission Owners, resource owners and operators, customers, and regulators that a Maximum Generation Emergency may be declared, for any Operating Day in either, as applicable, the Day-ahead Energy Market or the Real-time Energy Market, for all or any part of such Operating Day.

Maximum Run Time:

"Maximum Run Time" shall mean the maximum number of hours a generating unit can run over the course of an Operating Day, as measured by PJM's State Estimator.

Maximum Weekly Starts:

"Maximum Weekly Starts" shall mean the maximum number of times that a generating unit can be started in one week, defined as the 168 hour period starting Monday 0001 hour, under normal operating conditions.

Member:

"Member" shall have the meaning provided in the Operating Agreement.

Merchant A.C. Transmission Facilities:

"Merchant A.C. Transmission Facility" shall mean Merchant Transmission Facilities that are alternating current (A.C.) transmission facilities, other than those that are Controllable A.C. Merchant Transmission Facilities.

Merchant D.C. Transmission Facilities:

"Merchant D.C. Transmission Facilities" shall mean direct current (D.C.) transmission facilities that are interconnected with the Transmission System pursuant to Tariff, Part IV and Part VI.

Merchant Network Upgrades:

"Merchant Network Upgrades" shall mean additions to, or modifications or replacements of, physical facilities of the Interconnected Transmission Owner that, on the date of the pertinent Transmission Interconnection Customer's Upgrade Request, are part of the Transmission System or are included in the Regional Transmission Expansion Plan.

Merchant Transmission Facilities:

"Merchant Transmission Facilities" shall mean A.C. or D.C. transmission facilities that are interconnected with or added to the Transmission System pursuant to Tariff, Part IV and Part VI and that are so identified in Tariff, Attachment T, provided, however, that Merchant Transmission Facilities shall not include (i) any Customer Interconnection Facilities, (ii) any physical facilities of the Transmission System that were in existence on or before March 20, 2003 ; (iii) any expansions or enhancements of the Transmission System that are not identified as Merchant Transmission Facilities in the Regional Transmission Expansion Plan and Attachment T to the Tariff, or (iv) any transmission facilities that are included in the rate base of a public utility and on which a regulated return is earned.

Merchant Transmission Provider:

"Merchant Transmission Provider" shall mean an Interconnection Customer that (1) owns, controls, or controls the rights to use the transmission capability of, Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area, (2) has elected to receive Transmission Injection Rights and Transmission Withdrawal Rights associated with such facility pursuant to Tariff, Part IV, section 36, and (3) makes (or will make) the transmission capability of such facilities available for use by third parties under terms and conditions approved by the Commission and stated in the Tariff, consistent with Tariff, section 38.

Metering Equipment:

"Metering Equipment" shall mean all metering equipment installed at the metering points designated in the appropriate appendix to an Interconnection Service Agreement.

Minimum Annual Resource Requirement:

"Minimum Annual Resource Requirement" shall mean, for Delivery Years through May 31, 2017, the minimum amount of capacity that PJM will seek to procure from Annual Resources for the PJM Region and for each Locational Deliverability Area for which the Office of the

Interconnection is required under Tariff, Attachment DD, section 5.10(a) to establish a separate VRR Curve for such Delivery Year. For the PJM Region, the Minimum Annual Resource Requirement shall be equal to the RTO Reliability Requirement minus [the Sub-Annual Resource Reliability Target for the RTO in Unforced Capacity]. For an LDA, the Minimum Annual Resource Requirement shall be equal to the LDA Reliability Requirement minus [the LDA CETL] minus [the Sub-Annual Resource Reliability Target for such LDA in Unforced Capacity]. The LDA CETL may be adjusted pro rata for the amount of load served under the FRR Alternative.

Minimum Down Time:

For all generating units that are not combined cycle units, "Minimum Down Time" shall mean the minimum number of hours under normal operating conditions between unit shutdown and unit startup, calculated as the shortest time difference between the unit's generator breaker opening and after the unit's generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero. For combined cycle units, "Minimum Down Time" shall mean the minimum number of hours between the last generator breaker opening and after first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero.

Minimum Extended Summer Resource Requirement:

"Minimum Extended Summer Resource Requirement" shall mean, for Delivery Years through May 31, 2017, the minimum amount of capacity that PJM will seek to procure from Extended Summer Demand Resources and Annual Resources for the PJM Region and for each Locational Deliverability Area for which the Office of the Interconnection is required under Tariff, Attachment DD, section 5.10(a) to establish a separate VRR Curve for such Delivery Year. For the PJM Region, the Minimum Extended Summer Resource Requirement shall be equal to the RTO Reliability Requirement minus [the Limited Demand Resource Reliability Target for the PJM Region in Unforced Capacity]. For an LDA, the Minimum Extended Summer Resource Requirement shall be equal to the LDA Reliability Requirement minus [the LDA CETL] minus [the Limited Demand Resource Reliability Target for such LDA in Unforced Capacity]. The LDA CETL may be adjusted pro rata for the amount of load served under the FRR Alternative.

Minimum Generation Emergency:

"Minimum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection in which the Office of the Interconnection anticipates requesting one or more generating resources to operate at or below Normal Minimum Generation, in order to manage, alleviate, or end the Emergency.

Minimum Participation Requirements:

"Minimum Participation Requirements" shall mean a set of minimum training, risk management, communication and capital or collateral requirements required for Participants in the PJM Markets, as set forth herein and in the Form of Annual Certification set forth as Tariff,

Attachment Q, Appendix 1. Participants transacting in FTRs in certain circumstances will be required to demonstrate additional risk management procedures and controls as further set forth in the Annual Certification found in Tariff, Attachment Q, Appendix 1.

Minimum Run Time:

For all generating units that are not combined cycle units, "Minimum Run Time" shall mean the minimum number of hours a unit must run, in real-time operations, from the time after generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero, to the time of generator breaker opening, as measured by PJM's State Estimator. For combined cycle units, "Minimum Run Time" shall mean the time period after the first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero, and the last generator breaker opening as measured by PJM's State Estimator.

MISO:

"MISO" shall mean the Midcontinent Independent System Operator, Inc. or any successor thereto.

MOPR Floor Offer Price:

"MOPR Floor Offer Price" shall mean a minimum offer price applicable to certain Market Seller's Capacity Resources under certain conditions, as determined in accordance with Tariff, Attachment DD, sections 5.14(h) and 5.14(h-1).

Multi-Driver Project:

"Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Native Load Customers:

"Native Load Customers" shall mean the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Owner's system to meet the reliable electric needs of such customers.

NERC:

"NERC" shall mean the North American Electric Reliability Corporation or any successor thereto.

NERC Interchange Distribution Calculator:

"NERC Interchange Distribution Calculator" shall mean the NERC mechanism that is in effect and being used to calculate the distribution of energy, over specific transmission interfaces, from energy transactions.

Net Benefits Test:

"Net Benefits Test" shall mean a calculation to determine whether the benefits of a reduction in price resulting from the dispatch of Economic Load Response exceeds the cost to other loads resulting from the billing unit effects of the load reduction, as specified in Operating Agreement, Schedule 1, section 3.3A.4 and the parallel provisions of Tariff, Attachment K-Appendix, section 3.3A.4.

Net Cost of New Entry:

"Net Cost of New Entry" shall mean the Cost of New Entry minus the Net Energy and Ancillary Service Revenue Offset.

Net Obligation:

"Net Obligation" shall mean the amount owed to PJMSettlement and PJM for purchases from the PJM Markets, Transmission Service, (under Tariff, Parts II and III , and other services pursuant to the Agreements, after applying a deduction for amounts owed to a Participant by PJMSettlement as it pertains to monthly market activity and services. Should other markets be formed such that Participants may incur future Obligations in those markets, then the aggregate amount of those Obligations will also be added to the Net Obligation.

Net Sell Position:

"Net Sell Position" shall mean the amount of Net Obligation when Net Obligation is negative.

Network Customer:

"Network Customer" shall mean an entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Tariff, Part III.

Network External Designated Transmission Service:

"Network External Designated Transmission Service" shall have the meaning set forth in Reliability Assurance Agreement, Article I.

Network Integration Transmission Service:

"Network Integration Transmission Service" shall mean the transmission service provided under Tariff, Part III.

Network Load:

"Network Load" shall mean the load that a Network Customer designates for Network Integration Transmission Service under Tariff, Part III. The Network Customer's Network Load shall include all load (including losses, Non-Dispatched Charging Energy, and Load Serving Charging Energy) served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Tariff, Part II for any Point-To-Point Transmission Service that may be necessary for such non-designated load. Network Load shall not include Dispatched Charging Energy.

Network Operating Agreement:

"Network Operating Agreement" shall mean an executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Tariff, Part III.

Network Operating Committee:

"Network Operating Committee" shall mean a group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Tariff, Part III.

Network Resource:

"Network Resource" shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

Network Service User:

"Network Service User" shall mean an entity using Network Transmission Service.

Network Transmission Service:

"Network Transmission Service" shall mean transmission service provided pursuant to the rates, terms and conditions set forth in Tariff, Part III, or transmission service comparable to such service that is provided to a Load Serving Entity that is also a Transmission Owner.

Network Upgrades:

"Network Upgrades" shall mean modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System. Network Upgrades shall include:

(i) **Direct Connection Network Upgrades** which are Network Upgrades that are not part of an Affected System; only serve the Customer Interconnection Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify them in the Interconnection Construction Service Agreement, Schedule D. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direcct Connection Network Upgrade within 15 days of its determination.

(ii) **Non-Direct Connection Network Upgrades** which are parallel flow Network Upgrades that are not Direct Connection Network Upgrades.

Neutral Party:

"Neutral Party" shall have the meaning provided in Tariff, Part I, section 9.3(v).

New Entry Capacity Resource with State Subsidy:

"New Entry Capacity Resource with State Subsidy" shall mean (1) starting with the 2022/2023 Delivery Year, the MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that have not cleared in an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price or (2) starting with the Base Residual Auction for the 2022/2023 Delivery Year, any of those MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that was not included in an FRR Capacity Plan at the time of the Base Residual Auction or the subject of a Sell Offer in a Base Residual Auction occurring for a Delivery Year after it last cleared an RPM Auction and since then has yet to clear an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price. Notwithstanding the foregoing, any Capacity Resource that previously cleared an RPM Auction before it became entitled to receive a State Subsidy shall not be deemed a New Entry Capacity Resource, unless, starting with the Base Residual Auction for the 2022/2023 Delivery Year, the Capacity Resource with State Subsidy was not the subject of a Sell Offer in a Base Residual Auction or included in an FRR Capacity Plan at the time of the Base Residual Auction for a Delivery Year after it last cleared an RPM Auction.

New PJM Zone(s):

"New PJM Zone(s)" shall mean the Zone included in the Tariff, along with applicable Schedules and Attachments, for Commonwealth Edison Company, The Dayton Power and Light Company

and the AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company).

New Service Customers:

"New Service Customers" shall mean all customers that submit an Interconnection Request, a Completed Application, or an Upgrade Request that is pending in the New Services Queue.

New Service Request:

"New Service Request" shall mean an Interconnection Request, a Completed Application, or an Upgrade Request.

New Services Queue:

"New Services Queue" shall mean all Interconnection Requests, Completed Applications, and Upgrade Requests that are received within each six-month period ending on March 31 and September 30 of each year shall collectively comprise a New Services Queue.

~~**New Services Queue Closing Date:**~~

~~"New Services Queue Closing Date" shall mean each April 30 and October 31 shall be the Queue Closing Date for the New Services Queue comprised of Interconnection Requests, Completed Applications, and Upgrade Requests received during the six-month period ending on such date.~~

New York ISO or NYISO:

"New York ISO" or "NYISO" shall mean the New York Independent System Operator, Inc. or any successor thereto.

Nodal Reference Price:

The "Nodal Reference Price" at each location shall mean the 97th percentile price differential between day-ahead and real-time prices experienced over the corresponding two-month reference period in the prior calendar year. Reference periods will be Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sept-Oct, Nov-Dec. For any given current-year month, the reference period months will be the set of two months in the prior calendar year that include the month corresponding to the current month. For example, July and August 2003 would each use July-August 2002 as their reference period.

No-load Cost:

"No-load Cost" shall mean the hourly cost required to create the starting point of a monotonically increasing incremental offer curve for a generating unit.

Nominal Rated Capability:

"Nominal Rated Capability" shall mean the nominal maximum rated capability in megawatts of a Transmission Interconnection Customer's Customer Facility or the nominal increase in transmission capability in megawatts of the Transmission System resulting from the interconnection or addition of a Transmission Interconnection Customer's Customer Facility, as determined in accordance with pertinent Applicable Standards and specified in the Interconnection Service Agreement.

Nominated Demand Resource Value:

"Nominated Demand Resource Value" shall mean the amount of load reduction that a Demand Resource commits to provide either through direct load control, firm service level or guaranteed load drop programs. For existing Demand Resources, the maximum Nominated Demand Resource Value is limited, in accordance with the PJM Manuals, to the value appropriate for the method by which the load reduction would be accomplished, at the time the Base Residual Auction or Incremental Auction is being conducted.

Nominated Energy Efficiency Value:

"Nominated Energy Efficiency Value" shall mean the amount of load reduction that an Energy Efficiency Resource commits to provide through installation of more efficient devices or equipment or implementation of more efficient processes or systems.

Non-Dispatched Charging Energy:

"Non-Dispatched Charging Energy" shall mean all Direct Charging Energy that an Energy Storage Resource Model Participant receives from the electric grid that is not otherwise Dispatched Charging Energy.

Non-Firm Point-To-Point Transmission Service:

"Non-Firm Point-To-Point Transmission Service" shall mean Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Tariff, Part II, section 14.7. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

Non-Firm Sale:

"Non-Firm Sale" shall mean an energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

Non-Firm Transmission Withdrawal Rights:

"No-Firm Transmission Withdrawal Rights" shall mean the rights to schedule energy withdrawals from a specified point on the Transmission System. Non-Firm Transmission Withdrawal Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System to another control area. Withdrawals scheduled using Non-Firm Transmission Withdrawal Rights have rights similar to those under Non-Firm Point-to-Point Transmission Service.

Non-Performance Charge:

"Non-Performance Charge" shall mean the charge applicable to Capacity Performance Resources as defined in Tariff, Attachment DD, section 10A(e).

Nonincumbent Developer:

"Nonincumbent Developer" shall have the same meaning provided in the Operating Agreement.

Non-Regulatory Opportunity Cost:

"Non-Regulatory Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has a limited number of starts or available run hours resulting from (i) the physical equipment limitations of the unit, for up to one year, due to original equipment manufacturer recommendations or insurance carrier restrictions, (ii) a fuel supply limitation, for up to one year, resulting from an event of Catastrophic Force Majeure; and, (b) the forecasted future Locational Marginal Price at which the generating unit could run while not violating such limitations. Non-Regulatory Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same period of time in which the unit is bound by the referenced restrictions, and is reflected in the rules set forth in PJM Manual 15. Non-Regulatory Opportunity Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.

Non-Retail Behind The Meter Generation:

"Non-Retail Behind The Meter Generation" shall mean Behind the Meter Generation that is used by municipal electric systems, electric cooperatives, or electric distribution companies to serve load.

Non-Synchronized Reserve:

"Non-Synchronized Reserve" shall mean the reserve capability of non-emergency generation resources that can be converted fully into energy within ten minutes of a request from the Office of the Interconnection dispatcher, and is provided by equipment that is not electrically synchronized to the Transmission System.

Non-Synchronized Reserve Event:

“Non-Synchronized Reserve Event” shall mean a request from the Office of the Interconnection to generation resources able and assigned to provide Non-Synchronized Reserve in one or more specified Reserve Zones or Reserve Sub-zones, within ten minutes to increase the energy output by the amount of assigned Non-Synchronized Reserve capability.

Non-Variable Loads:

“Non-Variable Loads” shall have the meaning specified in Operating Agreement, Schedule 1, section 1.5A.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.6.

Non-Zone Network Load:

“Non-Zone Network Load shall mean Network Load that is located outside of the PJM Region.

Normal Maximum Generation:

“Normal Maximum Generation” shall mean the highest output level of a generating resource under normal operating conditions.

Normal Minimum Generation:

“Normal Minimum Generation” shall mean the lowest output level of a generating resource under normal operating conditions.

36.1 General:

Generation Interconnection Requests and Transmission Interconnection Requests shall be governed by Tariff, Part IV, Subpart A, section 36.

36.1.01 Generation Interconnection Request:

Except as otherwise provided in this Subpart A with respect to Behind The Meter Generation, an Interconnection Customer that seeks to interconnect new generation in, to increase the capacity of generation already interconnected in, the PJM Region shall submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Generation Interconnection Request ~~to the Transmission Provider's acknowledgment~~.

1. Generation Interconnection Request Requirements. To be assigned a PJM Queue Position pursuant to Tariff, Part IV, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

    a. specification of the location of the proposed Generating Facility site or existing Generating Facility (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

    b. evidence of an ownership interest in, or right to acquire or control the Generating Facility site for a minimum of three years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

    c. the MW size of the proposed Generating Facility or the amount of increase in MW capability of an existing Generating Facility, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

    d. identification of the fuel type of the proposed generating unit or upgrade thereto; and

    e. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design

specifications must depict the wind plant as a single equivalent generator; and

f. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where such date is to be no more than seven years from the date that a complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

g. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals, including a description of how the full electrical generating capability of the generating unit will be limited to the Maximum Facility Output requested if the Maximum Facility Output of the generating unit is less than the full electrical generating capability of the Generating Facility; and

h. if Behind The Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

i. Deposit.

i. A deposit shall be submitted to Transmission Provider, as follows:

(1) Provided that the maximum total deposit amount for a Generation Interconnection Request submitted in the first four calendar months of the current New Services Queue shall not exceed $110,000, a deposit of $10,000 plus $100 for each MW requested if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(2) Provided that the maximum total deposit amount for a Generation Interconnection Request submitted in the fifth calendar month of the current New Services Queue shall not exceed $120,000, a deposit of $20,000 plus $150 for each MW requested if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(3) Provided that the maximum total deposit amount for a Generation Interconnection Request submitted in the sixth calendar month of the current New Services Queue shall not exceed $130,000 a deposit of $30,000 plus $200 for each MW requested, if the Generation Interconnection

Request is received in the sixth calendar month of the current New Services Queue.

ii. 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(1) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(2) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(3) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

iii. 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(1) The cost of the Queue Position acceptance review; and

(2) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(3) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(4) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the

deficiency review and/or deficiency response period (as described further below), or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(a) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

iv. Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(1) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(2) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior Generation Interconnection Requests by the Interconnection Customer.

v. If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

vi. The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

vii. Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request or Interconnection Request or Queue Position.

j. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. ~~Within five Business Days of the Interconnection Customer submitting a Generation Interconnection Request,~~ Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of three years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. While deficiency reviews may commence for Generation Interconnection Requests that are submitted without site control evidence that is acceptable to the Transmission Provider, such Generation Interconnection Requests shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement ~~(Tariff, Attachment N)~~, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen Business Days of receipt

of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue ~~have an additional five Business Days~~ to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still

deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.~~[Reserved]~~

4. In accordance with Tariff, Part VI, Preamble, section 201, the Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 36.1.01 ~~above~~. If the information required pursuant to this section 36.1.01 ~~above~~ is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies:

i. the proposed maximum summer and winter megawatt electrical output;

ii. the location of the generation by county and state;

iii. the station or transmission line or lines where the interconnection will be made;

iv. the facility's projected date of Initial Operation;

v. the status of the Generation Interconnection Request, including its Queue Position;

vi. the type of Generation Interconnection Service requested;

vii. the availability of any studies related to the Interconnection Request;

viii. the date of the Generation Interconnection Request;

ix. the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. for each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list will not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Generation Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

36.1.02 Generation Interconnection Requests of 20 Megawatts or Less:

The Transmission Provider has developed streamlined processes for Generation Interconnection Requests involving new generation resources of 20 MW or less and increases in the capacity of a generating unit by 20 MW or less over any consecutive 24-month period. The processes for Generation Interconnection Requests involving increases in capacity by 20 MW or less are set forth in Tariff, Part IV, Subpart G and the PJM Manuals.

36.1.03 Transmission Interconnection Request:

An Interconnection Customer that seeks to interconnect or add Merchant Transmission Facilities to the Transmission System, or to increase the capacity of existing Merchant Transmission Facilities interconnected with the Transmission System shall submit to the Transmission Provider a Transmission Interconnection Request. The Transmission Provider shall acknowledge receipt of the Transmission Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Transmission Interconnection Request ~~to the Transmission Provider's acknowledgment~~.

1. Transmission Interconnection Request Requirements. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Transmission Interconnection Customer must submit a complete and fully executed Transmission Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment S. To be considered complete at the time of

submission, the Interconnection Customer's Transmission Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

a. the location of the proposed Merchant Transmission Facilities and of the substation(s) or other location(s) where the Transmission Interconnection Customer proposes to interconnect or add its Merchant Transmission Facilities to the Transmission System; and

b. a description of the proposed Merchant Transmission Facilities; and

c. the nominal capability or increase in capability (in megawatts) of the proposed Merchant Transmission Facilities; and

d. the planned date the proposed Merchant Transmission Facilities will be in service, such date to be no more than seven years from the date the request is received by the Transmission Provider, unless the Transmission Interconnection Customer demonstrates that engineering, permitting, and construction of the Merchant Transmission Facilities will take more than seven years; and

e. if the request relates to proposed Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that will interconnect with the Transmission System and with another control area outside the PJM Region, the Transmission Interconnection Customer's election to receive either; and

    i. Transmission Injection Rights and/or Transmission Withdrawal Rights, or

    ii. Incremental Deliverability Rights, Incremental Auction Revenue Rights, Incremental Capacity Transfer Rights, and Incremental Available Transfer Capability Revenue Rights, associated with the capability of the proposed Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities;

f. if the Transmission Interconnection Customer will be eligible to receive Incremental Deliverability Rights under Tariff, Part VI, Subpart C, section 235, identification of the point on the Transmission System where the Transmission Interconnection Customer wishes to receive Incremental Deliverability Rights created by the construction or installation of its proposed Merchant Transmission Facilities; and

g. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

h. Deposit.

i. A deposit shall be submitted to the Transmission Provider as follows:

(1) Provided that the maximum total deposit amount for a Transmission Interconnection Request submitted in the first four calendar months of the current New Services Queue shall not exceed $110,000, a deposit of $10,000 plus $100 for each MW requested if the Transmission Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(2) Provided that the maximum total deposit amount for a Transmission Interconnection Request submitted in the fifth calendar month of the current New Services Queue shall not exceed $120,000, a deposit of $20,000 plus $150 for each MW requested if the Transmission Interconnection Request is received within the fifth calendar month of the current New Services Queue; or

(3) Provided that the maximum total deposit amount for a Transmission Interconnection Request submitted in the sixth calendar month of the current New Services Queue shall not exceed $130,000, a deposit of $30,000 plus $200 for each MW requested, if the Transmission Interconnection Request is received within the sixth calendar month of the current New Services Queue.

ii. 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Transmission Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Transmission Interconnection Customer withdraws its Transmission Interconnection Request, or the Transmission Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(1) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Transmission Interconnection Request and/or associated Queue Position; and/or

(2) Any restudies required as a result of the rejection, termination and/or withdrawal of such Transmission Interconnection Request; and/or

(3) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer.

iii. 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(1) The cost of the Queue Position acceptance review; and

(2) The cost of the deficiency review of the Interconnection Customer's Transmission Interconnection Request (to determine whether the Transmission Interconnection Request is valid); and

(3) The dollar amount of the Interconnection Customer's cost responsibility for the Transmission Interconnection Feasibility Study; and

(4) If the Transmission Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period (as described further below), or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Transmission Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(a) The costs of any restudies required as a result of the modification, rejection termination and/or withdrawal of such Transmission Interconnection Request; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any

failure of the Interconnection Customer to pay actual costs for the Transmission Interconnection Request and/or associated Queue Position; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Interconnection Customer in accordance with the PJM Manuals.

iv. Upon completion of the Transmission Interconnection Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(1) The Interconnection Customer's cost responsibility for any other studies conducted for the Transmission Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(2) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer.

v. If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Interconnection Customer.

vi. The Interconnection Customer must submit the total required deposit amount with the Transmission Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Transmission Interconnection Request, the Transmission Interconnection Request shall be deemed to be

terminated and withdrawn (i.e., the Transmission Interconnection Request shall be terminated prior to reaching the deficiency review stage).

vii. Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request or Interconnection Request or Queue Position.

2. Deficiency Review. ~~Within five Business Days of the Interconnection Customer submitting a Transmission Interconnection Request, the~~ Transmission Provider shall provide a deficiency review of the Transmission Interconnection Request to determine whether the Interconnection Customer submitted a valid Transmission Interconnection Request.

a. If a Transmission Interconnection Request meets all requirements set forth above, the Transmission Provider shall start the deficiency review.

b. Pursuant to Tariff, Attachment S, s~~S~~ection 9, Cost Responsibility, of the Transmission Interconnection Feasibility Study Agreement ~~(Tariff, Attachment S)~~, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Transmission Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen Business Days of receipt of the Transmission Interconnection Request that such Transmission Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Transmission Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Transmission Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the

Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue ~~have an additional five Business Days~~ to review the Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Transmission Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Transmission Interconnection Feasibility Study Agreement (Tariff, Attachment S) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Transmission Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.~~**[Reserved]**~~

4. The Transmission Provider shall assign Queue Positions pursuant to Tariff, Part VI, Preamble, section 201 on the date and time of receipt of all the required information set forth in this section 36.1.03 ~~above~~.

5. Deficiencies shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required

information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Adjacent Control Area Stipulation. If applicable, within 30 calendar days of submitting its Transmission Interconnection Request, the Interconnection Customer shall provide evidence acceptable to the Transmission Provider that Interconnection Customer has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting. Transmission Interconnection Customer shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request. If Interconnection Customer fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

7. Transmission Provider Website Postings.

   a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Transmission Interconnection Requests that identifies:

      i. in megawatts the potential nominal capability or increase in capability;

      ii. the location of the Merchant Transmission Facilities by county and state;

      iii. the station or transmission line or lines where the interconnection will be made;

      iv. the facility's projected date of Initial Operation;

      v. the status of the Transmission Interconnection Request, including its Queue Position;

      vi. the availability of any studies related to the Interconnection Request;

      vii. the date of the Transmission Interconnection Request;

      viii. the type of Merchant Transmission Facilities to be constructed; and

      ix. for each Transmission Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list will not disclose the identity of the Transmission Interconnection Customer, except as otherwise provided in Tariff, Part IV or Tariff, Part VI. The list and the priority of Transmission Interconnection Requests shall be included on the Transmission Provider's website as a part of the New Services Queue.

36.1.03A Transmission Interconnection Customers Requesting Merchant Network Upgrades

Notwithstanding Tariff, Part IV, Subpart A, section 36.1.03 ~~above~~, an Interconnection Customer that proposes Merchant Network Upgrades (including advancing pursuant to Tariff, Part VI, Subpart B, section 220 or accelerating the construction of any transmission enhancement or expansion, other than Merchant Transmission Facilities, that is included in the Regional Transmission Expansion Plan prepared pursuant to Operating Agreement, Schedule 6) shall submit an Upgrade Request, with the required information and the required deposit for a System Impact Study, as set forth in Tariff, Attachment EE.

36.1.1 Interconnection Services for Generation:

Generation Interconnection Customers may request either of two forms of Interconnection Service, i.e., interconnection as a Capacity Resource or as an Energy Resource. Energy Resource status allows the generator to participate in the PJM Interchange Energy Market pursuant to the PJM Operating Agreement. Capacity Resource status allows the generator to participate in the PJM Interchange Energy Market to be utilized by load-serving entities in the PJM Region to meet capacity obligations imposed under the Reliability Assurance Agreement and/or to be designated as a Network Resource under Tariff, Part III. Capacity Resources also may participate in Reliability Pricing Model Auctions and in Ancillary Services markets pursuant to the Tariff or the Operating Agreement. Capacity Resource status is based on providing sufficient transmission capability to ensure deliverability of generator output to the aggregate PJM Network Load and to satisfy the contingency criteria in the Applicable Standards. Specific tests performed during the Generation Interconnection Feasibility Study and later System Impact Study will identify those upgrades required to satisfy the contingency criteria applicable at the generator's location.

Consistent with Operating Agreement, Schedule 1, section 1.7.4(i), to the extent its Generating Facility is dispatchable, an Interconnection Customer shall submit an Economic Minimum in the real-time market that is no greater than the higher of its physical operating minimum or its Capacity Interconnection Rights.

36.1.1A Service Below Generating Capability

The Transmission Provider shall consider requests for Interconnection Service below the full electrical generating capability of the Generating Facility. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of determining Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full electrical generating capability of the Generating Facility to ensure the safety and reliability of the system, with the study costs borne by the Interconnection

Customer. If after additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (i) specify which additional Network Upgrade costs are based on which studies; and (ii) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrades costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of these technologies as set forth in the Interconnection Service Agreement. The necessary control technologies and protection systems shall be established in Tariff, Attachment O, Schedule K (Requirements for Interconnection Service Below Full Electrical Generating Capability) of the executed, or requested to be filed unexecuted Interconnection Service Agreement.

36.1.1B Surplus Interconnection Service Request

Requests for Surplus Interconnection Service may be made by the existing Interconnection Customer whose Generating Facility is already interconnected, or one of its affiliates, or by an unaffiliated Interconnection Customer. The existing Interconnection Customer or one of its affiliates has priority to use this service; however, if they do not exercise this priority, Surplus Interconnection Requests also may be made available to an unaffiliated Surplus Interconnection Customer. Surplus Interconnection Service is limited to utilizing or transferring an existing Generating Facility's Surplus Interconnection Service at the pre-existing Point of Interconnection of the existing Generating Facility and cannot exceed the existing Generating Facility's total amount of Interconnection Service, i.e., the total amount of Interconnection Service used by the Generating Facility requesting Surplus Interconnection Service and the existing Generating Facility shall not exceed the lesser of the Maximum Facility Output stated in the existing Generating Facility's Interconnection Service Agreement or the total "as-built capability" of the existing Generating Facility. If the Generating Facility requests Surplus Interconnection Service associated with an existing Generating Facility that is an Energy Resource, the Generating Facility requesting the Surplus Interconnection Service shall be an Energy Resource; and if the existing Generating Facility is a Capacity Resource, the Generating Facility requesting Surplus Interconnection Service associated with the Generating Facility may be an Energy Resource or a Capacity Resource (but only up to the amount of Capacity Interconnection Rights granted the existing Generating Facility). Surplus Interconnection Service cannot be granted if doing so would require new Network Upgrades or would have additional impacts affecting the determination of what Network Upgrades would be necessary to New Service Customers already in the New Services Queue or that have a material impact on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.

1. Surplus Interconnection Request Requirements. A Surplus Interconnection Customer seeking Surplus Interconnection Service must submit a complete and fully executed Surplus Interconnection Study Agreement, which form is located at Tariff, Attachment RR. To be considered complete at the time of submission, the Surplus Interconnection Customer's Surplus Interconnection Study Agreement must include, at a minimum, each of the following:

a. Specification of the location of the proposed surplus generating unit site or existing surplus generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

b. Evidence of an ownership interest in, or right to acquire or control the surplus generating unit site for a minimum of three years, such as a deed, option agreement, lease or other similar document acceptable to the Transmission Provider; and

c. The MW size of the proposed surplus generating unit or the amount of increase in MW capability of an existing surplus generating unit; and Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and

d. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and

e. A description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the surplus generating unit is wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

f. The planned date the proposed surplus generating unit or increase in MW capability of an existing surplus generating unit will be in service; and

g. Any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

h. A description of the circumstances under which Surplus Interconnection Service will be available at the existing Generating Facility's Point of Interconnection; and

i. A deposit in the amount of $10,000 plus $100 for each MW requested provided that the maximum total deposit amount for a Surplus Interconnection Request shall not exceed $110,000. If any deposit monies remain after the Surplus Interconnection Study is complete and any outstanding monies owed by the Surplus Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Surplus Interconnection Requests by the Surplus Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Surplus Interconnection Customer; and

j. Identification of the specific, existing Generating Facility already interconnected to the PJM Transmission System providing Surplus Interconnection Service, including whether the Surplus Interconnection Customer requesting Surplus Interconnection Service is the owner or affiliate of the existing Generating Facility; and

k. If the Surplus Interconnection Customer is an unaffiliated third party, the Surplus Interconnection Customer must submit with its Surplus Interconnection Study Agreement the following information and documentation acceptable to the Transmission Provider:

i. Written evidence from the owner of the existing Generating Facility granting Surplus Interconnection Customer permission to utilize the existing Generating Facility's unused portion of Interconnection Service established in the existing Generating Facility's Interconnection Service Agreement; and

ii. Written documentation stating that the owner of the surplus generating unit and the owner of the existing Generating Facility will have entered into, prior to the owner of the existing Generating Facility executing a revised Interconnection Service Agreement, a shared facilities agreement between the owner of the existing Generating Facility and the owner of the surplus generating unit detailing their respective roles and responsibilities relative to the Surplus Interconnection Service.

l. If an Energy Storage Resource, Surplus Interconnection Customer must submit primary frequency response operating range for the surplus generating unit.

2. Deficiency Review. Following the receipt of the Surplus Interconnection Study Agreement and requisite information and/or monies listed in section 36.1.1B.1.a – l above, Transmission Provider shall determine whether the listed requirements were submitted as valid or deficient. If deemed deficient by Transmission Provider, Surplus Interconnection Customer must submit the requisite information and/or monies acceptable to the Transmission Provider within ten Business Days of receipt of the Transmission Provider's notice of deficiency. Failure of the Interconnection Customer to timely provide information and/or monies identified in the deficiency notice shall result in the Surplus Interconnection Request being terminated and withdrawn. The Surplus Interconnection Service Request shall be considered valid as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information and/or monies deemed acceptable by the Transmission Provider to clear such deficiency notice.

36.1.2 No Applicability to Transmission Service:

Nothing in this Tariff, Part IV shall constitute a request for transmission service, or confer upon an Interconnection Customer any right to receive transmission service, under Tariff, Part II or Tariff, Part III.

36.1.3 [Reserved]

36.1.4 [Reserved]

36.1.5 Scoping Meeting:

After a valid Interconnection Request has been established, the Transmission Provider shall provide each Interconnection Customer with an opportunity for a scoping meeting among the Transmission Provider, the prospective Interconnected Transmission Owner and the Interconnection Customer. The purpose of the scoping meeting will be to identify one alternative Point(s) of Interconnection and configurations to evaluate in the Interconnection Studies and to attempt to select the best alternatives in a reasonable fashion given resources and information available. The Interconnection Customer may select a maximum of two Point(s) of Interconnection to be studied during the Interconnection Feasibility Study, a primary and secondary Point of Interconnection may be selected by the Interconnection Customer. After establishing a valid Interconnection Request, Transmission Provider shall offer to arrange, within seven Business Days of establishing such valid Interconnection Request, for the scoping meeting, and shall provide a minimum of three suggested meeting dates and times for the scoping meeting. The scoping meeting shall be held, or waived by mutual agreement of the parties within 45 days after establishment of a valid Interconnection Request if the valid Interconnection Request is established in the first four calendar months of the current New Services Queue; or within 30 days if the valid Interconnection Request is established within the fifth calendar month of the current New Services Queue; or in 20 days if the valid Interconnection Request is established in the sixth calendar month of the date of the beginning of the current New Services Queue. The Interconnection Customer may choose to divide the scoping meeting into two sessions, one between the Transmission Provider and Interconnection Customer and one among Transmission Provider, the Interconnection Customer and the prospective Interconnected Transmission Owner. Such meetings may be held consecutively on the same day. Scoping meetings may be held in person or by telephone or video conference. In the event the Interconnection Customer fails to waive or complete the scoping meeting requirement, its Interconnection Request shall be deemed to be terminated and withdrawn.

36.1.6 Coordination with Affected Systems:

The Transmission Provider will coordinate with Affected System Operators the conduct of any required studies in accordance with Tariff, Part VI, Subpart A, section 202.

36.1.7 Base Case Data:

Transmission Provider shall maintain base case power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on a password-protected website,

subject to the confidentiality provisions of Tariff, Part VI, Subpart B, section 223. In addition, Transmission Provider shall maintain base case power flows and underlying assumptions on a password-protected website. Such base case power flows and underlying assumptions should reasonably represent those used during the most recent interconnection study. Transmission Provider may require Interconnection Customers and password-protected website users to sign any required confidentiality agreement(s) before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects, that are included in the then-current, approved Regional Transmission Expansion Plan.

110.1 Application

A Generation Interconnection Customer desiring the interconnection of a new Generation Capacity Resource of 20 MW or less or the increase in capacity by 20 MW or less of an Existing Generation Capacity Resource, must submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Generation Interconnection Request ~~to the Transmission Provider's acknowledgment~~.

1. Generation Interconnection Request Requirements.

   a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

      i. specification of the location of the proposed generating unit site or existing generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

      ii. evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

      iii. the MW size of the proposed generating unit or the amount of increase in MW capability of an existing generating unit, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

      iv. identification of the fuel type of the proposed generating unit or upgrade thereto; and

      v. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

      vi. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where

such date is to be no more than seven years from the date that a complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

vii. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

viii. If Behind the Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

ix. Deposit.

(1) A deposit shall be submitted to Transmission Provider, as follows:

(a) A deposit of $10,000 if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(b) A deposit of $12,000 if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(c) A deposit of $15,000 if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third

party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Queue Position acceptance review; and

(b) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(c) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(d) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further below, or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to

Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(5) If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request, Interconnection Request or Queue Position.

x. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. ~~Within five Business Days of the Interconnection Customer submitting a Generation Interconnection Request,~~ Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. Interconnection Customers that fail to provide site control evidence while their requests are available for deficiency review shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement ~~(Tariff, Attachment N)~~, if the Transmission Provider anticipates that the actual

study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt

of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue ~~have an additional five Business Days~~ to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days

of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates. ~~**[Reserved]**~~

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 110.1. If the information required pursuant to this section 110.1 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies:

i. The proposed maximum summer and winter megawatt electrical output;

ii. The location of the generation by county and state;

iii. The station or transmission line or lines where the interconnection will be made;

iv. The facility's projected date of Initial Operation;

v. The status of the Generation Interconnection Request, including its Queue Position;

vi. The type of Generation Interconnection Service requested;

vii. The availability of any studies related to the Interconnection Request;

viii. The date of the Generation Interconnection Request;

ix. The type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. For each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list shall not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Generation Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

111.1 Application

The Interconnection Customer desiring the interconnection of a Small Generation Resource greater than 2 MW or the increase in capability, by 20 MW or less but greater than 2 MW (synchronous) or 5 MW (inverter-based) of an existing resource, must submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Generation Interconnection Request ~~to the Transmission Provider's acknowledgment~~.

1. Generation Interconnection Request Requirements.

   a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

      i. specification of the location of the proposed generating unit site or existing generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

      ii. evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

      iii. the MW size of the proposed generating unit or the amount of increase in MW capability of an existing generating unit, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

      iv. identification of the fuel type of the proposed generating unit or upgrade thereto; and

      v. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

vi. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where such date is to be no more than seven years from the date that a complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

vii. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

viii. If Behind the Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

ix. Deposit.

(1) A deposit shall be submitted to Transmission Provider, as follows:

(a) A deposit of $10,000 if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(b) A deposit of $12,000 if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(c) A deposit of $15,000 if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with

outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Queue Position acceptance review; and

(b) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(c) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(d) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further below, or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service

Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(5) If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request, Interconnection Request or Queue Position.

x. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. ~~Within five Business Days of the Interconnection Customer submitting a Generation Interconnection Request,~~ Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. Interconnection Customers that fail to provide site control evidence while their requests are available for deficiency review shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, ~~S~~section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement ~~(Tariff, Attachment N)~~, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen Business Days of receipt

of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue ~~have an additional five Business Days~~ to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still

deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates. ~~**[Reserved]**~~

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 111.1. If the information required pursuant to this section 111.1 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies:

i. The proposed maximum summer and winter megawatt electrical output;

ii. The location of the generation by county and state;

iii. The station or transmission line or lines where the interconnection will be made;

iv. The facility's projected date of Initial Operation;

v. The status of the Generation Interconnection Request, including its Queue Position;

vi. The type of Generation Interconnection Service requested;

vii. The availability of any studies related to the Interconnection Request;

viii. The date of the Generation Interconnection Request;

ix. The type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. For each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list shall not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Generation Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

112.1 Application

The Generation Interconnection Customer desiring the interconnection of a temporary Energy Resource of 20 MW or less but greater than 2 MW (synchronous) or 5 MW (inverter-based) must submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Generation Interconnection Request ~~to the Transmission Provider's acknowledgment~~.

1. Generation Interconnection Request Requirements.

   a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

      i. specification of the location of the proposed generating unit site or existing generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

      ii. evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

      iii. the MW size of the proposed generating unit or the amount of increase in MW capability of an existing generating unit, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

      iv. identification of the fuel type of the proposed generating unit or upgrade thereto; and

      v. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

      vi. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where

such date is to be no more than seven years from the date that a complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

vii. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

viii. If Behind the Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

ix. Deposit.

(1) A deposit shall be submitted to Transmission Provider, as follows:

(a) A deposit of $10,000 if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(b) A deposit of $12,000 if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(c) A deposit of $15,000 if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third

party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Queue Position acceptance review; and

(b) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(c) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(d) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further below, or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to

Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(5) If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request, Interconnection Request or Queue Position.

x. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. ~~Within five Business Days of the Interconnection Customer submitting a Generation Interconnection Request,~~ Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. Interconnection Customers that fail to provide site control evidence while their requests are available for deficiency review shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement ~~(Tariff, Attachment N)~~, if the Transmission Provider anticipates that the actual

study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt

of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue ~~have an additional five Business Days~~ to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable , but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days

of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates. ~~**[Reserved]**~~

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 112.1. If the information required pursuant to this section 112.1 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Because temporary Energy Resources are not granted any long term rights with respect to the transmission system, such requests shall not be identified in the New Services Queue on the PJM website. A separate queue of such requests shall be maintained in order to facilitate processing.

112A.1 Application

The Interconnection Customer desiring the interconnection of a new permanent or temporary Energy Resource of 2 MW or less (synchronous) or 5 MW or less (inverter-based) must submit to the Transmission Provider an Interconnection Request. The Transmission Provider shall acknowledge receipt of the Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the ~~request and shall attach a copy of the received~~ Interconnection Request ~~to the Transmission Provider's acknowledgment~~.

1. Interconnection Request Requirements.

   a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, an Interconnection Customer must submit a complete and fully executed Form of Screens Process Interconnection Request (For Generation Facilities of 2 MW or Less Synchronous 5 MW or Less Inverter-Based), a form of which is located in the Tariff, Attachment Y. To be considered complete at the time of submission, the Interconnection Customer's Form of Screens Process Interconnection Request (For Generation Facilities of 2 MW or Less Synchronous 5 MW or Less Inverter-Based) must include, at a minimum, each of the following:

      i. Interconnection Customer Information; and

      ii. Energy Resource Information; and

      iii. Energy Resource Characteristic Data; and

      iv. Interconnection Facilities Information; and

      v. Diagrams and Site Control; and

      vi. Deposit.

         (1) A deposit shall be submitted to Transmission Provider, as follows:

            (a) A deposit of $2,000 if the Interconnection Request is received in the first four calendar months of the current New Services Queue; or

            (b) A deposit of $3,000 if the Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

            (c) A deposit of $5,000 if the Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Interconnection Customer withdraws its Interconnection Request, or the Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the screens evaluation and/or supplemental screens evaluations; and

(b) The dollar amount of the Interconnection Customer's cost responsibility for the Interconnection Feasibility Study; and

(c) If the Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further

below, or during the screens evaluation period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the screens evaluations, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Interconnection Request under Tariff, Part VI,

which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer.

(5) If any refundable deposit monies remain after the screens evaluations are complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Interconnection Request, the Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Interconnection Request shall be terminated prior to reaching the screens evaluations and/or deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request or Interconnection Request or Queue Position.

vii. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. ~~Within five Business Days of the Interconnection Customer submitting an Interconnection Request, the~~ Transmission Provider shall provide a deficiency review of the Interconnection Request to determine whether the Interconnection Customer submitted a valid Interconnection Request.

a. If an Interconnection Request meets all of the requirements set forth above, the Transmission Provider shall start the deficiency review.

b. If there are deficiencies in the Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use

Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen Business Days of receipt of the Interconnection Request that such Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue ~~have an additional five Business Days~~ to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection

Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice ~~additional five Business Day review~~ and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Interconnection Requests shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Form of Screens Process Interconnection Request (For Generation Facilities of 2 MW or Less Synchronous 5 MW or Less Inverter-Based) (Tariff, Attachment Y) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates. ~~**[Reserved]**~~

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to Tariff, Part IV, Subpart G, s~~S~~ection 112A. If the information required pursuant to Tariff, Part IV, Subpart G, s~~S~~ection 112A is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

   a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Interconnection Requests that identifies:

      i. The proposed maximum summer and winter megawatt electrical output;

      ii. The location of the generation by county and state;

iii. The station or transmission line or lines where the interconnection will be made;

iv. The facility's projected date of Initial Operation;

v. The status of the Interconnection Request, including its Queue Position;

vi. The type of Interconnection Service requested;

vii. The availability of any studies related to the Interconnection Request;

viii. The date of the Interconnection Request;

ix. The type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. For each Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list shall not disclose the identity of the Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

112B.1 Application

An Interconnection Customer desiring the interconnection of a Small Inverter Facility must submit to Transmission Provider an executed Tariff, Attachment BB - Form of Interconnection Service Agreement for Certified Inverter-Based Generating Facility ("Small Inverter ISA") and a non-refundable processing fee of $500. Tariff, Attachment BB is available on the PJM web site. In the Small Inverter ISA, Interconnection Customer shall provide, among other things, (i) contact information for itself and any other entity that may be interfacing with Transmission Provider on its behalf; and (ii) the legal names of the owner(s) of the Small Inverter Facility, including the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either. Transmission Provider shall acknowledge that it received the Small Inverter ISA within ~~three~~ five Business Days of receipt. Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to ~~Within ten Business Days, Transmission Provider shall~~ notify Interconnection Customer within fifteen Business Days of receipt of the Small Inverter ISA that the Small Inverter ISA is complete or identify any deficiencies that need to be addressed, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2.

The Interconnection Customer must submit a complete and fully executed Small Inverter ISA (Tariff, Attachment BB) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Small Inverter ISA shall be accepted for the relevant New Services Queue after such dates.

204.2 Upgrade Requests:

204.2.1 Upgrade Requests pursuant to Section 7.8 of Schedule 1 of the Operating Agreement

Upon completion of the Upgrade Feasibility Study, the Transmission Provider shall tender to the affected Upgrade Customer a System Impact Study Agreement. For an Upgrade Request to retain its assigned Queue Position pursuant to Tariff, Part VI, Preamble, s~~S~~ection 201, within 30 days of receiving the tendered System Impact Study Agreement, the Upgrade Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider, (ii) shall remit to Transmission Provider all past due amounts of the actual Upgrade Feasibility Study costs exceeding the Upgrade Feasibility Study deposit fee contained in Tariff, Part IV, Subpart A, s~~S~~ection~~s~~ 36.3~~ of the Tariff~~, if any, and (iii) shall pay the Transmission Provider a deposit of $50,000. If a terminated and withdrawn Upgrade Request was to be included in a System Impact Study evaluating more than one New Service Request, then the costs of the System Impact Study shall be redetermined and reallocated among the remaining participating New Service Customers as specified in this s~~S~~ection 204.

204.2.2 Upgrade Requests for Merchant Network Upgrades

After receiving an Upgrade Request for a Merchant Network Upgrade, the Transmission Provider shall acknowledge receipt of the Upgrade Request, pursuant to Tariff, Part VI, Subpart A, s~~S~~ection 204.2.2.1. The Transmission Provider shall determine whether the Upgrade Request includes: (i) the substation or transmission line or lines where the upgrade(s) will be made; (ii) the nominal capability or increase in capability (in MW or MVA) of the proposed Merchant Network Upgrade; and (iii) the planned date the proposed Merchant Network Upgrade will be in service, such date to be no more than seven (7) years from the date the request is received by the Transmission Provider, unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the Merchant Network Upgrade will take more than seven (7) years.

The Transmission Provider shall maintain on the Transmission Provider's website a list of all Upgrade Requests that identifies (A) in megawatts the potential nominal capability or increase in capability; (B) the station or transmission line or lines where the upgrade(s) will be made; (C) the proposed in-service date; (D) the status of the Upgrade Request, including its Queue Position; (E) the availability of any studies related to the Upgrade Request; (F) the date of the Upgrade Request; and (G) for each Upgrade Request that has not resulted in a completed upgrade, an explanation of why it was not completed. This list will not disclose the identity of the Interconnection Customer, except as otherwise provided in Tariff, Part VI~~ of the Tariff~~. The list and the priority of Upgrade Requests shall be included on the website as part of the New Services Queue.

204.2.2.1 Acknowledgement of Upgrade Request for Merchant Network Upgrades

The Transmission Provider shall acknowledge receipt (electronically when available to all parties, otherwise written) of the Upgrade Request within five (5) Business Days after receipt of the ~~request and shall attach a copy of the received~~ Upgrade Request ~~to the acknowledgement~~.

204.2.2.2 Deficiencies in Upgrade Request for Merchant Network Upgrades

An Upgrade Request will not be considered a valid request if Interconnection Customer has failed to pay any outstanding invoices related to prior Queue Requests submitted pursuant to Tariff, Part IV or Tariff, Part VI by the Interconnection Customer and until all information required under Attachment EE is able to be studied by the Transmission Provider. If an Upgrade Request fails to meet the requirements, except as provided below regarding the deposit, or is in arrears as described above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to ~~so~~ notify the Interconnection Customer (electronically when available to all parties, otherwise written) within ~~five~~ fifteen (15) Business Days of receipt of the initial Upgrade Request. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the initial Upgrade Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2, or the Upgrade Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.3. Such notice shall explain that the Upgrade Request does not constitute a valid request and the reasons for such failure to meet the applicable requirements. Interconnection Customer shall provide the additional information that the Transmission Provider's notice identifies as needed to constitute a valid request and shall make any payments on any outstanding invoices within ten (10) Business Days after receipt of such notice. Upon timely correction of the deficiency, the Upgrade Request shall be assigned a Queue Position under Tariff, Part VI, Preamble, s~~S~~ection 201 as of the date that the Transmission Provider first received the request. In the event the Interconnection Customer fails to provide the further information and make payments on any outstanding invoices required by the Transmission Provider's deficiency notice under this s~~S~~ection 204.2.2.2, its Upgrade Request shall be deemed to be terminated and withdrawn. Notwithstanding the above, the Interconnection Customer must submit its deposit at the time it submits its Upgrade Request. Failure to do so will result in rejection of the Upgrade Request.

The Interconnection Customer must submit a complete and fully executed Upgrade Request (Tariff, Attachment EE) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Upgrade Requests shall be accepted for the relevant New Services Queue after such dates.

204.2.2.3 Scoping Meeting

Transmission Provider shall provide each Interconnection Customer proposing Merchant Network Upgrades with an opportunity for a scoping meeting among the Transmission Provider, the prospective Interconnected Transmission Owner(s) and the Interconnection Customer. The purpose of the scoping meeting will be to confirm all parties' understanding of the proposed

Upgrade Request and confirm the expectation for project completion or, if for acceleration of a Regional Transmission Expansion Plan Network Upgrade, the feasibility of the acceleration. After receipt of a valid Upgrade Request proposing Merchant Network Upgrades, the Transmission Provider shall offer to arrange for the scoping meeting, and shall provide a minimum of three (3) suggested meeting dates and times for the scoping meeting. The scoping meeting shall be held, or waived by mutual agreement of the parties within forty-five (45) days after receipt of a valid Upgrade Request, if the Upgrade Request is received in the first four calendar months of the current New Services Queue; or within thirty (30) days if the Upgrade Request is received within the fifth calendar month of the current New Services Queue; or within twenty (20) days if the Upgrade Request is received in the sixth calendar month of the date of the beginning of the current New Services Queue. The Interconnection Customer may choose to divide the scoping meeting into two sessions, one between the Transmission Provider and Interconnection Customer and one among the Transmission Provider, the Interconnection Customer and the prospective Interconnected Transmission Owner. Such meetings may be held consecutively on the same day. Scoping meetings may be held in person, by telephone or video conference. In the event the Interconnection Customer fails to waive or complete the scoping meeting requirement, its Upgrade Request shall be deemed terminated or withdrawn. Interconnection Customer may reduce its Upgrade Request within ten (10) Business Days after the scoping meeting. Any reduction made within this ten (10) Business Day period shall not be a Material Modification; however, the reduction may not result in the project's MW capability being equal to or less than zero.

204.2.2.4 Coordination with Affected Systems

Tariff, Part IV, Subpart A, s~~S~~ection 36.1.6 shall apply to Upgrade Requests for Merchant Network Upgrades.

204.2.2.5 Base Case Data

Tariff, Part IV, Subpart A, s~~S~~ection 36.1.7 shall apply to Upgrade Requests for Merchant Network Upgrades.

204.2.2.6 System Impact Study Agreement

Upon the Transmission Provider assigning the Upgrade Request a Queue Position per Tariff, Part VI, Subpart A, s~~S~~ection 204.2.2, for Upgrade Requests proposing Merchant Network Upgrades, and, if required, completing a scoping meeting per Tariff, Part VI, Subpart A, s~~S~~ection 204.2.2.3, Transmission Provider shall tender a System Impact Study Agreement. For an Upgrade Request associated with a Merchant Network Upgrade request to retain its Queue Position, the Interconnection Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider within thirty (30) days, and (ii) the $50,000 deposit provided with Tariff, Attachment EE will be applied to the Interconnection Customer's study cost responsibility. If the Interconnection Customer elects not to execute the System Impact Study Agreement, its Upgrade Request shall be deemed terminated and withdrawn. Any remaining Tariff, Attachment EE deposit will be refunded.

204.2.2.7 Modifications of Upgrade Requests for Merchant Network Upgrades After the System Impact Study Agreement, but Prior to Executing an Upgrade Construction Service Agreement

After the System Impact Study Agreement is executed and prior to execution of the Upgrade Construction Service Agreement, an Interconnection Customer proposing Merchant Network Upgrades may modify its project to reduce the size of the project as provided in Tariff, Part IV, Subpart A, s~~S~~ection 36.2A.2.

Attachment B

Revisions to the
PJM Open Access Transmission Tariff

(Clean Format)

Definitions – L – M – N

Limited Demand Resource:

"Limited Demand Resource**"** shall have the meaning specified in the Reliability Assurance Agreement.

Limited Demand Resource Reliability Target:

"Limited Demand Resource Reliability Target**"** for the PJM Region or an LDA, shall mean the maximum amount of Limited Demand Resources determined by PJM to be consistent with the maintenance of reliability, stated in Unforced Capacity that shall be used to calculate the Minimum Extended Summer Demand Resource Requirement for Delivery Years through May 31, 2017 and the Limited Resource Constraint for the 2017/2018 and 2018/2019 Delivery Years for the PJM Region or such LDA. As more fully set forth in the PJM Manuals, PJM calculates the Limited Demand Resource Reliability Target by first: i) testing the effects of the ten-interruption requirement by comparing possible loads on peak days under a range of weather conditions (from the daily load forecast distributions for the Delivery Year in question) against possible generation capacity on such days under a range of conditions (using the cumulative capacity distributions employed in the Installed Reserve Margin study for the PJM Region and in the Capacity Emergency Transfer Objective study for the relevant LDAs for such Delivery Year) and, by varying the assumed amounts of DR that is committed and displaces committed generation, determines the DR penetration level at which there is a ninety percent probability that DR will not be called (based on the applicable operating reserve margin for the PJM Region and for the relevant LDAs) more than ten times over those peak days; ii) testing the six-hour duration requirement by calculating the MW difference between the highest hourly unrestricted peak load and seventh highest hourly unrestricted peak load on certain high peak load days (e.g., the annual peak, loads above the weather normalized peak, or days where load management was called) in recent years, then dividing those loads by the forecast peak for those years and averaging the result; and (iii) (for the 2016/2017 and 2017/2018 Delivery Years) testing the effects of the six-hour duration requirement by comparing possible hourly loads on peak days under a range of weather conditions (from the daily load forecast distributions for the Delivery Year in question) against possible generation capacity on such days under a range of conditions (using a Monte Carlo model of hourly capacity levels that is consistent with the capacity model employed in the Installed Reserve Margin study for the PJM Region and in the Capacity Emergency Transfer Objective study for the relevant LDAs for such Delivery Year) and, by varying the assumed amounts of DR that is committed and displaces committed generation, determines the DR penetration level at which there is a ninety percent probability that DR will not be called (based on the applicable operating reserve margin for the PJM Region and for the relevant LDAs) for more than six hours over any one or more of the tested peak days. Second, PJM adopts the lowest result from these three tests as the Limited Demand Resource Reliability Target. The Limited Demand Resource Reliability Target shall be expressed as a percentage of the forecasted peak load of the PJM Region or such LDA and is converted to Unforced Capacity by multiplying [the reliability target percentage] times [the Forecast Pool Requirement] times [the DR Factor] times [the forecasted peak load of the PJM Region or such LDA, reduced by the amount of load served under the FRR Alternative].

Limited Resource Constraint:

"Limited Resource Constraint" shall mean, for the 2017/2018 Delivery Year and for FRR Capacity Plans the 2017/2018 and Delivery Years, for the PJM Region or each LDA for which the Office of the Interconnection is required under Tariff, Attachment DD, section 5.10(a) to establish a separate VRR Curve for a Delivery Year, a limit on the total amount of Unforced Capacity that can be committed as Limited Demand Resources for the 2017/2018 Delivery Year in the PJM Region or in such LDA, calculated as the Limited Demand Resource Reliability Target for the PJM Region or such LDA, respectively, minus the Short Term Resource Procurement Target for the PJM Region or such LDA, respectively.

Limited Resource Price Decrement:
"Limited Resource Price Decrement" shall mean, for the 2017/2018 Delivery Year, a difference between the clearing price for Limited Demand Resources and the clearing price for Extended Summer Demand Resources and Annual Resources, representing the cost to procure additional Extended Summer Demand Resources or Annual Resources out of merit order when the Limited Resource Constraint is binding.

List of Approved Contractors:

"List of Approved Contractors" shall mean a list developed by each Transmission Owner and published in a PJM Manual of (a) contractors that the Transmission Owner considers to be qualified to install or construct new facilities and/or upgrades or modifications to existing facilities on the Transmission Owner's system, provided that such contractors may include, but need not be limited to, contractors that, in addition to providing construction services, also provide design and/or other construction-related services, and (b) manufacturers or vendors of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) whose products the Transmission Owner considers acceptable for installation and use on its system.

Load Management:

"Load Management" shall mean a Demand Resource ("DR") as defined in the Reliability Assurance Agreement.

Load Management Event:

"Load Management Event" shall mean a) a single temporally contiguous dispatch of Demand Resources in a Compliance Aggregation Area during an Operating Day, or b) multiple dispatches of Demand Resources in a Compliance Aggregation Area during an Operating Day that are temporally contiguous.

Load Ratio Share:

"Load Ratio Share" shall mean the ratio of a Transmission Customer's Network Load to the Transmission Provider's total load.

Load Reduction Event:

"Load Reduction Event" shall mean a reduction in demand by a Member or Special Member for the purpose of participating in the PJM Interchange Energy Market.

Load Serving Charging Energy:

"Load Serving Charging Energy" shall mean energy that is purchased from the PJM Interchange Energy Market and stored in an Energy Storage Resource for later resale to end-use load.

Load Serving Entity (LSE):

"Load Serving Entity" or "LSE" shall have the meaning specified in the Reliability Assurance Agreement.

Load Shedding:

"Load Shedding" shall mean the systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Tariff, Part II or Part III.

Local Upgrades:

"Local Upgrades" shall mean modifications or additions of facilities to abate any local thermal loading, voltage, short circuit, stability or similar engineering problem caused by the interconnection and delivery of generation to the Transmission System. Local Upgrades shall include:

(i) Direct Connection Local Upgrades which are Local Upgrades that only serve the Customer Interconnection Facility and have no impact or potential impact on the Transmission System until the final tie-in is complete; and

(ii) Non-Direct Connection Local Upgrades which are parallel flow Local Upgrades that are not Direct Connection Local Upgrades.

Location:

"Location" as used in the Economic Load Response rules shall mean an end-use customer site as defined by the relevant electric distribution company account number.

LOC Deviation:

"LOC Deviation," shall mean, for units other than wind units, the LOC Deviation shall equal the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval real-time Locational Marginal Price at the resource's bus and adjusted for any Regulation or Tier 2 Synchronized Reserve assignments and limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit. For wind units, the LOC Deviation shall mean the deviation of the generating unit's output equal to the lesser of the PJM forecasted output for the unit or the desired megawatt amount for the resource determined according to the point on the Final Offer curve corresponding to the Real-time Settlement Interval integrated real-time Locational Marginal Price at the resource's bus, and shall be limited to the lesser of the unit's Economic Maximum or the unit's Generation Resource Maximum Output, minus the actual output of the unit.

Locational Deliverability Area (LDA):

"Locational Deliverability Area" or "LDA" shall mean a geographic area within the PJM Region that has limited transmission capability to import capacity to satisfy such area's reliability requirement, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, and as specified in Reliability Assurance Agreement, Schedule 10.1.

Locational Deliverability Area Reliability Requirement:

"Locational Deliverability Area Reliability Requirement" shall mean the projected internal capacity in the Locational Deliverability Area plus the Capacity Emergency Transfer Objective for the Delivery Year, as determined by the Office of the Interconnection in connection with preparation of the Regional Transmission Expansion Plan, less the minimum internal resources required for all FRR Entities in such Locational Deliverability Area.

Locational Price Adder:

"Locational Price Adder" shall mean an addition to the marginal value of Unforced Capacity within an LDA as necessary to reflect the price of Capacity Resources required to relieve applicable binding locational constraints.

Locational Reliability Charge:

"Locational Reliability Charge" shall have the meaning specified in the Reliability Assurance Agreement.

Locational UCAP:

"Locational UCAP" shall mean unforced capacity that a Member with available uncommitted capacity sells in a bilateral transaction to a Member that previously committed capacity through an RPM Auction but now requires replacement capacity to fulfill its RPM Auction commitment.

The Locational UCAP Seller retains responsibility for performance of the resource providing such replacement capacity.

Locational UCAP Seller:

"Locational UCAP Seller" shall mean a Member that sells Locational UCAP.

Long-lead Project:

"Long-lead Project" shall have the same meaning provided in the Operating Agreement.

Long-Term Firm Point-To-Point Transmission Service:

"Long-Term Firm Point-To-Point Transmission Service" shall mean firm Point-To-Point Transmission Service under Tariff, Part II with a term of one year or more.

Loss Price:

"Loss Price" shall mean the loss component of the Locational Marginal Price, which is the effect on transmission loss costs (whether positive or negative) associated with increasing the output of a generation resource or decreasing the consumption by a Demand Resource based on the effect of increased generation from or consumption by the resource on transmission losses, calculated as specified in Operating Agreement, Schedule 1, section 2, and the parallel provisions of Tariff, Attachment K-Appendix, section 2.

M2M Flowgate:

"M2M Flowgate" shall have the meaning provided in the Joint Operating Agreement between the Midcontinent Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C.

Maintenance Adder:

"Maintenance Adder" shall mean an adder that may be included to account for variable operation and maintenance expenses in a Market Seller's Fuel Cost Policy. The Maintenance Adder is calculated in accordance with the applicable provisions of PJM Manual 15, and may only include expenses incurred as a result of electric production.

Manual Load Dump Action:

"Manual Load Dump Action" shall mean an Operating Instruction, as defined by NERC, from PJM to shed firm load when the PJM Region cannot provide adequate capacity to meet the PJM Region's load and tie schedules, or to alleviate critically overloaded transmission lines or other equipment.

Manual Load Dump Warning:

"Manual Load Dump Warning" shall mean a notification from PJM to warn Members of an increasingly critical condition of present operations that may require manually shedding load.

Marginal Value:

"Marginal Value" shall mean the incremental change in system dispatch costs, measured as a $/MW value incurred by providing one additional MW of relief to the transmission constraint.

Market Monitor:

"Market Monitor**"** means the head of the Market Monitoring Unit.

Market Monitoring Unit or MMU:

"Market Monitoring Unit" or "MMU" means the independent Market Monitoring Unit defined in 18 CFR § 35.28(a)(7) and established under the PJM Market Monitoring Plan (Attachment M) to the PJM Tariff that is responsible for implementing the Market Monitoring Plan, including the Market Monitor. The Market Monitoring Unit may also be referred to as the IMM or Independent Market Monitor for PJM

Market Monitoring Unit Advisory Committee or MMU Advisory Committee:

"Market Monitoring Unit Advisory Committee" or "MMU Advisory Committee" shall mean the committee established under Tariff, Attachment M, section III.H.

Market Operations Center:

"Market Operations Center" shall mean the equipment, facilities and personnel used by or on behalf of a Market Participant to communicate and coordinate with the Office of the Interconnection in connection with transactions in the PJM Interchange Energy Market or the operation of the PJM Region.

Market Participant:

"Market Participant" shall mean a Market Buyer, a Market Seller, an Economic Load Response Participant, or all three, except when such term is used in Tariff, Attachment M, in which case Market Participant shall mean an entity that generates, transmits, distributes, purchases, or sells electricity, ancillary services, or any other product or service provided under the PJM Tariff or Operating Agreement within, into, out of, or through the PJM Region, but it shall not include an Authorized Government Agency that consumes energy for its own use but does not purchase or sell energy at wholesale.

Market Participant Energy Injection:

"Market Participant Energy Injection" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Day-ahead generation schedules, real-time generation output, Increment Offers, internal bilateral transactions and import transactions, as further described in the PJM Manuals.

Market Participant Energy Withdrawal:

"Market Participant Energy Withdrawal" shall mean transactions in the Day-ahead Energy Market and Real-time Energy Market, including but not limited to Demand Bids, Decrement Bids, real-time load (net of Behind The Meter Generation expected to be operating, but not to be less than zero), internal bilateral transactions and Export Transactions, as further described in the PJM Manuals.

Market Seller Offer Cap:

"Market Seller Offer Cap" shall mean a maximum offer price applicable to certain Market Sellers under certain conditions, as determined in accordance with Tariff, Attachment DD. section 6 and Tariff, Attachment M-Appendix, section II.E.

Market Violation:

"Market Violation" shall mean a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies, as defined in 18 C.F.R. § 35.28(b)(8).

Material Modification:

"Material Modification" shall mean any modification to an Interconnection Request that has a material adverse effect on the cost or timing of Interconnection Studies related to, or any Network Upgrades or Local Upgrades needed to accommodate, any Interconnection Request with a later Queue Position.

Maximum Daily Starts:

"Maximum Daily Starts" shall mean the maximum number of times that a generating unit can be started in an Operating Day under normal operating conditions.

Maximum Emergency:

"Maximum Emergency" shall mean the designation of all or part of the output of a generating unit for which the designated output levels may require extraordinary procedures and therefore are available to the Office of the Interconnection only when the Office of the Interconnection declares a Maximum Generation Emergency and requests generation designated as Maximum Emergency to run. The Office of the Interconnection shall post on the PJM website the aggregate amount of megawatts that are classified as Maximum Emergency.

Maximum Facility Output:

"Maximum Facility Output" shall mean the maximum (not nominal) net electrical power output in megawatts, specified in the Interconnection Service Agreement, after supply of any parasitic or host facility loads, that a Generation Interconnection Customer's Customer Facility is expected to produce, provided that the specified Maximum Facility Output shall not exceed the output of the proposed Customer Facility that Transmission Provider utilized in the System Impact Study.

Maximum Generation Emergency:

"Maximum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection to address either a generation or transmission emergency in which the Office of the Interconnection anticipates requesting one or more Generation Capacity Resources, or Non-Retail Behind The Meter Generation resources to operate at its maximum net or gross electrical power output, subject to the equipment stress limits for such Generation Capacity Resource or Non-Retail Behind The Meter resource in order to manage, alleviate, or end the Emergency.

Maximum Generation Emergency Alert:

"Maximum Generation Emergency Alert" shall mean an alert issued by the Office of the Interconnection to notify PJM Members, Transmission Owners, resource owners and operators, customers, and regulators that a Maximum Generation Emergency may be declared, for any Operating Day in either, as applicable, the Day-ahead Energy Market or the Real-time Energy Market, for all or any part of such Operating Day.

Maximum Run Time:

"Maximum Run Time" shall mean the maximum number of hours a generating unit can run over the course of an Operating Day, as measured by PJM's State Estimator.

Maximum Weekly Starts:

"Maximum Weekly Starts" shall mean the maximum number of times that a generating unit can be started in one week, defined as the 168 hour period starting Monday 0001 hour, under normal operating conditions.

Member:

"Member" shall have the meaning provided in the Operating Agreement.

Merchant A.C. Transmission Facilities:

"Merchant A.C. Transmission Facility" shall mean Merchant Transmission Facilities that are alternating current (A.C.) transmission facilities, other than those that are Controllable A.C. Merchant Transmission Facilities.

Merchant D.C. Transmission Facilities:

"Merchant D.C. Transmission Facilities" shall mean direct current (D.C.) transmission facilities that are interconnected with the Transmission System pursuant to Tariff, Part IV and Part VI.

Merchant Network Upgrades:

"Merchant Network Upgrades" shall mean additions to, or modifications or replacements of, physical facilities of the Interconnected Transmission Owner that, on the date of the pertinent Transmission Interconnection Customer's Upgrade Request, are part of the Transmission System or are included in the Regional Transmission Expansion Plan.

Merchant Transmission Facilities:

"Merchant Transmission Facilities" shall mean A.C. or D.C. transmission facilities that are interconnected with or added to the Transmission System pursuant to Tariff, Part IV and Part VI and that are so identified in Tariff, Attachment T, provided, however, that Merchant Transmission Facilities shall not include (i) any Customer Interconnection Facilities, (ii) any physical facilities of the Transmission System that were in existence on or before March 20, 2003 ; (iii) any expansions or enhancements of the Transmission System that are not identified as Merchant Transmission Facilities in the Regional Transmission Expansion Plan and Attachment T to the Tariff, or (iv) any transmission facilities that are included in the rate base of a public utility and on which a regulated return is earned.

Merchant Transmission Provider:

"Merchant Transmission Provider" shall mean an Interconnection Customer that (1) owns, controls, or controls the rights to use the transmission capability of, Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that connect the Transmission System with another control area, (2) has elected to receive Transmission Injection Rights and Transmission Withdrawal Rights associated with such facility pursuant to Tariff, Part IV, section 36, and (3) makes (or will make) the transmission capability of such facilities available for use by third parties under terms and conditions approved by the Commission and stated in the Tariff, consistent with Tariff, section 38.

Metering Equipment:

"Metering Equipment" shall mean all metering equipment installed at the metering points designated in the appropriate appendix to an Interconnection Service Agreement.

Minimum Annual Resource Requirement:

"Minimum Annual Resource Requirement" shall mean, for Delivery Years through May 31, 2017, the minimum amount of capacity that PJM will seek to procure from Annual Resources for the PJM Region and for each Locational Deliverability Area for which the Office of the

Interconnection is required under Tariff, Attachment DD, section 5.10(a) to establish a separate VRR Curve for such Delivery Year. For the PJM Region, the Minimum Annual Resource Requirement shall be equal to the RTO Reliability Requirement minus [the Sub-Annual Resource Reliability Target for the RTO in Unforced Capacity]. For an LDA, the Minimum Annual Resource Requirement shall be equal to the LDA Reliability Requirement minus [the LDA CETL] minus [the Sub-Annual Resource Reliability Target for such LDA in Unforced Capacity]. The LDA CETL may be adjusted pro rata for the amount of load served under the FRR Alternative.

Minimum Down Time:

For all generating units that are not combined cycle units, "Minimum Down Time" shall mean the minimum number of hours under normal operating conditions between unit shutdown and unit startup, calculated as the shortest time difference between the unit's generator breaker opening and after the unit's generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero. For combined cycle units, "Minimum Down Time" shall mean the minimum number of hours between the last generator breaker opening and after first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero.

Minimum Extended Summer Resource Requirement:

"Minimum Extended Summer Resource Requirement" shall mean, for Delivery Years through May 31, 2017, the minimum amount of capacity that PJM will seek to procure from Extended Summer Demand Resources and Annual Resources for the PJM Region and for each Locational Deliverability Area for which the Office of the Interconnection is required under Tariff, Attachment DD, section 5.10(a) to establish a separate VRR Curve for such Delivery Year. For the PJM Region, the Minimum Extended Summer Resource Requirement shall be equal to the RTO Reliability Requirement minus [the Limited Demand Resource Reliability Target for the PJM Region in Unforced Capacity]. For an LDA, the Minimum Extended Summer Resource Requirement shall be equal to the LDA Reliability Requirement minus [the LDA CETL] minus [the Limited Demand Resource Reliability Target for such LDA in Unforced Capacity]. The LDA CETL may be adjusted pro rata for the amount of load served under the FRR Alternative.

Minimum Generation Emergency:

"Minimum Generation Emergency" shall mean an Emergency declared by the Office of the Interconnection in which the Office of the Interconnection anticipates requesting one or more generating resources to operate at or below Normal Minimum Generation, in order to manage, alleviate, or end the Emergency.

Minimum Participation Requirements:

"Minimum Participation Requirements" shall mean a set of minimum training, risk management, communication and capital or collateral requirements required for Participants in the PJM Markets, as set forth herein and in the Form of Annual Certification set forth as Tariff,

Attachment Q, Appendix 1. Participants transacting in FTRs in certain circumstances will be required to demonstrate additional risk management procedures and controls as further set forth in the Annual Certification found in Tariff, Attachment Q, Appendix 1.

Minimum Run Time:

For all generating units that are not combined cycle units, "Minimum Run Time" shall mean the minimum number of hours a unit must run, in real-time operations, from the time after generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero, to the time of generator breaker opening, as measured by PJM's State Estimator. For combined cycle units, "Minimum Run Time" shall mean the time period after the first combustion turbine generator breaker closure, which is typically indicated by telemetered or aggregated State Estimator megawatts greater than zero, and the last generator breaker opening as measured by PJM's State Estimator.

MISO:

"MISO" shall mean the Midcontinent Independent System Operator, Inc. or any successor thereto.

MOPR Floor Offer Price:

"MOPR Floor Offer Price" shall mean a minimum offer price applicable to certain Market Seller's Capacity Resources under certain conditions, as determined in accordance with Tariff, Attachment DD, sections 5.14(h) and 5.14(h-1).

Multi-Driver Project:

"Multi-Driver Project" shall have the same meaning provided in the Operating Agreement.

Native Load Customers:

"Native Load Customers" shall mean the wholesale and retail power customers of a Transmission Owner on whose behalf the Transmission Owner, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Owner's system to meet the reliable electric needs of such customers.

NERC:

"NERC" shall mean the North American Electric Reliability Corporation or any successor thereto.

NERC Interchange Distribution Calculator:

"NERC Interchange Distribution Calculator" shall mean the NERC mechanism that is in effect and being used to calculate the distribution of energy, over specific transmission interfaces, from energy transactions.

Net Benefits Test:

"Net Benefits Test" shall mean a calculation to determine whether the benefits of a reduction in price resulting from the dispatch of Economic Load Response exceeds the cost to other loads resulting from the billing unit effects of the load reduction, as specified in Operating Agreement, Schedule 1, section 3.3A.4 and the parallel provisions of Tariff, Attachment K-Appendix, section 3.3A.4.

Net Cost of New Entry:

"Net Cost of New Entry" shall mean the Cost of New Entry minus the Net Energy and Ancillary Service Revenue Offset.

Net Obligation:

"Net Obligation" shall mean the amount owed to PJMSettlement and PJM for purchases from the PJM Markets, Transmission Service, (under Tariff, Parts II and III , and other services pursuant to the Agreements, after applying a deduction for amounts owed to a Participant by PJMSettlement as it pertains to monthly market activity and services. Should other markets be formed such that Participants may incur future Obligations in those markets, then the aggregate amount of those Obligations will also be added to the Net Obligation.

Net Sell Position:

"Net Sell Position" shall mean the amount of Net Obligation when Net Obligation is negative.

Network Customer:

"Network Customer" shall mean an entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Tariff, Part III.

Network External Designated Transmission Service:

"Network External Designated Transmission Service" shall have the meaning set forth in Reliability Assurance Agreement, Article I.

Network Integration Transmission Service:

"Network Integration Transmission Service" shall mean the transmission service provided under Tariff, Part III.

Network Load:

"Network Load" shall mean the load that a Network Customer designates for Network Integration Transmission Service under Tariff, Part III. The Network Customer's Network Load shall include all load (including losses, Non-Dispatched Charging Energy, and Load Serving Charging Energy) served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Tariff, Part II for any Point-To-Point Transmission Service that may be necessary for such non-designated load. Network Load shall not include Dispatched Charging Energy.

Network Operating Agreement:

"Network Operating Agreement" shall mean an executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Tariff, Part III.

Network Operating Committee:

"Network Operating Committee" shall mean a group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Tariff, Part III.

Network Resource:

"Network Resource" shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

Network Service User:

"Network Service User" shall mean an entity using Network Transmission Service.

Network Transmission Service:

"Network Transmission Service" shall mean transmission service provided pursuant to the rates, terms and conditions set forth in Tariff, Part III, or transmission service comparable to such service that is provided to a Load Serving Entity that is also a Transmission Owner.

Network Upgrades:

"Network Upgrades" shall mean modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System. Network Upgrades shall include:

(i) **Direct Connection Network Upgrades** which are Network Upgrades that are not part of an Affected System; only serve the Customer Interconnection Facility; and have no impact or potential impact on the Transmission System until the final tie-in is complete. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify them in the Interconnection Construction Service Agreement, Schedule D. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direcct Connection Network Upgrade within 15 days of its determination.

(ii) **Non-Direct Connection Network Upgrades** which are parallel flow Network Upgrades that are not Direct Connection Network Upgrades.

Neutral Party:

"Neutral Party" shall have the meaning provided in Tariff, Part I, section 9.3(v).

New Entry Capacity Resource with State Subsidy:

"New Entry Capacity Resource with State Subsidy" shall mean (1) starting with the 2022/2023 Delivery Year, the MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that have not cleared in an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price or (2) starting with the Base Residual Auction for the 2022/2023 Delivery Year, any of those MWs (in installed capacity) comprising a Capacity Resource with State Subsidy that was not included in an FRR Capacity Plan at the time of the Base Residual Auction or the subject of a Sell Offer in a Base Residual Auction occurring for a Delivery Year after it last cleared an RPM Auction and since then has yet to clear an RPM Auction pursuant to its Sell Offer at or above its resource-specific MOPR Floor Offer Price or the applicable default New Entry MOPR Floor Offer Price. Notwithstanding the foregoing, any Capacity Resource that previously cleared an RPM Auction before it became entitled to receive a State Subsidy shall not be deemed a New Entry Capacity Resource, unless, starting with the Base Residual Auction for the 2022/2023 Delivery Year, the Capacity Resource with State Subsidy was not the subject of a Sell Offer in a Base Residual Auction or included in an FRR Capacity Plan at the time of the Base Residual Auction for a Delivery Year after it last cleared an RPM Auction.

New PJM Zone(s):

"New PJM Zone(s)" shall mean the Zone included in the Tariff, along with applicable Schedules and Attachments, for Commonwealth Edison Company, The Dayton Power and Light Company

and the AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company and Wheeling Power Company).

New Service Customers:

"New Service Customers" shall mean all customers that submit an Interconnection Request, a Completed Application, or an Upgrade Request that is pending in the New Services Queue.

New Service Request:

"New Service Request" shall mean an Interconnection Request, a Completed Application, or an Upgrade Request.

New Services Queue:

"New Services Queue" shall mean all Interconnection Requests, Completed Applications, and Upgrade Requests that are received within each six-month period ending on March 31 and September 30 of each year shall collectively comprise a New Services Queue.

New York ISO or NYISO:

"New York ISO" or "NYISO" shall mean the New York Independent System Operator, Inc. or any successor thereto.

Nodal Reference Price:

The "Nodal Reference Price" at each location shall mean the 97th percentile price differential between day-ahead and real-time prices experienced over the corresponding two-month reference period in the prior calendar year. Reference periods will be Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sept-Oct, Nov-Dec. For any given current-year month, the reference period months will be the set of two months in the prior calendar year that include the month corresponding to the current month. For example, July and August 2003 would each use July-August 2002 as their reference period.

No-load Cost:

"No-load Cost" shall mean the hourly cost required to create the starting point of a monotonically increasing incremental offer curve for a generating unit.

Nominal Rated Capability:

"Nominal Rated Capability" shall mean the nominal maximum rated capability in megawatts of a Transmission Interconnection Customer's Customer Facility or the nominal increase in transmission capability in megawatts of the Transmission System resulting from the interconnection or addition of a Transmission Interconnection Customer's Customer Facility, as

determined in accordance with pertinent Applicable Standards and specified in the Interconnection Service Agreement.

Nominated Demand Resource Value:

"Nominated Demand Resource Value" shall mean the amount of load reduction that a Demand Resource commits to provide either through direct load control, firm service level or guaranteed load drop programs. For existing Demand Resources, the maximum Nominated Demand Resource Value is limited, in accordance with the PJM Manuals, to the value appropriate for the method by which the load reduction would be accomplished, at the time the Base Residual Auction or Incremental Auction is being conducted.

Nominated Energy Efficiency Value:

"Nominated Energy Efficiency Value" shall mean the amount of load reduction that an Energy Efficiency Resource commits to provide through installation of more efficient devices or equipment or implementation of more efficient processes or systems.

Non-Dispatched Charging Energy:

"Non-Dispatched Charging Energy" shall mean all Direct Charging Energy that an Energy Storage Resource Model Participant receives from the electric grid that is not otherwise Dispatched Charging Energy.

Non-Firm Point-To-Point Transmission Service:

"Non-Firm Point-To-Point Transmission Service" shall mean Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Tariff, Part II, section 14.7. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

Non-Firm Sale:

"Non-Firm Sale" shall mean an energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

Non-Firm Transmission Withdrawal Rights:

"No-Firm Transmission Withdrawal Rights" shall mean the rights to schedule energy withdrawals from a specified point on the Transmission System. Non-Firm Transmission Withdrawal Rights may be awarded only to a Merchant D.C. Transmission Facility that connects the Transmission System to another control area. Withdrawals scheduled using Non-Firm Transmission Withdrawal Rights have rights similar to those under Non-Firm Point-to-Point Transmission Service.

Non-Performance Charge:

"Non-Performance Charge" shall mean the charge applicable to Capacity Performance Resources as defined in Tariff, Attachment DD, section 10A(e).

Nonincumbent Developer:

"Nonincumbent Developer" shall have the same meaning provided in the Operating Agreement.

Non-Regulatory Opportunity Cost:

"Non-Regulatory Opportunity Cost" shall mean the difference between (a) the forecasted cost to operate a specific generating unit when the unit only has a limited number of starts or available run hours resulting from (i) the physical equipment limitations of the unit, for up to one year, due to original equipment manufacturer recommendations or insurance carrier restrictions, (ii) a fuel supply limitation, for up to one year, resulting from an event of Catastrophic Force Majeure; and, (b) the forecasted future Locational Marginal Price at which the generating unit could run while not violating such limitations. Non-Regulatory Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same period of time in which the unit is bound by the referenced restrictions, and is reflected in the rules set forth in PJM Manual 15. Non-Regulatory Opportunity Costs shall be limited to those resources which are specifically delineated in Operating Agreement, Schedule 2.

Non-Retail Behind The Meter Generation:

"Non-Retail Behind The Meter Generation" shall mean Behind the Meter Generation that is used by municipal electric systems, electric cooperatives, or electric distribution companies to serve load.

Non-Synchronized Reserve:

"Non-Synchronized Reserve" shall mean the reserve capability of non-emergency generation resources that can be converted fully into energy within ten minutes of a request from the Office of the Interconnection dispatcher, and is provided by equipment that is not electrically synchronized to the Transmission System.

Non-Synchronized Reserve Event:

"Non-Synchronized Reserve Event" shall mean a request from the Office of the Interconnection to generation resources able and assigned to provide Non-Synchronized Reserve in one or more specified Reserve Zones or Reserve Sub-zones, within ten minutes to increase the energy output by the amount of assigned Non-Synchronized Reserve capability.

Non-Variable Loads:

“Non-Variable Loads” shall have the meaning specified in Operating Agreement, Schedule 1, section 1.5A.6, and the parallel provisions of Tariff, Attachment K-Appendix, section 1.5A.6.

Non-Zone Network Load:

“Non-Zone Network Load shall mean Network Load that is located outside of the PJM Region.

Normal Maximum Generation:

“Normal Maximum Generation” shall mean the highest output level of a generating resource under normal operating conditions.

Normal Minimum Generation:

“Normal Minimum Generation” shall mean the lowest output level of a generating resource under normal operating conditions.

36.1 General:

Generation Interconnection Requests and Transmission Interconnection Requests shall be governed by Tariff, Part IV, Subpart A, section 36.

36.1.01 Generation Interconnection Request:

Except as otherwise provided in this Subpart A with respect to Behind The Meter Generation, an Interconnection Customer that seeks to interconnect new generation in, to increase the capacity of generation already interconnected in, the PJM Region shall submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the Generation Interconnection Request.

1. Generation Interconnection Request Requirements. To be assigned a PJM Queue Position pursuant to Tariff, Part IV, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

    a. specification of the location of the proposed Generating Facility site or existing Generating Facility (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

    b. evidence of an ownership interest in, or right to acquire or control the Generating Facility site for a minimum of three years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

    c. the MW size of the proposed Generating Facility or the amount of increase in MW capability of an existing Generating Facility, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

    d. identification of the fuel type of the proposed generating unit or upgrade thereto; and

    e. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

f. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where such date is to be no more than seven years from the date that a complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

g. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals, including a description of how the full electrical generating capability of the generating unit will be limited to the Maximum Facility Output requested if the Maximum Facility Output of the generating unit is less than the full electrical generating capability of the Generating Facility; and

h. if Behind The Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

i. Deposit.

i. A deposit shall be submitted to Transmission Provider, as follows:

(1) Provided that the maximum total deposit amount for a Generation Interconnection Request submitted in the first four calendar months of the current New Services Queue shall not exceed $110,000, a deposit of $10,000 plus $100 for each MW requested if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(2) Provided that the maximum total deposit amount for a Generation Interconnection Request submitted in the fifth calendar month of the current New Services Queue shall not exceed $120,000, a deposit of $20,000 plus $150 for each MW requested if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(3) Provided that the maximum total deposit amount for a Generation Interconnection Request submitted in the sixth calendar month of the current New Services Queue shall not exceed $130,000 a deposit of $30,000 plus $200 for each MW requested, if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

ii. 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(1) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(2) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(3) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

iii. 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(1) The cost of the Queue Position acceptance review; and

(2) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(3) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(4) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period (as described further below), or during the Feasibility Study period, the refundable deposit money shall be applied to

cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(a) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

iv. Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(1) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(2) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related

to prior Generation Interconnection Requests by the Interconnection Customer.

v. If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

vi. The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

vii. Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request or Interconnection Request or Queue Position.

j. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of three years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. While deficiency reviews may commence for Generation Interconnection Requests that are submitted without site control evidence that is acceptable to the Transmission Provider, such Generation Interconnection Requests shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement, if the Transmission Provider anticipates that the actual study costs will exceed

the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt

of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation

Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

4. In accordance with Tariff, Part VI, Preamble, section 201, the Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 36.1.01. If the information required pursuant to this section 36.1.01 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

   a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies:

      i. the proposed maximum summer and winter megawatt electrical output;

      ii. the location of the generation by county and state;

      iii. the station or transmission line or lines where the interconnection will be made;

      iv. the facility's projected date of Initial Operation;

      v. the status of the Generation Interconnection Request, including its Queue Position;

vi. the type of Generation Interconnection Service requested;

vii. the availability of any studies related to the Interconnection Request;

viii. the date of the Generation Interconnection Request;

ix. the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. for each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list will not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Generation Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

36.1.02 Generation Interconnection Requests of 20 Megawatts or Less:

The Transmission Provider has developed streamlined processes for Generation Interconnection Requests involving new generation resources of 20 MW or less and increases in the capacity of a generating unit by 20 MW or less over any consecutive 24-month period. The processes for Generation Interconnection Requests involving increases in capacity by 20 MW or less are set forth in Tariff, Part IV, Subpart G and the PJM Manuals.

36.1.03 Transmission Interconnection Request:

An Interconnection Customer that seeks to interconnect or add Merchant Transmission Facilities to the Transmission System, or to increase the capacity of existing Merchant Transmission Facilities interconnected with the Transmission System shall submit to the Transmission Provider a Transmission Interconnection Request. The Transmission Provider shall acknowledge receipt of the Transmission Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the Transmission Interconnection Request.

1. Transmission Interconnection Request Requirements. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Transmission Interconnection Customer must submit a complete and fully executed Transmission Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment S. To be considered complete at the time of submission, the Interconnection Customer's Transmission Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

a. the location of the proposed Merchant Transmission Facilities and of the substation(s) or other location(s) where the Transmission Interconnection

Customer proposes to interconnect or add its Merchant Transmission Facilities to the Transmission System; and

b. a description of the proposed Merchant Transmission Facilities; and

c. the nominal capability or increase in capability (in megawatts) of the proposed Merchant Transmission Facilities; and

d. the planned date the proposed Merchant Transmission Facilities will be in service, such date to be no more than seven years from the date the request is received by the Transmission Provider, unless the Transmission Interconnection Customer demonstrates that engineering, permitting, and construction of the Merchant Transmission Facilities will take more than seven years; and

e. if the request relates to proposed Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that will interconnect with the Transmission System and with another control area outside the PJM Region, the Transmission Interconnection Customer's election to receive either; and

    i. Transmission Injection Rights and/or Transmission Withdrawal Rights, or

    ii. Incremental Deliverability Rights, Incremental Auction Revenue Rights, Incremental Capacity Transfer Rights, and Incremental Available Transfer Capability Revenue Rights, associated with the capability of the proposed Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities;

f. if the Transmission Interconnection Customer will be eligible to receive Incremental Deliverability Rights under Tariff, Part VI, Subpart C, section 235, identification of the point on the Transmission System where the Transmission Interconnection Customer wishes to receive Incremental Deliverability Rights created by the construction or installation of its proposed Merchant Transmission Facilities; and

g. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

h. Deposit.

    i. A deposit shall be submitted to the Transmission Provider as follows:

        (1) Provided that the maximum total deposit amount for a Transmission Interconnection Request submitted in the first four calendar months of the current New Services Queue

shall not exceed $110,000, a deposit of $10,000 plus $100 for each MW requested if the Transmission Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(2) Provided that the maximum total deposit amount for a Transmission Interconnection Request submitted in the fifth calendar month of the current New Services Queue shall not exceed $120,000, a deposit of $20,000 plus $150 for each MW requested if the Transmission Interconnection Request is received within the fifth calendar month of the current New Services Queue; or

(3) Provided that the maximum total deposit amount for a Transmission Interconnection Request submitted in the sixth calendar month of the current New Services Queue shall not exceed $130,000, a deposit of $30,000 plus $200 for each MW requested, if the Transmission Interconnection Request is received within the sixth calendar month of the current New Services Queue.

ii. 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Transmission Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Transmission Interconnection Customer withdraws its Transmission Interconnection Request, or the Transmission Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(1) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Transmission Interconnection Request and/or associated Queue Position; and/or

(2) Any restudies required as a result of the rejection, termination and/or withdrawal of such Transmission Interconnection Request; and/or

(3) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or

Generation Interconnection Requests by the Interconnection Customer.

iii. 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(1) The cost of the Queue Position acceptance review; and

(2) The cost of the deficiency review of the Interconnection Customer's Transmission Interconnection Request (to determine whether the Transmission Interconnection Request is valid); and

(3) The dollar amount of the Interconnection Customer's cost responsibility for the Transmission Interconnection Feasibility Study; and

(4) If the Transmission Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period (as described further below), or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Transmission Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(a) The costs of any restudies required as a result of the modification, rejection termination and/or withdrawal of such Transmission Interconnection Request; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Transmission Interconnection Request and/or associated Queue Position; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service

Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer.

(d) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Interconnection Customer in accordance with the PJM Manuals.

iv. Upon completion of the Transmission Interconnection Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(1) The Interconnection Customer's cost responsibility for any other studies conducted for the Transmission Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(2) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer.

v. If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Transmission and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Interconnection Customer.

vi. The Interconnection Customer must submit the total required deposit amount with the Transmission Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Transmission Interconnection Request, the Transmission Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Transmission Interconnection Request shall be terminated prior to reaching the deficiency review stage).

vii. Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or

in part to a different New Service Request or Interconnection Request or Queue Position.

2. Deficiency Review. Transmission Provider shall provide a deficiency review of the Transmission Interconnection Request to determine whether the Interconnection Customer submitted a valid Transmission Interconnection Request.

a. If a Transmission Interconnection Request meets all requirements set forth above, the Transmission Provider shall start the deficiency review.

b. Pursuant to Tariff, Attachment S, section 9, Cost Responsibility, of the Transmission Interconnection Feasibility Study Agreement, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider

sending the Interconnection Customer notification of such estimated additional study costs, then the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Transmission Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen Business Days of receipt of the Transmission Interconnection Request that such Transmission Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Transmission Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Transmission Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to review the Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency

notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Transmission Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Transmission Interconnection Feasibility Study Agreement (Tariff, Attachment S) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Transmission Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

4. The Transmission Provider shall assign Queue Positions pursuant to Tariff, Part VI, Preamble, section 201 on the date and time of receipt of all the required information set forth in this section 36.1.03.

5. Deficiencies shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Adjacent Control Area Stipulation. If applicable, within 30 calendar days of submitting its Transmission Interconnection Request, the Interconnection Customer shall provide evidence acceptable to the Transmission Provider that Interconnection Customer has submitted a valid interconnection request with the adjacent Control Area(s) in which it is interconnecting. Transmission Interconnection Customer shall maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request

process for the relevant PJM Transmission Interconnection Request. If Interconnection Customer fails to maintain its queue position(s) with such adjacent Control Area(s) throughout the entire PJM Transmission Interconnection Request process for the relevant PJM Transmission Interconnection Request, the relevant PJM Transmission Interconnection Request shall be deemed to be terminated and withdrawn.

7. Transmission Provider Website Postings.

a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Transmission Interconnection Requests that identifies:

i. in megawatts the potential nominal capability or increase in capability;

ii. the location of the Merchant Transmission Facilities by county and state;

iii. the station or transmission line or lines where the interconnection will be made;

iv. the facility's projected date of Initial Operation;

v. the status of the Transmission Interconnection Request, including its Queue Position;

vi. the availability of any studies related to the Interconnection Request;

vii. the date of the Transmission Interconnection Request;

viii. the type of Merchant Transmission Facilities to be constructed; and

ix. for each Transmission Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list will not disclose the identity of the Transmission Interconnection Customer, except as otherwise provided in Tariff, Part IV or Tariff, Part VI. The list and the priority of Transmission Interconnection Requests shall be included on the Transmission Provider's website as a part of the New Services Queue.

36.1.03A Transmission Interconnection Customers Requesting Merchant Network Upgrades

Notwithstanding Tariff, Part IV, Subpart A, section 36.1.03, an Interconnection Customer that proposes Merchant Network Upgrades (including advancing pursuant to Tariff, Part VI, Subpart

B, section 220 or accelerating the construction of any transmission enhancement or expansion, other than Merchant Transmission Facilities, that is included in the Regional Transmission Expansion Plan prepared pursuant to Operating Agreement, Schedule 6) shall submit an Upgrade Request, with the required information and the required deposit for a System Impact Study, as set forth in Tariff, Attachment EE.

36.1.1 Interconnection Services for Generation:

Generation Interconnection Customers may request either of two forms of Interconnection Service, i.e., interconnection as a Capacity Resource or as an Energy Resource. Energy Resource status allows the generator to participate in the PJM Interchange Energy Market pursuant to the PJM Operating Agreement. Capacity Resource status allows the generator to participate in the PJM Interchange Energy Market to be utilized by load-serving entities in the PJM Region to meet capacity obligations imposed under the Reliability Assurance Agreement and/or to be designated as a Network Resource under Tariff, Part III. Capacity Resources also may participate in Reliability Pricing Model Auctions and in Ancillary Services markets pursuant to the Tariff or the Operating Agreement. Capacity Resource status is based on providing sufficient transmission capability to ensure deliverability of generator output to the aggregate PJM Network Load and to satisfy the contingency criteria in the Applicable Standards. Specific tests performed during the Generation Interconnection Feasibility Study and later System Impact Study will identify those upgrades required to satisfy the contingency criteria applicable at the generator's location.

Consistent with Operating Agreement, Schedule 1, section 1.7.4(i), to the extent its Generating Facility is dispatchable, an Interconnection Customer shall submit an Economic Minimum in the real-time market that is no greater than the higher of its physical operating minimum or its Capacity Interconnection Rights.

36.1.1A Service Below Generating Capability

The Transmission Provider shall consider requests for Interconnection Service below the full electrical generating capability of the Generating Facility. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of determining Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full electrical generating capability of the Generating Facility to ensure the safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (i) specify which additional Network Upgrade costs are based on which studies; and (ii) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrades costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of these technologies as set forth in the Interconnection Service Agreement. The necessary control technologies and protection systems shall be established in Tariff, Attachment O, Schedule K (Requirements for Interconnection

Service Below Full Electrical Generating Capability) of the executed, or requested to be filed unexecuted Interconnection Service Agreement.

36.1.1B Surplus Interconnection Service Request

Requests for Surplus Interconnection Service may be made by the existing Interconnection Customer whose Generating Facility is already interconnected, or one of its affiliates, or by an unaffiliated Interconnection Customer. The existing Interconnection Customer or one of its affiliates has priority to use this service; however, if they do not exercise this priority, Surplus Interconnection Requests also may be made available to an unaffiliated Surplus Interconnection Customer. Surplus Interconnection Service is limited to utilizing or transferring an existing Generating Facility's Surplus Interconnection Service at the pre-existing Point of Interconnection of the existing Generating Facility and cannot exceed the existing Generating Facility's total amount of Interconnection Service, i.e., the total amount of Interconnection Service used by the Generating Facility requesting Surplus Interconnection Service and the existing Generating Facility shall not exceed the lesser of the Maximum Facility Output stated in the existing Generating Facility's Interconnection Service Agreement or the total "as-built capability" of the existing Generating Facility. If the Generating Facility requests Surplus Interconnection Service associated with an existing Generating Facility that is an Energy Resource, the Generating Facility requesting the Surplus Interconnection Service shall be an Energy Resource; and if the existing Generating Facility is a Capacity Resource, the Generating Facility requesting Surplus Interconnection Service associated with the Generating Facility may be an Energy Resource or a Capacity Resource (but only up to the amount of Capacity Interconnection Rights granted the existing Generating Facility). Surplus Interconnection Service cannot be granted if doing so would require new Network Upgrades or would have additional impacts affecting the determination of what Network Upgrades would be necessary to New Service Customers already in the New Services Queue or that have a material impact on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.

1. Surplus Interconnection Request Requirements. A Surplus Interconnection Customer seeking Surplus Interconnection Service must submit a complete and fully executed Surplus Interconnection Study Agreement, which form is located at Tariff, Attachment RR. To be considered complete at the time of submission, the Surplus Interconnection Customer's Surplus Interconnection Study Agreement must include, at a minimum, each of the following:

    a. Specification of the location of the proposed surplus generating unit site or existing surplus generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

    b. Evidence of an ownership interest in, or right to acquire or control the surplus generating unit site for a minimum of three years, such as a deed, option agreement, lease or other similar document acceptable to the Transmission Provider; and

c. The MW size of the proposed surplus generating unit or the amount of increase in MW capability of an existing surplus generating unit; and Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and

d. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and

e. A description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the surplus generating unit is wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

f. The planned date the proposed surplus generating unit or increase in MW capability of an existing surplus generating unit will be in service; and

g. Any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

h. A description of the circumstances under which Surplus Interconnection Service will be available at the existing Generating Facility's Point of Interconnection; and

i. A deposit in the amount of $10,000 plus $100 for each MW requested provided that the maximum total deposit amount for a Surplus Interconnection Request shall not exceed $110,000. If any deposit monies remain after the Surplus Interconnection Study is complete and any outstanding monies owed by the Surplus Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Surplus Interconnection Requests by the Surplus Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Surplus Interconnection Customer; and

j. Identification of the specific, existing Generating Facility already interconnected to the PJM Transmission System providing Surplus Interconnection Service, including whether the Surplus Interconnection Customer requesting Surplus Interconnection Service is the owner or affiliate of the existing Generating Facility; and

k. If the Surplus Interconnection Customer is an unaffiliated third party, the Surplus Interconnection Customer must submit with its Surplus Interconnection Study Agreement the following information and documentation acceptable to the Transmission Provider:

i. Written evidence from the owner of the existing Generating Facility granting Surplus Interconnection Customer permission to utilize the existing Generating Facility's unused portion of Interconnection Service established in the existing Generating Facility's Interconnection Service Agreement; and

ii. Written documentation stating that the owner of the surplus generating unit and the owner of the existing Generating Facility will have entered into, prior to the owner of the existing Generating Facility executing a revised Interconnection Service Agreement, a shared facilities agreement between the owner of the existing Generating Facility and the owner of the surplus generating unit detailing their respective roles and responsibilities relative to the Surplus Interconnection Service.

l. If an Energy Storage Resource, Surplus Interconnection Customer must submit primary frequency response operating range for the surplus generating unit.

2. Deficiency Review. Following the receipt of the Surplus Interconnection Study Agreement and requisite information and/or monies listed in section 36.1.1B.1.a – l above, Transmission Provider shall determine whether the listed requirements were submitted as valid or deficient. If deemed deficient by Transmission Provider, Surplus Interconnection Customer must submit the requisite information and/or monies acceptable to the Transmission Provider within ten Business Days of receipt of the Transmission Provider's notice of deficiency. Failure of the Interconnection Customer to timely provide information and/or monies identified in the deficiency notice shall result in the Surplus Interconnection Request being terminated and withdrawn. The Surplus Interconnection Service Request shall be considered valid as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information and/or monies deemed acceptable by the Transmission Provider to clear such deficiency notice.

36.1.2 No Applicability to Transmission Service:

Nothing in this Tariff, Part IV shall constitute a request for transmission service, or confer upon an Interconnection Customer any right to receive transmission service, under Tariff, Part II or Tariff, Part III.

36.1.3 [Reserved]

36.1.4 [Reserved]

36.1.5 Scoping Meeting:

After a valid Interconnection Request has been established, the Transmission Provider shall provide each Interconnection Customer with an opportunity for a scoping meeting among the Transmission Provider, the prospective Interconnected Transmission Owner and the Interconnection Customer. The purpose of the scoping meeting will be to identify one alternative Point(s) of Interconnection and configurations to evaluate in the Interconnection Studies and to attempt to select the best alternatives in a reasonable fashion given resources and information available. The Interconnection Customer may select a maximum of two Point(s) of Interconnection to be studied during the Interconnection Feasibility Study, a primary and secondary Point of Interconnection may be selected by the Interconnection Customer. After establishing a valid Interconnection Request, Transmission Provider shall offer to arrange, within seven Business Days of establishing such valid Interconnection Request, for the scoping meeting, and shall provide a minimum of three suggested meeting dates and times for the scoping meeting. The scoping meeting shall be held, or waived by mutual agreement of the parties within 45 days after establishment of a valid Interconnection Request if the valid Interconnection Request is established in the first four calendar months of the current New Services Queue; or within 30 days if the valid Interconnection Request is established within the fifth calendar month of the current New Services Queue; or in 20 days if the valid Interconnection Request is established in the sixth calendar month of the date of the beginning of the current New Services Queue. The Interconnection Customer may choose to divide the scoping meeting into two sessions, one between the Transmission Provider and Interconnection Customer and one among Transmission Provider, the Interconnection Customer and the prospective Interconnected Transmission Owner. Such meetings may be held consecutively on the same day. Scoping meetings may be held in person or by telephone or video conference. In the event the Interconnection Customer fails to waive or complete the scoping meeting requirement, its Interconnection Request shall be deemed to be terminated and withdrawn.

36.1.6 Coordination with Affected Systems:

The Transmission Provider will coordinate with Affected System Operators the conduct of any required studies in accordance with Tariff, Part VI, Subpart A, section 202.

36.1.7 Base Case Data:

Transmission Provider shall maintain base case power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on a password-protected website, subject to the confidentiality provisions of Tariff, Part VI, Subpart B, section 223. In addition, Transmission Provider shall maintain base case power flows and underlying assumptions on a password-protected website. Such base case power flows and underlying assumptions should reasonably represent those used during the most recent interconnection study. Transmission Provider may require Interconnection Customers and password-protected website users to sign any required confidentiality agreement(s) before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects, that are included in the then-current, approved Regional Transmission Expansion Plan.

110.1 Application

A Generation Interconnection Customer desiring the interconnection of a new Generation Capacity Resource of 20 MW or less or the increase in capacity by 20 MW or less of an Existing Generation Capacity Resource, must submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the Generation Interconnection Request.

1. Generation Interconnection Request Requirements.

    a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

        i. specification of the location of the proposed generating unit site or existing generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

        ii. evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

        iii. the MW size of the proposed generating unit or the amount of increase in MW capability of an existing generating unit, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

        iv. identification of the fuel type of the proposed generating unit or upgrade thereto; and

        v. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

        vi. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where such date is to be no more than seven years from the date that a

complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

vii. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

viii. If Behind the Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

ix. Deposit.

(1) A deposit shall be submitted to Transmission Provider, as follows:

(a) A deposit of $10,000 if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(b) A deposit of $12,000 if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(c) A deposit of $15,000 if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any

failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Queue Position acceptance review; and

(b) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(c) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(d) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further below, or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A),

rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(5) If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request, Interconnection Request or Queue Position.

x. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. Interconnection Customers that fail to provide site control evidence while their requests are available for deficiency review shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the

additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the

Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 110.1. If the information required pursuant to this section 110.1 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

   a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies:

      i. The proposed maximum summer and winter megawatt electrical output;

      ii. The location of the generation by county and state;

      iii. The station or transmission line or lines where the interconnection will be made;

      iv. The facility's projected date of Initial Operation;

      v. The status of the Generation Interconnection Request, including its Queue Position;

      vi. The type of Generation Interconnection Service requested;

vii. The availability of any studies related to the Interconnection Request;

viii. The date of the Generation Interconnection Request;

ix. The type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. For each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list shall not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Generation Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

111.1 Application

The Interconnection Customer desiring the interconnection of a Small Generation Resource greater than 2 MW or the increase in capability, by 20 MW or less but greater than 2 MW (synchronous) or 5 MW (inverter-based) of an existing resource, must submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the Generation Interconnection Request.

1. Generation Interconnection Request Requirements.

    a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

        i. specification of the location of the proposed generating unit site or existing generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

        ii. evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

        iii. the MW size of the proposed generating unit or the amount of increase in MW capability of an existing generating unit, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

        iv. identification of the fuel type of the proposed generating unit or upgrade thereto; and

        v. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

        vi. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where

such date is to be no more than seven years from the date that a complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

vii. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

viii. If Behind the Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

ix. Deposit.

(1) A deposit shall be submitted to Transmission Provider, as follows:

(a) A deposit of $10,000 if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(b) A deposit of $12,000 if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(c) A deposit of $15,000 if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third

party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Queue Position acceptance review; and

(b) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(c) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(d) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further below, or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to

Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(5) If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request, Interconnection Request or Queue Position.

x. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. Interconnection Customers that fail to provide site control evidence while their requests are available for deficiency review shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the

additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the

Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 111.1. If the information required pursuant to this section 111.1 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

   a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Generation Interconnection Requests that identifies:

      i. The proposed maximum summer and winter megawatt electrical output;

      ii. The location of the generation by county and state;

      iii. The station or transmission line or lines where the interconnection will be made;

      iv. The facility's projected date of Initial Operation;

      v. The status of the Generation Interconnection Request, including its Queue Position;

      vi. The type of Generation Interconnection Service requested;

vii. The availability of any studies related to the Interconnection Request;

viii. The date of the Generation Interconnection Request;

ix. The type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. For each Generation Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list shall not disclose the identity of the Generation Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Generation Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

112.1 Application

The Generation Interconnection Customer desiring the interconnection of a temporary Energy Resource of 20 MW or less but greater than 2 MW (synchronous) or 5 MW (inverter-based) must submit to the Transmission Provider a Generation Interconnection Request. The Transmission Provider shall acknowledge receipt of the Generation Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the Generation Interconnection Request.

1. Generation Interconnection Request Requirements.

    a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, a Generation Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement, a form of which is located in the Tariff, Attachment N. To be considered complete at the time of submission, the Interconnection Customer's Generation Interconnection Feasibility Study Agreement must include, at a minimum, each of the following:

        i. specification of the location of the proposed generating unit site or existing generating unit (include both a written description (e.g., street address, global positioning coordinates) and attach a map in PDF format depicting the property boundaries and the location of the generating unit site); and

        ii. evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, such as a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider; and

        iii. the MW size of the proposed generating unit or the amount of increase in MW capability of an existing generating unit, and identification of any MW portion of the facility's capability that will be a Capacity Resource; and

        iv. identification of the fuel type of the proposed generating unit or upgrade thereto; and

        v. a description of the equipment configuration, and a set of preliminary electrical design specifications, and, if the generating unit is a wind generation facility, then the set of preliminary electrical design specifications must depict the wind plant as a single equivalent generator; and

        vi. the planned date the proposed generating unit or increase in MW capability of an existing generating unit will be in service, where such date is to be no more than seven years from the date that a

complete and fully executed Generation Interconnection Feasibility Study Agreement is received by the Transmission Provider unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the generating unit or increase in capability will take more than seven years; and

vii. any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and

viii. If Behind the Meter Generation is identified in the Generation Interconnection Feasibility Study Agreement, all of the requirements in Tariff, Part IV, Subpart A, section 36.1A must also be met; and

ix. Deposit.

(1) A deposit shall be submitted to Transmission Provider, as follows:

(a) A deposit of $10,000 if the Generation Interconnection Request is received in the first four calendar months of the current New Services Queue; or

(b) A deposit of $12,000 if the Generation Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

(c) A deposit of $15,000 if the Generation Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Generation Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Generation Interconnection Customer withdraws its Generation Interconnection Request, or the Generation Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any

failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the Queue Position acceptance review; and

(b) The cost of the deficiency review of the Interconnection Customer's Generation Interconnection Request (to determine whether the Generation Interconnection Request is valid); and

(c) The dollar amount of the Interconnection Customer's cost responsibility for the Generation Interconnection Feasibility Study; and

(d) If the Generation Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further below, or during the Feasibility Study period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Generation Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A),

rejection, termination and/or withdrawal of such Generation Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Generation Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Generation Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the Feasibility Study, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Generation Interconnection Request under Tariff, Part VI, which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer.

(5) If any refundable deposit monies remain after the Feasibility Study is complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Generation Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Generation Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Generation Interconnection Request, the Generation Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Generation Interconnection Request shall be terminated prior to reaching the deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request, Interconnection Request or Queue Position.

x. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. Transmission Provider shall provide a deficiency review of the Generation Interconnection Request to determine whether the Interconnection Customer submitted a valid Generation Interconnection Request.

a. With the exception of evidence of an ownership interest in, or right to acquire or control the generating unit site for a minimum of two years, if a Generation Interconnection Request meets all requirements set forth above the Transmission Provider shall start the deficiency review. Interconnection Customers that fail to provide site control evidence while their requests are available for deficiency review shall not be assigned a Queue Position until the Transmission Provider receives site control evidence that is acceptable to the Transmission Provider.

b. Pursuant to Tariff, Attachment N, section 9, Cost Responsibility, of the Generation Interconnection Feasibility Study Agreement, if the Transmission Provider anticipates that the actual study costs will exceed the refundable portion of the required deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the

additional study costs. The estimated additional study costs are non-binding, and additional actual study costs may exceed the estimated additional study cost increases provided by the Transmission Provider. Regardless of whether the Transmission Provider provides the Interconnection Customer with estimated additional study costs, the Interconnection Customer is responsible for and must pay all actual study costs.

i. If the Transmission Provider sends the Interconnection Customer notification of estimated additional study costs during the deficiency review period (as described below), then the Interconnection Customer must either:

(1) Withdraw the Generation Interconnection Request during the deficiency response period (as described below); or

(2) Pay all estimated additional study costs prior to the expiration of the deficiency response period (as described below).

(3) If the Interconnection Customer fails to complete either (1) or (2) above, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

ii. If at any time after the deficiency review period the Transmission Provider provides the Interconnection Customer with notification of estimated additional study costs, the Interconnection Customer must pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs. If the Interconnection Customer fails to pay such estimated additional study costs within ten Business Days of Transmission Provider sending the Interconnection Customer notification of such estimated additional study costs, then the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

c. If there are deficiencies in the Generation Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen Business Days of receipt of the Generation Interconnection Request that such Generation Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the

Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence (such as generation site control) and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Generation Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable , but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Generation Interconnection Feasibility Study Agreement (Tariff, Attachment N) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to this section 112.1. If the information required pursuant to this section 112.1 is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Because temporary Energy Resources are not granted any long term rights with respect to the transmission system, such requests shall not be identified in the New Services Queue on the PJM website. A separate queue of such requests shall be maintained in order to facilitate processing.

112A.1 Application

The Interconnection Customer desiring the interconnection of a new permanent or temporary Energy Resource of 2 MW or less (synchronous) or 5 MW or less (inverter-based) must submit to the Transmission Provider an Interconnection Request. The Transmission Provider shall acknowledge receipt of the Interconnection Request (electronically when available to all parties, otherwise written) within five Business Days after receipt of the Interconnection Request.

1. Interconnection Request Requirements.

    a. To be assigned a PJM Queue Position pursuant to Tariff, Part VI, Preamble, section 201, an Interconnection Customer must submit a complete and fully executed Form of Screens Process Interconnection Request (For Generation Facilities of 2 MW or Less Synchronous 5 MW or Less Inverter-Based), a form of which is located in the Tariff, Attachment Y. To be considered complete at the time of submission, the Interconnection Customer's Form of Screens Process Interconnection Request (For Generation Facilities of 2 MW or Less Synchronous 5 MW or Less Inverter-Based) must include, at a minimum, each of the following:

        i. Interconnection Customer Information; and

        ii. Energy Resource Information; and

        iii. Energy Resource Characteristic Data; and

        iv. Interconnection Facilities Information; and

        v. Diagrams and Site Control; and

        vi. Deposit.

            (1) A deposit shall be submitted to Transmission Provider, as follows:

                (a) A deposit of $2,000 if the Interconnection Request is received in the first four calendar months of the current New Services Queue; or

                (b) A deposit of $3,000 if the Interconnection Request is received in the fifth calendar month of the current New Services Queue; or

                (c) A deposit of $5,000 if the Interconnection Request is received in the sixth calendar month of the current New Services Queue.

(2) 10% of each total deposit amount is non-refundable. Any unused non-refundable deposit monies shall be returned to the Interconnection Customer upon Initial Operation. However, if, before reaching Initial Operation, the Interconnection Customer withdraws its Interconnection Request, or the Interconnection Request is otherwise deemed rejected or terminated and withdrawn, any unused portion of the non-refundable deposit monies shall be used to fund:

(a) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Interconnection Request and/or associated Queue Position; and/or

(b) Any restudies required as a result of the rejection, termination and/or withdrawal of such Interconnection Request; and/or

(c) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer.

(3) 90% of each total deposit amount is refundable, and the Transmission Provider shall utilize, in no particular order, the refundable portion of each total deposit amount to cover the following:

(a) The cost of the screens evaluation and/or supplemental screens evaluations; and

(b) The dollar amount of the Interconnection Customer's cost responsibility for the Interconnection Feasibility Study; and

(c) If the Interconnection Request is deemed to be modified (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejected, terminated and/or withdrawn during the deficiency review and/or deficiency response period, as described further

below, or during the screens evaluation period, the refundable deposit money shall be applied to cover all of the costs incurred by the Transmission Provider up to the point of such Interconnection Request being modified, rejected, terminated and/or withdrawn, and any remaining refundable deposit monies shall be applied to cover:

(i) The costs of any restudies required as a result of the modification (pursuant to Tariff, Part IV, Subpart A, section 36.2A), rejection, termination and/or withdrawal of such Interconnection Request; and/or

(ii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices due to Transmission Provider, Interconnected Transmission Owner(s) and/or third party contractors, as applicable, as a result of any failure of the Interconnection Customer to pay actual costs for the Interconnection Request and/or associated Queue Position; and/or

(iii) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer.

(iv) If any refundable deposit monies remain after all costs and outstanding monies owed, as described in this section, are covered, such remaining refundable deposit monies shall be returned to the Interconnection Customer in accordance with the PJM Manuals.

(4) Upon completion of the screens evaluations, the Transmission Provider shall apply any remaining refundable deposit monies toward:

(a) The Interconnection Customer's cost responsibility for any other studies conducted for the Interconnection Request under Tariff, Part VI,

which shall be applied prior to the deposit monies collected for such other studies; and/or

(b) Any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer.

(5) If any refundable deposit monies remain after the screens evaluations are complete and any outstanding monies owed by the Interconnection Customer in connection with outstanding invoices related to prior New Service Requests and/or Generation Interconnection Requests and/or Queue Positions by the Interconnection Customer have been paid, such remaining deposit monies shall be returned to the Interconnection Customer.

(6) The Interconnection Customer must submit the total required deposit amount with the Interconnection Request. If the Interconnection Customer fails to submit the total required deposit amount with the Interconnection Request, the Interconnection Request shall be deemed to be terminated and withdrawn (i.e., the Interconnection Request shall be terminated prior to reaching the screens evaluations and/or deficiency review stage).

(7) Deposit monies are non-transferrable. Under no circumstances may refundable or non-refundable deposit monies for a specific Interconnection Request or Queue Position be applied in whole or in part to a different New Service Request or Interconnection Request or Queue Position.

vii. Primary frequency response operating range for Energy Storage Resources.

2. Deficiency Review. Transmission Provider shall provide a deficiency review of the Interconnection Request to determine whether the Interconnection Customer submitted a valid Interconnection Request.

a. If an Interconnection Request meets all of the requirements set forth above, the Transmission Provider shall start the deficiency review.

b. If there are deficiencies in the Interconnection Request for any of the requirements set forth above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue

to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen Business Days of receipt of the Interconnection Request that such Interconnection Request is deficient. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the Generation Interconnection Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. This notification is referred to as a deficiency notice.

i. The deficiency notice shall clearly set forth the basis upon which the deficiency determination was made.

ii. The Interconnection Customer shall be provided ten Business Days to respond to the deficiency notice. This ten Business Day period is referred to as the deficiency response period.

(1) Within the deficiency response period, the Interconnection Customer shall provide, in full, the additional information and/or evidence and/or monies that the Transmission Provider's deficiency notice identified as being required to constitute a valid Interconnection Request.

(2) If the Interconnection Customer fails to clear within the deficiency response period all deficiencies identified by the Transmission Provider in the deficiency notice, the Interconnection Request shall be deemed to be terminated and withdrawn.

iii. Without regard to the timing of the Interconnection Customer's deficiency response period, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to review each Interconnection Customer's response to the deficiency notice within fifteen Business Days of the Interconnection Customer submitting its response to the deficiency notice. If Transmission Provider is unable to complete its review of Interconnection Customer's response to the deficiency notice within fifteen Business Days of receiving the response, Transmission Provider shall use Reasonable Efforts to complete such review as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2. If the Generation Interconnection Request

is still deficient after the Transmission Provider's review of Interconnection Customer's response to the deficiency notice and the full ten Business Days of the Interconnection Customer's deficiency response period have expired, the Interconnection Requests shall be deemed to be terminated and withdrawn.

iv. If the Interconnection Customer fails to respond in full to the Transmission Provider's deficiency notice (including failing to provide all of the additional required information, evidence and/or make payments on any outstanding invoices required by the Transmission Provider's deficiency notice), the Generation Interconnection Request shall be deemed to be terminated and withdrawn.

3. The Interconnection Customer must submit a complete and fully executed Form of Screens Process Interconnection Request (For Generation Facilities of 2 MW or Less Synchronous 5 MW or Less Inverter-Based) (Tariff, Attachment Y) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Generation Interconnection Requests shall be accepted for the relevant New Services Queue after such dates.

4. In accordance with Tariff, Part VI, Preamble, section 201, Transmission Provider shall assign Queue Positions as of the date and time of receipt of all information required pursuant to Tariff, Part IV, Subpart G, section 112A. If the information required pursuant to Tariff, Part IV, Subpart G, section 112A is provided to the Transmission Provider in separate submissions, the Queue Position shall be assigned based on the date and time of receipt of the last required piece of information.

5. Deficiency notices shall be considered cleared as of the date and time the Transmission Provider receives from the Interconnection Customer the last piece of required information deemed acceptable by the Transmission Provider to clear such deficiency notice.

6. Transmission Provider Website Postings.

   a. The Transmission Provider shall maintain on the Transmission Provider's website a list of all Interconnection Requests that identifies:

      i. The proposed maximum summer and winter megawatt electrical output;

      ii. The location of the generation by county and state;

      iii. The station or transmission line or lines where the interconnection will be made;

iv. The facility's projected date of Initial Operation;

v. The status of the Interconnection Request, including its Queue Position;

vi. The type of Interconnection Service requested;

vii. The availability of any studies related to the Interconnection Request;

viii. The date of the Interconnection Request;

ix. The type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

x. For each Interconnection Request that has not resulted in a completed interconnection, an explanation of why it was not completed.

b. This list shall not disclose the identity of the Interconnection Customer, except as otherwise provided in Tariff, Part IV. The list and the priority of Interconnection Requests shall be included on the Transmission Provider's website as part of the New Services Queue.

112B.1 Application

An Interconnection Customer desiring the interconnection of a Small Inverter Facility must submit to Transmission Provider an executed Tariff, Attachment BB - Form of Interconnection Service Agreement for Certified Inverter-Based Generating Facility ("Small Inverter ISA") and a non-refundable processing fee of $500. Tariff, Attachment BB is available on the PJM web site. In the Small Inverter ISA, Interconnection Customer shall provide, among other things, (i) contact information for itself and any other entity that may be interfacing with Transmission Provider on its behalf; and (ii) the legal names of the owner(s) of the Small Inverter Facility, including the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either. Transmission Provider shall acknowledge that it received the Small Inverter ISA within five Business Days of receipt. Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify Interconnection Customer within fifteen Business Days of receipt of the Small Inverter ISA that the Small Inverter ISA is complete or identify any deficiencies that need to be addressed, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2.

The Interconnection Customer must submit a complete and fully executed Small Inverter ISA (Tariff, Attachment BB) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Small Inverter ISA shall be accepted for the relevant New Services Queue after such dates.

204.2 Upgrade Requests:

204.2.1 Upgrade Requests pursuant to Section 7.8 of Schedule 1 of the Operating Agreement

Upon completion of the Upgrade Feasibility Study, the Transmission Provider shall tender to the affected Upgrade Customer a System Impact Study Agreement. For an Upgrade Request to retain its assigned Queue Position pursuant to Tariff, Part VI, Preamble, section 201, within 30 days of receiving the tendered System Impact Study Agreement, the Upgrade Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider, (ii) shall remit to Transmission Provider all past due amounts of the actual Upgrade Feasibility Study costs exceeding the Upgrade Feasibility Study deposit fee contained in Tariff, Part IV, Subpart A, section 36.3, if any, and (iii) shall pay the Transmission Provider a deposit of $50,000. If a terminated and withdrawn Upgrade Request was to be included in a System Impact Study evaluating more than one New Service Request, then the costs of the System Impact Study shall be redetermined and reallocated among the remaining participating New Service Customers as specified in this section 204.

204.2.2 Upgrade Requests for Merchant Network Upgrades

After receiving an Upgrade Request for a Merchant Network Upgrade, the Transmission Provider shall acknowledge receipt of the Upgrade Request, pursuant to Tariff, Part VI, Subpart A, section 204.2.2.1. The Transmission Provider shall determine whether the Upgrade Request includes: (i) the substation or transmission line or lines where the upgrade(s) will be made; (ii) the nominal capability or increase in capability (in MW or MVA) of the proposed Merchant Network Upgrade; and (iii) the planned date the proposed Merchant Network Upgrade will be in service, such date to be no more than seven (7) years from the date the request is received by the Transmission Provider, unless the Interconnection Customer demonstrates that engineering, permitting, and construction of the Merchant Network Upgrade will take more than seven (7) years.

The Transmission Provider shall maintain on the Transmission Provider's website a list of all Upgrade Requests that identifies (A) in megawatts the potential nominal capability or increase in capability; (B) the station or transmission line or lines where the upgrade(s) will be made; (C) the proposed in-service date; (D) the status of the Upgrade Request, including its Queue Position; (E) the availability of any studies related to the Upgrade Request; (F) the date of the Upgrade Request; and (G) for each Upgrade Request that has not resulted in a completed upgrade, an explanation of why it was not completed. This list will not disclose the identity of the Interconnection Customer, except as otherwise provided in Tariff, Part VI. The list and the priority of Upgrade Requests shall be included on the website as part of the New Services Queue.

204.2.2.1 Acknowledgement of Upgrade Request for Merchant Network Upgrades

The Transmission Provider shall acknowledge receipt (electronically when available to all parties, otherwise written) of the Upgrade Request within five (5) Business Days after receipt of the Upgrade Request.

204.2.2.2 Deficiencies in Upgrade Request for Merchant Network Upgrades

An Upgrade Request will not be considered a valid request if Interconnection Customer has failed to pay any outstanding invoices related to prior Queue Requests submitted pursuant to Tariff, Part IV or Tariff, Part VI by the Interconnection Customer and until all information required under Attachment EE is able to be studied by the Transmission Provider. If an Upgrade Request fails to meet the requirements, except as provided below regarding the deposit, or is in arrears as described above, the Transmission Provider shall use Reasonable Efforts consistent with the volume of the New Services Queue to notify the Interconnection Customer (electronically when available to all parties, otherwise written) within fifteen (15) Business Days of receipt of the initial Upgrade Request. If Transmission Provider is unable to provide a deficiency review within fifteen Business Days from receipt of the initial Upgrade Request, Transmission Provider shall use Reasonable Efforts to complete and issue the deficiency review to the Interconnection Customer as soon thereafter as practicable, but, in no event shall the Transmission Provider's response herein serve as a basis to delaying Transmission Provider's compliance with the Interconnection Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.2, or the Upgrade Feasibility Study provisions of the Tariff, Part IV, Subpart A, section 36.3. Such notice shall explain that the Upgrade Request does not constitute a valid request and the reasons for such failure to meet the applicable requirements. Interconnection Customer shall provide the additional information that the Transmission Provider's notice identifies as needed to constitute a valid request and shall make any payments on any outstanding invoices within ten (10) Business Days after receipt of such notice. Upon timely correction of the deficiency, the Upgrade Request shall be assigned a Queue Position under Tariff, Part VI, Preamble, section 201 as of the date that the Transmission Provider first received the request. In the event the Interconnection Customer fails to provide the further information and make payments on any outstanding invoices required by the Transmission Provider's deficiency notice under this section 204.2.2.2, its Upgrade Request shall be deemed to be terminated and withdrawn. Notwithstanding the above, the Interconnection Customer must submit its deposit at the time it submits its Upgrade Request. Failure to do so will result in rejection of the Upgrade Request.

The Interconnection Customer must submit a complete and fully executed Upgrade Request (Tariff, Attachment EE) to the Transmission Provider by March 10 for the New Services Queue ending March 31, and by September 10 for the New Services Queue ending September 30. No Upgrade Requests shall be accepted for the relevant New Services Queue after such dates.

204.2.2.3 Scoping Meeting

Transmission Provider shall provide each Interconnection Customer proposing Merchant Network Upgrades with an opportunity for a scoping meeting among the Transmission Provider, the prospective Interconnected Transmission Owner(s) and the Interconnection Customer. The purpose of the scoping meeting will be to confirm all parties' understanding of the proposed

Upgrade Request and confirm the expectation for project completion or, if for acceleration of a Regional Transmission Expansion Plan Network Upgrade, the feasibility of the acceleration. After receipt of a valid Upgrade Request proposing Merchant Network Upgrades, the Transmission Provider shall offer to arrange for the scoping meeting, and shall provide a minimum of three (3) suggested meeting dates and times for the scoping meeting. The scoping meeting shall be held, or waived by mutual agreement of the parties within forty-five (45) days after receipt of a valid Upgrade Request, if the Upgrade Request is received in the first four calendar months of the current New Services Queue; or within thirty (30) days if the Upgrade Request is received within the fifth calendar month of the current New Services Queue; or within twenty (20) days if the Upgrade Request is received in the sixth calendar month of the date of the beginning of the current New Services Queue. The Interconnection Customer may choose to divide the scoping meeting into two sessions, one between the Transmission Provider and Interconnection Customer and one among the Transmission Provider, the Interconnection Customer and the prospective Interconnected Transmission Owner. Such meetings may be held consecutively on the same day. Scoping meetings may be held in person, by telephone or video conference. In the event the Interconnection Customer fails to waive or complete the scoping meeting requirement, its Upgrade Request shall be deemed terminated or withdrawn. Interconnection Customer may reduce its Upgrade Request within ten (10) Business Days after the scoping meeting. Any reduction made within this ten (10) Business Day period shall not be a Material Modification; however, the reduction may not result in the project's MW capability being equal to or less than zero.

204.2.2.4 Coordination with Affected Systems

Tariff, Part IV, Subpart A, section 36.1.6 shall apply to Upgrade Requests for Merchant Network Upgrades.

204.2.2.5 Base Case Data

Tariff, Part IV, Subpart A, section 36.1.7 shall apply to Upgrade Requests for Merchant Network Upgrades.

204.2.2.6 System Impact Study Agreement

Upon the Transmission Provider assigning the Upgrade Request a Queue Position per Tariff, Part VI, Subpart A, section 204.2.2, for Upgrade Requests proposing Merchant Network Upgrades, and, if required, completing a scoping meeting per Tariff, Part VI, Subpart A, section 204.2.2.3, Transmission Provider shall tender a System Impact Study Agreement. For an Upgrade Request associated with a Merchant Network Upgrade request to retain its Queue Position, the Interconnection Customer (i) shall execute the System Impact Study Agreement and return it to the Transmission Provider within thirty (30) days, and (ii) the $50,000 deposit provided with Tariff, Attachment EE will be applied to the Interconnection Customer's study cost responsibility. If the Interconnection Customer elects not to execute the System Impact Study Agreement, its Upgrade Request shall be deemed terminated and withdrawn. Any remaining Tariff, Attachment EE deposit will be refunded.

204.2.2.7 Modifications of Upgrade Requests for Merchant Network Upgrades After the System Impact Study Agreement, but Prior to Executing an Upgrade Construction Service Agreement

After the System Impact Study Agreement is executed and prior to execution of the Upgrade Construction Service Agreement, an Interconnection Customer proposing Merchant Network Upgrades may modify its project to reduce the size of the project as provided in Tariff, Part IV, Subpart A, section 36.2A.2.