

SURPLUS INTERCONNECTION SERVICE TARIFF REVISIONS

Tariff, Part IV., Subpart A, section 36.1.1B

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
- d. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and
- e. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and
- f. 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
- g. The planned date the proposed surplus generating unit or increase in MW capability of an existing surplus generating unit will be in service; and
- h. Any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and
- i. A description of the circumstances under which Surplus Interconnection Service will be available at the existing Generating Facility's Point of Interconnection; and
- j. 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 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.
1. 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 – 1 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.

Tariff, Part IV., Subpart A, section 36.4

36.4 Surplus Interconnection Study

After receiving a valid Surplus Interconnection Study Agreement seeking Surplus Interconnection Service and the requisite deposit set forth in Tariff, Part IV, Subpart A, section 36.1.1B.1.i from the Surplus Interconnection Customer, the Transmission Provider shall conduct a Surplus Interconnection Study.

- (1) Scope of Surplus Interconnection Study. A Surplus Interconnection Study shall consist of reactive power, short circuit/fault duty, stability analysis and any other appropriate analyses. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied under off peak conditions. Off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. The Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Study within one hundred eighty (180) days of determination of a valid Surplus Interconnection Service Request pursuant to Tariff, Part IV, Subpart A, section 36.1.1B. If the Transmission Provider is unable to complete the Surplus Interconnection Study within such time period, Transmission Provider shall notify the Surplus Interconnection Customer and provide an estimated completion date and an explanation of the reasons why the additional time is required.
- (2) Once the Surplus Interconnection Study is completed and Transmission Provider confirms that (i) no new Network Upgrades are required, and (ii) ~~there are no impacts affecting the determination of what upgrades are necessary for New Service Customers in the New Services Queue, and~~ (iii) there are no material impacts on short circuit capability limits, steady-state thermal and voltage limits or dynamic system stability and response, the Transmission Provider shall issue the Surplus Interconnection Study to the Surplus Interconnection Customer. If the Surplus Interconnection Customer is an unaffiliated third party, PJM shall issue a Surplus Interconnection Study to the owner of the existing Generating Facility. A revised Interconnection Service Agreement will be prepared and issued to the owner of the existing Generating Facility within sixty (60) days of issuance of the Surplus Interconnection Study including the terms and conditions for Surplus Interconnection Service. Within sixty (60) days of receipt by the owner of the existing Generating Facility of the revised Interconnection Service Agreement, the owner of the existing Generating Facility will execute the revised Interconnection Service Agreement, request dispute resolution or request that the Interconnection Service Agreement be filed unexecuted in accordance with Tariff, Part VI, Subpart A, section 212.4.
- (3) If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required or ~~there may be impacts affecting the determination of what upgrades are necessary for New Service Customers in the New Services Queue, or~~ there may be material impacts on short circuit capability limits, steady-state thermal and voltage limits or dynamic system stability and

response, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study.

(4) Deactivation of Existing Generating Facility

- a. Surplus Interconnection Service cannot be offered if the existing Generating Facility from which Surplus Interconnection is provided is deactivated or has submitted a Notice to Deactivate to Transmission Provider consistent with Tariff, Part V, before the surplus generating unit has commenced commercial operation.
- b. Limited Operation. A Generating Facility receiving Surplus Interconnection Service may continue to receive Surplus Interconnection Service for a period not to exceed one (1) year after the existing Generating Facility's Deactivation Date under the following conditions:
 - i. The surplus generating unit must have been studied by the Transmission Provider for the sole operation at the Point of Interconnection; and
 - ii. The owner of the existing Generating Facility must agree in writing that the Surplus Interconnection Customer may continue to operate at either its limited share of the existing Generating Facility's capability under its Interconnection Service Agreement or any level below such capability upon the deactivation of the existing Generating Facility.
- c. If the Surplus Interconnection Customer cannot satisfy the conditions of Tariff, Part IV, Subpart A, section 36.4.4(b) above, the revised Interconnection Service Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement terms of termination for a deactivated Generating Facility.

Tariff, Part VIII, Subpart E, section 414, Surplus Interconnection Service

A. Surplus Interconnection Service Request

Requests for Surplus Interconnection Service may be made by the existing Project Developer whose Generating Facility is already interconnected, or one of its affiliates, or by an unaffiliated Project Developer. The existing Project Developer 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 Project Developer. 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 Generator Interconnection 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 Project Developer seeking Surplus Interconnection Service must submit a complete and fully executed Surplus Interconnection Study Agreement, which form is located at Tariff, Part IX. To be considered complete at the time of submission, the Surplus Project Developer'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
- d. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and
- e. Identification of the fuel type of the proposed surplus generating unit or upgrade thereto; and
- f. 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
- g. The planned date the proposed surplus generating unit or increase in MW capability of an existing surplus generating unit will be in service; and
- h. Any additional information as may be prescribed by the Transmission Provider in the PJM Manuals; and
- i. A description of the circumstances under which Surplus Interconnection Service will be available at the existing Generating Facility's Point of Interconnection; and
- j. 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 Project Developer 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 Project Developer; and
- k. Identification of the specific, existing Generating Facility already interconnected to the PJM Transmission System providing Surplus Interconnection Service, including whether the Surplus Project Developer requesting Surplus Interconnection Service is the owner or affiliate of the existing Generating Facility; and
- l. If the Surplus Project Developer is an unaffiliated third party, the Surplus Project Developer 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 Project Developer permission to utilize the existing

Generating Facility's unused portion of Interconnection Service established in the existing Generating Facility's Interconnection Service Agreement or Generation Interconnection 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 or Generation Interconnection 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.
 - m. If an Energy Storage Resource, Surplus Project Developer 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 above, Transmission Provider shall determine whether the listed requirements were submitted as valid or deficient. If deemed deficient by Transmission Provider, Surplus Project Developer must submit the requisite information and/or monies acceptable to the Transmission Provider within 10 Business Days of receipt of the Transmission Provider's notice of deficiency. Failure of the Project Developer 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 Project Developer the last piece of required information and/or monies deemed acceptable by the Transmission Provider to clear such deficiency notice.

B. Surplus Interconnection Study

After receiving a valid Surplus Interconnection Study Agreement seeking Surplus Interconnection Service and the requisite deposit set forth in Tariff, Part VIII, Subpart E, section 414(A)(1)(j) from the Surplus Project Developer, the Transmission Provider shall conduct a Surplus Interconnection Study.

1. Scope of Surplus Interconnection Study. A Surplus Interconnection Study shall consist of reactive power, short circuit/fault duty, stability analysis and any other appropriate analyses. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied under off-peak conditions. Off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. The Transmission Provider shall use Reasonable Efforts to complete the Surplus Interconnection Study within one hundred eighty (180) days of determination of a valid Surplus Interconnection Service Request. If the

Transmission Provider is unable to complete the Surplus Interconnection Study within such time period, Transmission Provider shall notify the Surplus Project Developer and provide an estimated completion date and an explanation of the reasons why the additional time is required.

2. Once the Surplus Interconnection Study is completed and Transmission Provider confirms that (i) no new Network Upgrades are required, and (ii) ~~there are no impacts affecting the determination of what upgrades are necessary for New Service Customers in the New Services Queue, and~~ (iii) there are no material impacts on short circuit capability limits, steady-state thermal and voltage limits or dynamic system stability and response, the Transmission Provider shall issue the Surplus Interconnection Study to the Surplus Project Developer. If the Surplus Project Developer is an unaffiliated third party, PJM shall issue a Surplus Interconnection Study to the owner of the existing Generating Facility. A revised Interconnection Service Agreement or Generation Interconnection Agreement will be prepared and issued to the owner of the existing Generating Facility within sixty days of issuance of the Surplus Interconnection Study including the terms and conditions for Surplus Interconnection Service. Within sixty days of receipt by the owner of the existing Generating Facility of the revised Interconnection Service Agreement or Generation Interconnection Agreement, the owner of the existing Generating Facility will execute the revised Interconnection Service or Generation Interconnection Agreement, request dispute resolution or request that the Interconnection Service Agreement or Generator Interconnection Agreement be filed unexecuted in accordance.
3. If the Transmission Provider determines from the Surplus Interconnection Study that Network Upgrades may be required ~~or there may be impacts affecting the determination of what upgrades are necessary for New Service Customers in the New Services Queue,~~ or there may be material impacts on short circuit capability limits, steady-state thermal and voltage limits or dynamic system stability and response, the Surplus Interconnection Request will be terminated and withdrawn upon issuance of the Surplus Interconnection Study.
4. Deactivation of Existing Generating Facility
 - a. Surplus Interconnection Service cannot be offered if the existing Generating Facility from which Surplus Interconnection is provided is deactivated or has submitted a Notice to Deactivate to Transmission Provider consistent with Tariff, Part V, before the surplus generating unit has commenced commercial operation.
 - b. Limited Operation. A Generating Facility receiving Surplus Interconnection Service may continue to receive Surplus Interconnection Service for a period not to exceed one year after the existing Generating Facility's Deactivation Date under the following conditions:

- i. The surplus generating unit must have been studied by the Transmission Provider for the sole operation at the Point of Interconnection; and
 - ii. The owner of the existing Generating Facility must agree in writing that the Surplus Project Developer may continue to operate at either its limited share of the existing Generating Facility's capability under its Interconnection Service Agreement or Generator Interconnection Agreement, or any level below such capability upon the deactivation of the existing Generating Facility.
- c. If the Surplus Project Developer cannot satisfy the conditions of this Tariff, Part VIII, Subpart E, section 414(B)(4)(b) above, the revised Interconnection Service Agreement or Generator Interconnection Agreement for the existing Generating Facility shall terminate consistent with the Interconnection Service Agreement or Generator Interconnection Agreement terms of termination for a deactivated Generating Facility.