

**Tariff Part IX, Subpart M, Affected System Customer Facilities Study
Application and Agreement**

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**Tariff Part IX, Subpart M, Affected System Customer Facilities Study
Application and Agreement**
(Project Identifier # [redacted])

RECITALS

1. This Affected System Customer Facilities Study Application and Agreement ("Agreement"), dated as of _____, is entered into by and between _____ ("Affected System Customer") and PJM Interconnection, L.L.C. ("Transmission Provider"), pursuant to the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff").
2. Pursuant to Tariff, Part VIII, Subpart G (Affected System rules) or Tariff, Part VIII, Subpart G (Affected System rules), as applicable, Affected System Customer is responsible for an Affected System Facility that requires, or Affected System Facilities that require, Network Upgrades to Transmission Provider's Transmission System, and Transmission Provider has notified Transmission Provider of the need to enter this Agreement.
3. Transmission Provider has informed Affected System Customer that it will use Reasonable Efforts to complete this Affected System Customer Facilities Study by {date}.
4. Affected System Customer desires that Transmission Provider commence an Affected System Customer Facilities Study in connection with the following interconnection request: {instruction – list adjacent region transmission provide and interconnection request number} ("Affected System interconnection request").

PREVIOUS SUBMISSIONS

5. Previous submissions: {instructions – complete the following section if there was an earlier Affected System Customer Facilities Study Agreement or other agreement between PJM and the Affected System Customer, otherwise replace the following language with "Not Applicable"} Except as otherwise specifically set forth in an attachment to this Agreement, Affected System Customer represents and warrants that the information provided in {list applicable agreement} dated _____, is accurate and complete as of the date of execution of this Agreement.

MILESTONES

6. Affected System Customer must meet the following milestone dates relating to the development of its generation or merchant transmission project(s) or interconnection request:

[Specify Project Specific Milestones]

[As appropriate include the following standard Milestones, with any revisions necessary for the project at hand]

PURPOSE AND SCOPE OF THE AFFECTED SYSTEM CUSTOMER FACILITIES STUDY

7. Transmission Provider, in consultation with the affected Transmission Owner(s), shall commence an Affected System Customer Facilities Study pursuant to this Agreement to evaluate the Network Upgrades to the Transmission Provider's Transmission System necessary to accommodate Affected System Customer's Affected System interconnection request.
- A. **Scope of Affected System Customer Facilities Study:** The purpose of the Affected System Customer Facilities Study is to provide, commensurate with any mutually agreed parameters regarding the scope and degree of specificity described in Schedule A attached to this agreement, an assessment of project related system reliability issues and conceptual engineering and, as appropriate, detailed design, plus cost estimates and project schedules, to implement the conclusions of the Facilities Study regarding the Network Upgrades necessary to accommodate the Affected System interconnection request. The nature and scope of the materials that Transmission Provider shall deliver to the Affected System Customer upon completion of the Affected System Customer Facilities Study shall be described in the PJM Manuals.
- B. **Affected System Customer Facilities Study Time Estimate:** Transmission Provider's estimates of the date for completion of the Affected System Customer Facilities Study is stated in section 3 of this Agreement. In the event that Transmission Provider determines that it will be unable to complete the Affected System Customer Facilities Study by the estimated completion date stated in section 3 of this Agreement, it shall notify Affected System Customer and will explain the reasons for the delay.
- C. **Issuance of Affected System Customer Facility Study Report and Obligation to Construction Service Agreement:** Upon receipt of the Affected System Customer Facility Study report, Transmission Provider and the Affected System Customer shall enter into a stand-alone Construction Service Agreement and, if applicable Network Upgrade Cost Responsibility Agreement (forms of which are set forth in Tariff, Part IX) for the construction of the upgrades with each Transmission Owner responsible for constructing such upgrades. Transmission Provider shall provide in electronic form a draft stand-alone Construction Service Agreement and, if applicable a Network Upgrade Cost Responsibility Agreement.

8. The Affected System Customer Facilities Study necessarily will employ various assumptions including assumptions regarding Affected System Customer's Affected System interconnection request, other pending Interconnection Request(s), and PJM's Regional Transmission Expansion Plan at the time of the study. IN NO EVENT SHALL THIS AGREEMENT OR THE AFFECTED SYSTEM CUSTOMER FACILITIES STUDY IN ANY WAY BE DEEMED TO OBLIGATE TRANSMISSION PROVIDER OR THE TRANSMISSION OWNERS TO CONSTRUCT ANY FACILITIES OR UPGRADES OR TO PROVIDE ANY TRANSMISSION OR INTERCONNECTION SERVICE TO OR ON BEHALF OF NEW SERVICE CUSTOMER EITHER AT THIS POINT IN TIME OR IN THE FUTURE.

CONFIDENTIALITY

9. Affected System Customer agrees to provide all information requested by Transmission Provider necessary to complete the Affected System Customer Facilities Study. Subject to section 10 of this Agreement and to the extent required by Tariff, Subpart XIII, section **[confidentiality provisions]**, information provided pursuant to this section 9 shall be and remain confidential.
10. Until completion of the Affected System Customer Facilities Study, Transmission Provider shall keep confidential all information provided to it by the Affected System Customer. Upon completion of the Affected System Customer Facilities Study, the Affected System Customer Facilities Study results will be publicly available on Transmission Provider's website; Affected System Customers must obtain the results from Transmission Provider's website. (**reference providing workpapers, etc.**). Transmission Provider shall provide a copy of the study to Affected System Customer, along with (to the extent consistent with Transmission Provider's confidentiality obligations in Section 18.17 of the Operating Agreement) all related work papers. Affected System Customer acknowledges and consents to such other, additional disclosures of information as may be required under the PJM Tariff or the FERC's rules and regulations.
11. Affected System Customer acknowledges the affected Transmission Owner(s) may participate in the Affected System Customer Facilities Study process and that Transmission Provider may disseminate information to the affected Transmission Owner(s) and may consult with them regarding part or all of the Affected System Customer Facilities Study.

COST RESPONSIBILITY

12. Concurrent with execution of this Agreement, Affected System Customer shall provide a study deposit of \$100,000 ("Study Deposit"), through electronic wire transfer, which must in cash. Transmission Provider shall apply Affected System Customer's Study Deposit in payment of the invoices for the costs of the Affected System Customer Facilities Study. Actual study costs may exceed the Study Deposit. Affected System Customer shall include the project identification or reference number assigned to the Affected System Facility by the Affected System Operator and attach the relevant Affected System Operator Study that identified the need for such Facilities Study Agreement. Notwithstanding the amount of the Study Deposit, Affected System Customer shall reimburse Transmission Provider for all of the actual cost of the Affected System Customer

Facilities Study. If Transmission Provider sends Affected System Customer notification of additional study costs, then Affected System Customer must pay all additional study costs within 20 Business Days of Transmission Provider sending the notification of such additional study costs. If Affected System Customer fails to pay such amounts, then Transmission Provider shall deem this Agreement to be terminated and withdrawn.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

13. In analyzing and preparing the Affected System Customer Facilities Study, Transmission Provider, the Transmission Owners, and any other subcontractors employed by Transmission Provider shall have to rely on information provided by Affected System Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNERS, NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE AFFECTED SYSTEM CUSTOMER FACILITIES STUDY. Affected System Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this Agreement nor the Facilities Studies prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by Transmission Provider or Transmission Owner(s) to provide Interconnection Service or transmission service to or on behalf of Applicant either at this time or in the future.
14. In no event will Transmission Provider, the Transmission Owners or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the Affected System Customer Facilities Study, even if Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider be liable for any delay in delivery, or for the non-performance or delay in performance, of Transmission Provider's obligations under this Agreement.

Without limitation of the foregoing, Affected System Customer further agrees that the Transmission Owners and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Affected System Customer Facilities Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

15. Any notice or request made to or by either party regarding this Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
interconnectionagreementnotices@pjm.com

Affected System Customer

16. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
17. This Agreement or any part thereof, may not be amended, modified, assigned or waived other than by a writing signed by all parties hereto.
18. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
19. Neither this Agreement nor the Affected System Customer Facilities Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
20. The provisions of Tariff, Part VII or Tariff, Part VIII, as applicable are incorporated herein and made a part hereof.
21. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the PJM Tariff.
22. This Agreement shall become effective on the date it is executed by all parties and shall remain in effect until the earlier of (a) the date on which the Transmission Provider tenders the completed Affected System Customer Facilities Study and, as applicable, a proposed Upgrade Construction Service Agreement to Affected System Customer, or (b) termination and withdrawal of the Affected System interconnection request(s).

23. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.

24. Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

25. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

26. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

27. Governing Law, Regulatory Authority, and Rules

This Agreement shall be deemed a contract made under, and the interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with, the applicable Federal and/or laws of the State of Delaware without regard to conflicts of laws provisions that would apply the laws of another jurisdiction. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

28. Reservation of Rights

Transmission Provider shall have the right to make a unilateral filing with the Federal Energy Regulatory Commission ("FERC") to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; and Applicant shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

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IN WITNESS WHEREOF, Transmission Provider and the Affected System Customer have caused this Agreement to be executed by their respective authorized officials.

(Project Identifier # [REDACTED])

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

By: _____
Name Title Date

Printed Name

Affected System Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

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Schedule A
Details of Design and Cost Estimates/Quality
For the Affected System Customer Facilities Study

[insert details regarding degree of accuracy of cost estimates and associated scope of design as mutually agreed by Transmission Provider and Affected System Customer]

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