

If PJM identifies required Network Upgrades, on the PJM transmission system, due a MISO interconnection request, then the MISO Interconnection Customer(s) shall be required to follow all provisions, delineated under Tariff, related to Facility Study funding and appropriate Network Upgrade Facility Construction Agreement obligations.

Cost allocation for required Network Upgrades on the PJM transmission, for MISO Interconnection projects, shall be governed by and subject to Tariff and Manuals.

PJM shall determine the curtailment necessary associated with the request for service (e.g.: transmission service, generation interconnection, etc.) which was identified as impacting a PJM constraint.

1.17.2.1 Use of system reinforcements outside of PJM for PJM constraints

During the determination of reinforcements, required for PJM constraint mitigation, PJM and MISO may identify other planned non-PJM reinforcement(s) that may alleviate a constraint inside of PJM's boundaries. Under such circumstances, any MISO project relying on those reinforcement(s) shall have limited injection rights until those reinforcement(s) are put in place. PJM shall determine the necessary injection limits, associated with the MISO Interconnection Request, that will be implemented in Real Time until the necessary upgrades identified through PJM's affected system analysis are in-service.

1.17.3 Study of PJM Transmission Service Request impacts on MISO transmission

MISO and PJM shall coordinate on new Transmission Service Request (TSR) Studies to determine impacts on each other's transmission system which will be treated as an affected system. The coordination and completion of these studies will follow the same basic procedures described in Section 1.12.1 above relating to interconnection request studies.

1.18 Studies for Long Term Firm Transmission Service

Transmission Service Requests are received through the PJM OASIS and, in the case of Long Term Firm Transmission Service, must be evaluated along with the other requests for service which are studied in the PJM New Services Queue when those requests for Long Term Firm Transmission Service are requests outside of the Available Transfer Capability, ("ATC"), horizon of 18 months. The ATC horizon extends for 18 months from the date of the Oasis request. Additional details regarding the ATC horizon are located in PJM Manual 2: Transmission Service Request.

The first step in the evaluation of Long Term Firm Transmission Service associated with the inclusion of the request in the New Services Queue is during the to perform a Initial Study Feasibility Study. During the conduct of the Initial Studies of requests for transmission service as outlined in PJM Manual 2 Feasibility Study, PJM will conduct a screening of the requested service under conditions similar to the performance of with the remaining New Service Requests in the Feasibility Studies discussed later in this manual for generation and transmission requests, however, the results of these Initial Studies of transmission service shall only provide a listing of the possible impacted elements and not address the costs or time to complete any reinforcements.

If the customer proceeds forward after the Initial Feasibility Study and they must execute the System Impact Study Agreement, PJM shall conduct a study of the requested service following the close of the New Services Queue in which the request for service is contained which shall

be similar to with the remaining New Service Requests in the System Impact Study. This will occur during the time that the remaining New Service Requests are being evaluated for the Feasibility Study and will be performed with all New Service Requests in the case for the study as if those projects had proceeded forward to the System Impact Study phase however the commercial probability for the other New Service Requests shall remain at the value specified for the Feasibility Study. This study will provide the transmission service customers additional information in order to determine if they will move forward by defining the costs associated with reinforcements which may be required to grant the requested service. Following the completion of this study, the transmission service customer will receive a System Impact Study and will be required to move forward into the Facilities Study phase based on the results of this study.

The requests for transmission service will again be evaluated during the Tariff specified time period for the System Impact Study associated with the New Services Queue the customer is in. The results of this study will be used to modify and revise the requirements as previously specified in the original System Impact Study and the Facilities Study will be adjusted appropriately.

1.19 Interim Deliverability Studies

PJM's process for the conduct of studies associated with projects which have requested service or evaluation in the New Services Queue, or projects which are under study considering PJM as an Affected System, require that all studies be performed on a case for each study which is independent of the requested service dates associated with the proposed project/service. The use of the same case for one projects evaluation, which is consistent with the same case as the case used for other projects under study, allows for development of required upgrades while preserving the rights associated with the individual Queue Position for the project(s) under study in that queue study. As a result of the use of a case which may not coincide with the requested year of service for any individual project, the ability of any individual project to come into service in a year before the year of the case used for the study of the project is dependent on the availability of system capability in any earlier year as can be determined during interim deliverability studies.

Projects which rely on reinforcements which have not been constructed at the time the project comes into service will also require evaluation on a case which is needed to determine the capability of the existing system to allow the projects output or flow to be granted through the conduct of interim deliverability studies.

- Example: A project was evaluated and it was found to require construction of a network reinforcement which has not been constructed when the project desires to come into service. An interim deliverability study will be conducted to determine what output, or flow, can be accommodated on the system prior to completion of the required upgrade.

Interim Deliverability studies will be conducted on a periodic basis, and as required, in support of RPM auctions and preparation of documents for service (e.g.: Interconnection Service Agreement, Upgrade Construction Service Agreement, Interconnection Agreements in areas outside of PJM, etc.). These studies will be conducted to evaluate the available system capability based on when a project requesting service executes the applicable service agreement as well as the projects Queue Position. For projects outside of PJM, the Queue Position is determined based on the timing of the studies for that project and when they are