

MANUAL 14D

Section 2: Responsibilities of Generation Owners

2.1 Generators Owners' Responsibilities

2.2 Transfers of a Generation Facility and Name Changes of Generation Owners and Interconnection Customers

2.2.1 Transfers of a Generation Facility

Each interconnection customer for generators pending the PJM planning queue and generator owner seeking to, directly or indirectly, transfer all or part of its ownership interests in its generation facility must notify PJM and complete the processes as set forth herein. This provision applies to asset transfers, entity transfers, and to upstream transfers of ownership interests. These requirements apply to upstream transfers of ownership because service agreements and ancillary documentation associated with the entity owning generation often contain information relating to the holding company including contact persons and addresses. Because of various PJM Tariff obligations, PJM must maintain accurate agreements and clarity of ownership, including upstream ownership. These requirements are also implicated by corporate reorganizations unless such internal corporate reorganizations is subject to the blanket authorization for corporate reorganizations set forth in FERC's regulations promulgated pursuant to Section 203 of the Federal Power Act (18 CFR 824b) and as such the transaction is not otherwise subject to review by FERC.

It is the obligation of such PJM generation owners and interconnection customers to comply with the terms and conditions of all applicable service agreements including those governing the interconnection of their generation to the PJM Transmission System and/or participation in PJM's wholesale markets regarding any assignments, consents, updates, or notices. The requirements set forth herein are in addition to and not in substitution of any contractual or PJM Tariff obligations. All service agreements must have the current entity name and contact information both before the closing of the transaction and after the closing of the transaction. Any amendments to service agreements relating to the transaction must be completed prior to the closing of the transaction which includes execution of an agreement to amend and/or consent to assignment agreement use the forms of agreement posted on PJM's website. Any post-closing updates to service agreements relating to the transaction (i.e., contact persons, addresses, etc.) must be provided to PJM within ten (10) days following the closing of the transaction and appropriate amendment agreements signed and, if necessary filed at FERC.

Any generation owner or interconnection customer involved in or aware of a transaction involving the direct or indirect transfers of all or part of its ownership interests in a generation facility (including upstream transfers) shall satisfy the following requirements:

1. The interconnection customer, generation owner or, in the case of any transaction subject to review by the Commission pursuant to Section 203 of the Federal Power Act, the applicants shall provide the PJM Client Management Department with written notice of the transfer at the earlier of: (i) when an application for authorization of the transaction is filed with the Commission pursuant to Section 203 of the Federal Power Act; or (ii) ten (10) days after binding transaction documents are executed, even if those documents contain conditions or contingencies (note: this milestone is not the closing of the transaction, but rather the execution of transaction documents). Such notice shall include the following documentation:
 - i. a description of the subject generation facilities or any downstream generation facilities in the case of an upstream transaction including the facilities' names, locations, street addresses, points of interconnection, nominal approximate MW capability, name(s) of the facility owner(s) (i.e., the legal entities that own the facility), PJM Markets Gateway Unit ID, PJM-assigned commercial name(s) developed in accordance with section 1.2 of this Manual 14D if applicable; the names of the parties to the transaction; and a description of the transaction;
 - ii. a copy of the interconnection agreement if PJM is not a party to the interconnection agreement;
 - iii. a list of any agreements relating to the facility to which PJM is a party; such list shall specify the queue numbers, parties to the agreement, the name of the agreement, the date of execution, and, further, any amendments thereto;
 - iv. if the interconnection customer or generation owner is an affiliate of a member, the name of the member and a simplified organization chart illustrating the relationship between: (1) the interconnection customer or generation owner; and (2) the member;
 - v. if a third-party marketing entity is responsible for the generation facility interfacing with PJM, a copy of an executed PJM-accepted Declaration of Authority for the generation facility authorizing the third-party marketer to interface with PJM and a statement indicating any changes to the third-party marketer; and
 - vi. the following information for the entity to which the generation facilities are being transferred: (a) a letter to the currently-effective President and CEO of PJM Interconnection, L.L.C. on the entity's letterhead giving the new company name and the requested effective date of the transfer; (b) a certificate of good

standing from the entity's state of organization; (c) a listing of the current officers of the entity; and (d) an IRS Form W9 for the entity.

2. Where the interconnection customer or generation owner is not able to produce the above-required documents contemporaneously with the requisite notice, the interconnection customer or generation owner shall use commercially reasonable efforts to promptly produce such documents to PJM. PJM may extend or waive any of the requirements of this part in its sole discretion.
3. Where an assignment of any rights or obligations under any PJM service agreement is occurring, the parties must complete and sign the appropriate PJM consent to assignment agreements for all existing PJM service agreements related to the transferred asset including but not limited to interconnection service agreements, transmission service agreements, wholesale market participation agreements and/or pseudo-tie agreements before the requested effective date of the transfer; any related assumption agreements must be executed by an officer of the post-transfer entity prior to the closing of the transaction.
4. If the entity responsible for the generation facility interfacing with PJM (e.g., a third-party marketing entity) is changing as a result of the transaction, the generator owner must provide a Declaration of Authority agreement to be effective post-closing specifying the effective date. The Declaration of Authority agreement shall specify the rights and obligations and of the third party and new generator owner with regard to conducting business with PJM, and shall be in a form reasonably acceptable to PJM.
5. If a generation entity is being transferred and such entity is not subject to a three-party interconnection service agreement to which PJM is a party or wholesale market participation agreement to which PJM is a party, the interconnection customer or generation owner shall promptly enter into a cost responsibility agreement for generator non-queue project to ascertain any modifications, amendments, or updates the are necessary or appropriate to the interconnection agreement or wholesale market participation agreement related to facility's participation in the PJM markets.

2.2.2 Generator Owner or Interconnection Customer Name Change

An interconnection customer or generation owner that changes its corporate name shall notify PJM, update its PJM service agreements, and provide PJM with the following documents: (i) a letter to the currently-effective President and CEO of PJM Interconnection, L.L.C. on the company letterhead giving the new company name and the requested effective date of the change; (ii) a copy of the name change filing certified by the Secretary of State from the state of organization; (iii) an updated affiliate disclosure form reflecting the new company name; and (iv) an updated W9 reflecting the new company name. The documents should be mailed to:

PJM Interconnection, LLC
Member Support Services

Attn: Megan McLaverty
2750 Monroe Boulevard
Audubon, PA 19403

2.2.3 Transfer of Certain Member Rights and Obligations Pertaining to a Generator to Other Members

Section 5.7 pertains to a Member's transfer of specific rights or obligations associated with its generation facility. A member may transfer specific rights or obligations associated with its generation facility only to extent permissible under the PJM Tariff, other PJM governing documents, and manuals. To the extent a transfer of specific rights or obligations for a generator associated with, or in anticipation of, a name change or transfer of all or part of its ownership interests in its generation facility, directly or indirectly, a Member must first satisfy the requirements in this section 2.2.

Section 5: Participation in PJM Markets

5.1 Marketing Options

5.2 Ancillary Services

5.3 Marketing Tools

5.4 Description of the Two-Settlement System

5.5 Pre-Scheduling and Scheduling

5.6 Unit Commitment

5.7 Generation Transfer Process

In the event that a generation resource changes ownership via transfer or sale, or a generation resource has a transfer of responsibilities, PJM Member Relations shall be contacted in advance of the change by initiating the Generation Transfer process through the PJM Member Community:
<http://www.pjm.com/markets-and-operations/etools/member-community.aspx>.

PJM's client managers will facilitate the generation transfer process for members in order to effectuate the changes in PJM. Generation Transfer documentation shall be finalized and approved by impacted parties at least five (5) business days prior to the requested transfer effective date of the transfer in order to be implemented in PJM's systems and tools. **Once the transfer has entered into those five (5) business days, the transfer cannot be stopped.** Questions on the process should be directed to PJM Member Relations via <http://www.pjm.com/about-pjm/who-we-are/contactus.aspx>.

A Member may seek to permanently transfer all or some rights and obligations, including financial rights and obligations, associated with a particular generation resource to a separate Member or within a different account of their own. The following are examples of typical generation transfer scenarios that should follow the Generation Transfer process; however, this is not a fully exhausted list:

1. Member to Member
2. Member to Non-Member/Agent
3. Within a Member (transferring generator to a new billing subaccount but the PJM Member/owner does not change)
4. Corporate separation (unregulated to regulated)
5. Joint Ownership Changes
6. Functional responsibilities change (dispatch agent, telemetry provider, energy market agent, eDART reporting, etc.)

All generation transfers require PJM to ensure all data is accurate within the systems, all legal agreements are approved, and the appropriate contact information is provided to dispatch. When a transfer is occurring between separate parties, PJM expects that these parties will, in good faith, cooperate with PJM and the other entity.

5.7.1 Initiate Process

In order to initiate a request for a generation transfer, a Member must submit a Request Generation Transfer through the PJM Member Community: <http://www.pjm.com/markets-and-operations/etools/member-community.aspx>.

The Generation Transfer Request User Guide is located in the Member Community to provide step-by-step instructions on how to obtain the required information needed to submit the request. It is important for both the Transferor (“from” Member) and Transferee (“to” Member/Company) to consider the timeline requirements detailed in Section 5.7.3 before determining the requested effective date of the transfer. PJM requires at least 45 days prior to the requested effective date of the transfer to review the information submitted with the request and ensure all required documentation and information is correct and approved.

Once the form is submitted, a PJM Client Manager will contact the entity within two (2) business days. The PJM Client Manager may require more information from the current Member to facilitate the generation transfer process. The potential additional information needed is listed in Section 5.7.2.

5.7.2 Information Required

Since a Generation Transfer may occur for various scenarios, the required information may be different for each scenario to complete the transfer. Further discussions between the Client Manager and the entities will help determine what additional information is required.

5.7.2.1 Legal and Administrative Agreements

Refer to Section 2.2 of this Manual for further guidance.

5.7.2.2 Membership

The Transferee or an agent representing the Transferee must either be a current active PJM Member or become a PJM Member at least five (5) business days prior to the requested effective date of the transfer. The Operating Agreement, Section 11.6 describes the requirements an entity must meet to qualify for Membership. The PJM Tariff, Attachment Q describes the credit policy and requirements. The application form and process can be found in the Become a Member section on PJM.com

5.7.2.3 Fuel Cost Policy

All Market Sellers who submit cost-based offers must have submitted to PJM a Fuel Cost Policy 45 days prior to the requested effective date of the transfer. The fuel cost policy requirements are detailed in Manual 15, Section 2.3. All concerns or discussions should be addressed with the Fuel Cost Policy Team at FuelCostPolicyAnalysis@PJM.com.

5.7.2.4 Markets Gateway

Markets Gateway is the system that PJM Market Participants use to participate in the Day-Ahead Energy Market, Real-Time Energy Market, Synchronized Reserve Market and Regulation Market. Members will submit generation offers into Markets Gateway. PJM must ensure the proper entity has access to Markets Gateway and that entity has access to Market Gateway on the approved appropriate day. The Generation Transfer Request User Guide located on the Member Community webpage provides additional guidance regarding election of price or cost-based startup and no load parameters and transferring rights of historical generation data to the Transferee.

5.7.2.5 Dispatching Company

The Transferee must indicate to PJM if the dispatching company is changing. If a change is occurring, then PJM must receive the new dispatch company name, company contact name, and All Call phone numbers. The All Call Form can be found in Manual 14D, Attachment C or in the Member Forms section on PJM.com. Additionally, a Member that transfers dispatch rights or obligations associated with its generation facility to a third party must provide PJM with a Declaration of Authority effective prior to the requested effective date of the transfer. The Declaration of Authority agreement shall specify the rights and obligations and of the third party and new generator owner with regard to conducting business with PJM, and shall be in a form reasonably acceptable to PJM.

5.7.2.6 Member Training and Certification

PJM has training and certification requirements in place for individuals who:

- Operate or dispatch on the PJM system,
- Are in direct communication with the PJM System Operator, and
- Perform daily operations-related functions at the direction of the PJM System Operator during normal, emergency and /or system restoration states

These requirements are outlined in Manual 40. Due to their interaction with PJM control room and potential impact on system reliability, applicable training and certification requirements must be met, in

accordance with the manual, prior to the new entity beginning operations. The new generation resource owner will provide their Member Training Liaison contact information to PJM

5.7.2.7 eRPM account

The Reliability Pricing Model (RPM) conducts various auctions prior to the Delivery Year. Therefore, specific transaction and processes must be followed to ensure the transfer of the resource³ and obligation are done properly. Depending on the Transferor structured its capacity will determine how many transactions are required to move each resource from the Transferor to the Transferee. Coordination an agreement between the Transferor and Transferee is required for the entire process. Contact the Capacity Group at RPM_Hotline@PJM.com to initiate this step.

5.7.2.8 Telemetry and Telecommunications

PJM must ensure that the electronic and voice links between PJM and the Transferee meet PJM standards as listed in Manual 14D. The following sections within Manual 14D describe these standards in further detail.

- Control Centers and Voice Communications – Section 3
- Data exchange & Metering – Section 4
- Pre-Operational requirements – Section 6

The Transferee must determine if the provider of real-time telemetry is changing. If the provider is changing, and depending on current communication protocol setup for the new provider, then additional time may be required to ensure proper communication between PJM and the new provider prior to the requested effective date of the transfer.

5.7.2.9 Ancillary Services

Regulation, Reserves and Black Start are ancillary services that PJM must coordinate and communicate participation among multiple internal groups. Therefore, the Transferee must notify PJM if the generation resource will be participating in any of these three (3) services.

1. Regulation – re-qualification business rules can be found in Manual 12, Section 4.5. Resources will not be qualified to offer regulation until they successfully complete the re-test.
2. Reserve – confirmation of resource within PJM systems
3. Black Start – contact name and number(s) for testing notifications and restoration events must be on file with PJM, as further described in Manual 12, Section 4.6.

5.7.2.10 PJM Tools

PJM utilizes online tools to help facilitate the communication of specific data between PJM and the resource. Depending on the type of market activity the Transferee decides for the resource, will determine the required online tool(s) access. Descriptions and details about specific online tools are found in the Generation Transfer Request User Guide located on the Member Community webpage.

5.7.2.11 PJM Settlements and Billing Items

PJM settlement and billing will be based on which PJM account/subaccount the resource is located. However, there are few other items that PJM must know to ensure proper billing.

1. Reactive Credits – at least 90 days prior to requested effective date of the transfer, a resource must either (1) submit to the FERC Commission the appropriate filings; or (2) provide to the Transmission Provider and file with the FERC Commission an informational filing, as further described in PJM’s Tariff, Schedule 2
2. Operating Reserves – PJM needs to determine if the resource has a relationship with another resource that they should be considered a ‘single bus’ and able to offset one another as further described in Manual 28, Section 5.3

5.7.3 Process Timeline

All Generation Transfer documentations shall be finalized and approved by impacted entities at least five (5) business days prior to the requested effective date of the transfer. **Once the transfer has entered into those five (5) business days, the transfer cannot be stopped.** Since a Generation Transfer may occur for different reasons, each timeline will vary. The following items should be considered when determining a requested effective date of the transfer:

- Membership – Obtaining a PJM membership can take up to 60 days after all the required paperwork has been signed and received by PJM.
- Legal – provided all documentation as described in Section 2.2 of this Manual
- Fuel Cost Policy – submit a policy to PJM at least 45 days prior to the requested effective date of the transfer
- Initial Training and certification – Generation owners may contract with dispatching companies that already meet PJM requirements or have their own personnel dispatch. Depending on the experience of the individuals involved, it may take several months to get a new generation dispatcher qualified.
- Telemetry and Communication Protocol for new Members – may take up to three (3) months
- Telemetry and Communication Protocol for existing Members – may take up to 30 days
- Reactive Credits – file with the Transmission Provider and/or the FERC Commission at least 90 days prior to the requested effective date of the transfer