



Electric System. All required studies will be completed in order to address any impacts to the Transmission Owners lower voltage systems.

1.10 Distributed Generation

Developers who are considering construction of generating facilities within PJM which are 20 MW or less may follow the Small Generator Interconnection process described above. If a plant operator seeks operation as part of a load management arrangement, the operator is directed to PJM's load management program, found on PJM's web site at <http://www.pjm.com/home.aspx>.

1.11 Behind the Meter Generation

Any Behind the Meter Generation which seeks to be designated in whole or in part as an energy or capacity resource must submit a Generation Interconnection Request for the portion of the unit's output that will participate in the PJM market. Further, sites with 10 MW or more must abide by PJM metering requirements as well as market, operational and settlement requirements. Manual 14D (Appendix A) describes the treatment of Behind the Meter generation, provisions for which are captured in PJM's Open Access Transmission Tariff, Subpart A, Section 36.1.A.

As with any other Interconnection Request, The Developer will be assigned a Project Manager for each process phase captured in Exhibit 2. The Project Manager will be responsible for working with each Developer and staff to complete the respective steps for that particular phase. Attachment B: Interconnection Process Team Role Clarity Diagram captures Implementation Team roles for each interconnection process phase (including a PJM Project Manager for each phase) and shows how each Manual aligns with each phase.

Generating resources operating "behind the meter," in isolation from the PJM bulk power transmission system and which do not intend to participate in the PJM wholesale energy market, need only coordinate planning, construction and/or operation with the host Transmission Owner.

1.12 Coordination of studies between PJM and MISO

MISO and PJM shall conduct Interconnection Studies, as necessary, to determine the impacts of Interconnection Requests on each other's transmission system which will be treated as an affected system. This joint coordination of Interconnection Studies will be in addition to the existing Interconnection Studies that MISO and PJM already perform to evaluate the impacts of their respective queues on their own transmission system.

The Transmission reinforcement and the study criteria used in the coordinated interconnection studies will honor and incorporate provisions as outlined in the PJM and MISO Business Practices Manuals and their respective Tariffs.

Example:

1. PJM and PJM Transmission Owner study and reinforcement criteria will apply to PJM transmission when PJM evaluates the impact of MISO generation on PJM transmission.

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2. MISO and MISO transmission owner study and reinforcement criteria will apply to MISO transmission when MISO evaluates the impact of PJM generation on MISO transmission.

1.12.1 Study of PJM Interconnection Request impacts on MISO transmission

During the course of PJM Interconnection studies, PJM shall monitor the MISO transmission system and provide the draft results of the potential impacts to MISO. These potential impacts shall be included in the PJM System Impact study report along with any information regarding the validity of these impacts and possible mitigation received from MISO and the MISO transmission owners.

Following the completion of the PJM System Impact Study and after the customers execute the PJM Facilities Study Agreement, PJM shall forward to MISO, at a minimum of twice per year (November 15 and May 15), information necessary for MISO and the MISO transmission owners to study the impact of the PJM interconnection request(s) on the MISO transmission.

MISO and the MISO transmission owners shall study the impact of the PJM interconnection request(s) on MISO transmission and provide draft results to PJM by:

- February 1 for PJM interconnection requests provided to MISO on or before November 15 of the previous year.
- August 1 for PJM interconnection requests provided to MISO on or before May 15 of the same year.

These impacts shall include a description of the required system reinforcement(s), an estimated planning level cost and construction schedule estimates of the system reinforcement(s). At times PJM may identify to MISO the need to perform studies associated with an interconnection request other than the times identified above. MISO shall endeavor to study these requests at the earliest time which is feasible, but not later than the times as specified above (commencing after November 15 and May 15).

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

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

1.12.2 Study of MISO Interconnection Request impact on PJM Transmission.

During the course of MISO Interconnection studies, MISO shall monitor the PJM transmission system and provide the draft results of the potential impacts to PJM. These potential impacts shall be included in the MISO System Impact study report along with any information regarding the validity of these impacts and possible mitigation received from PJM and the PJM transmission owners.

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Prior to commencing the MISO DPP study MISO shall forward to PJM, at a minimum of twice per year (January 1 and July 1), information necessary for PJM and the PJM Transmission Owners to study the impact of the MISO interconnection requests on the PJM territory. For the prescribed times when MISO provides this information to PJM, January 1 and July 1, PJM and the PJM Transmission Owners shall study the impact of the MISO interconnection requests and provide draft results on the PJM transmission by

- March 31, for requests submitted to PJM on or before January 7th of the same year, and
- September 29 for requests submitted to PJM on or before July 7th of the same year.

These impacts shall include a description of the required system reinforcement(s), an estimated planning level cost and construction schedule estimates of the system reinforcement(s). At times MISO may identify to PJM the need to perform studies associated with an interconnection request other than the times identified above. PJM shall endeavor to study these requests at the earliest time which is feasible, but not later than the times as specified above (commencing after January 7 and July 7).

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 PJM 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 PJM Tariff and Manuals.

1.12.3 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.



1.13 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.

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 Initial Study. During the conduct of the Initial Studies of requests for transmission service as outlined in PJM Manual 2, PJM will conduct a screening of the requested service under conditions similar to the performance of 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 Study and executes 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 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.