

RAA Changes

for PRD Credit Disposition

Intra-PJM Tariffs --> RELIABILITY ASSURANCE AGREEMENT --> RAA ARTICLE 1 -- DEFINITIONS

PRD Provider:

“PRD Provider” shall mean ~~(i) a Load Serving Entity that provides PRD; or (ii) a PJM member entity without direct load serving responsibilities~~ that has entered contractual arrangements with end-use customers ~~served by a Load Serving Entity~~ that satisfy the eligibility criteria for and provides Price Responsive Demand.

Intra-PJM Tariffs --> RELIABILITY ASSURANCE AGREEMENT --> RAA SCHEDULE 6.1

(i) documentation, in the form specified in the PJM Manuals, that: ~~(1) where the PRD Provider is a Load Serving Entity, the Relevant Electric Retail Regulatory Authority has provided any required approval (including conditional approval, but only if the Load Serving Entity asserts that all such conditions have been satisfied) of such Load Serving Entity’s timevarying retail rate structure and, regardless of whether RERRA approval is required, that such rate structure adheres to PRD implementation standards specified in the PJM Manuals; and (2) where the PRD Provider is not a Load Serving Entity, such PRD Provider~~ has in place contractual arrangements with the relevant end-use customers establishing a time-varying retail rate structure that conforms to any RERRA requirements, and adheres to PRD implementation standards specified in the PJM Manuals; in such cases, the PRD Provider shall provide the Office of the Interconnection copies of its applicable contracts with end-use customers (including any proposed contracts) within ten Business Days after a request for such contracts, or its PRD Plan shall be rejected;

E. Each PRD Provider that commits Price Responsive Demand through an accepted PRD Plan must, no later than one day before the tenth Business Day prior to the start of the Delivery Year for which such PRD is committed, register with PJM, in the form and manner specified in the PJM Manuals, sufficient PRD-eligible load at a PRD Substation level to satisfy its Nominal PRD Value commitment. All information required in the PRD Plan to be at a PRD Substation level if available at the time of submission of the PRD Plan that was not provided at the time of submission of such plan must be provided with the registration. The PRD Provider shall also identify in the registration each individual end-use customer with a peak load contribution of 10 kW or greater included in such Price Responsive Demand, the peak load contribution, Maximum Emergency Service Level (prior to the 2022/2023 Delivery Year), and Firm Service Levels (for the 2022/2023 Delivery Year and subsequent Delivery Years) for such customers, ~~the Load Serving Entity responsible for serving such customers, and the Load Serving Entities responsible for serving the end-use customers not identified on an individual basis.~~ PJM shall provide

notification of such PRD registrations to the applicable electric distribution company(ies) ~~and load serving entity(ies)~~. The PRD Provider shall maintain, and provide to the Office of the Interconnection upon request, an identification of all individual end-use customers with a peak load contribution of less than 10kW included in such Price Responsive Demand, and the peak load contribution, Maximum Emergency Service Level (prior to the 2022/2023 Delivery Year), and Firm Service Levels (for the 2022/2023 Delivery Year and subsequent Delivery Years) of such customers. The PRD Provider must maintain its PRD Substation-level registration of PRD eligible load at the level of its Zonal (or sub-zonal LDA, if applicable) Nominal PRD Value commitment during each day of the Delivery Year for which such commitment was made. The PRD Provider may change the end-use customer registered to meet the PRD Provider's commitment during the Delivery Year, but such PRD Provider must always in the aggregate register sufficient Price Responsive Demand to meet or exceed the Zonal (or sub-Zonal LDA, if applicable) committed Nominal PRD Value level. A PRD Provider must timely notify the Office of the Interconnection, in accordance with the PJM Manuals, of all changes in PRD registrations. Such notification must remove from the PRD Provider's registration(s) any enduse customer load that no longer meets the eligibility criteria for PRD, effective as of the first day that such end-use customer load is no longer PRD-eligible.

F. ~~Each PRD Provider that is a Load Serving Entity shall be required to identify its committed Price Responsive Demand as price-sensitive demand at a PRD Substation level in the Day Ahead and Real-Time Energy Markets.~~ Each PRD Provider ~~that is not a Load Serving Entity~~ shall be required to identify its committed Price Responsive Demand as price-sensitive demand at a PRD Substation level in the Real-Time Energy Market. The most recent PRD Curve submitted by the PRD Provider in its PRD Plan or PRD registration shall be used for such purpose unless and until changed by the PRD Provider in accordance with the market rules of the Office of the Interconnection, provided that any changes to PRD Curves must be consistent with the PRD Provider's commitment of Price Responsive Demand hereunder.

G. ~~The PRD Provider The Obligation Peak Load of a Load Serving Entity that serves end-users registered as Price Responsive Demand in any Zone shall be as determined in Schedule 8 to this Agreement; provided, however, that such Load Serving Entity shall receive, for each day that an approved Price Response Demand registration is effective and applicable to such LSE's load, a shall receive a~~ Price Responsive Demand Credit for such registrations during the Delivery Year, ~~against the Locational Reliability Charge otherwise assessed upon such Load Serving Entity in~~ such Zone for such day, determined as follows:

~~LSE~~ PRD Credit = [(Share of Zonal Nominal PRD Value committed in Base Residual
Auction * (FZWNSP/FZPLDY) * Final Zonal RPM Scaling Factor * FPR *
Final Zonal Capacity Price) + (Share of Zonal Nominal PRD Value committed in
Third Incremental Auction * (FZWNSP/FZPLDY) * Final Zonal RPM Scaling
Factor * FPR * Final Zonal Capacity Price * Third Incremental Auction
Component of Final Zonal Capacity Price stated as a Percentage)].

For the 2022/2023 Delivery Year and subsequent Delivery Years, the factor equal to FZWNSP/FZPLDY is eliminated in the calculation of the LSE PRD Credit

Where:

Share of Zonal Nominal PRD Value Committed in Base Residual Auction = Nominal PRD Value for such registration/Total Zonal Nominal PRD Value of all Price Responsive Demand registered by the PRD Provider of such registration *Zonal Nominal PRD Value committed in the Base Residual Auction by the PRD Provider of such registration .

Share of Zonal Nominal PRD Value Committed in Third Incremental Auction = Nominal PRD Value for such registration/Total Zonal Nominal PRD Value of all Price Responsive Demand registered by the PRD Provider of such registration *Zonal Nominal PRD Value committed in the Third Incremental Auction by the PRD Provider of such registration.

FZPLDY = Final Zonal Peak Load Forecast for such Delivery Year; and

FZWNSP = Zonal Weather-Normalized Peak Load for the summer concluding prior to the commencement of such Delivery Year;

And where the PRD registration is associated with a sub-Zone, the Share of the Nominal PRD Value Committed in Base Residual Auction or Third Incremental Auction will be based on the Nominal PRD Values committed and registered in a sub-Zone. A ~~Load Serving Entity PRD Provider~~ will receive a ~~LSE~~ PRD Credit for each approved Price Responsive Demand registration that is effective ~~and applicable to load served by such Load Serving Entity~~ on a given day. The total daily credit to ~~the an LSE PRD Provider~~ in a Zone shall be the sum of the credits received as a result of all approved registrations in the Zone ~~for load served by such LSE~~ on a given day. The total daily credit to ~~an LSE a PRD Provider~~ in a Zone shall be the sum of the credits received as a result of all approved registrations in the Zone ~~for load served by such LSE~~ on a given day.

H. A PRD Provider may transfer all or part of its PRD commitment for a Delivery Year in a Zone (or sub-Zonal LDA) to another PRD Provider for its use in the same Zone or sub-Zonal LDA, through notice of such transfer provided by both the transferor and transferee PRD Providers to the Office of the Interconnection in the form and manner specified in the PJM Manuals. From and after the effective date of such transfer, and to the extent of such transfer, the transferor PRD Provider shall be relieved of its PRD commitment and credit requirements, shall not be liable for PRD compliance charges, and shall not be entitled to a Price Responsive Demand Credit; and the transferee PRD Provider, to the extent of such transfer, shall assume such PRD commitment, credit requirements, ~~and~~ obligation for compliance charges and, ~~if it is a Load Serving Entity,~~ shall be entitled to a Price Responsive Demand Credit.