

Sched. 1 of Operating Agreement / Attachment K-Appendix of Tariff

3.1 Introduction.

This schedule sets forth the accounting and billing principles and procedures for the purchase and sale of services on the PJM Interchange Energy Market and for the operation of the PJM Region.

3.1.1 Settlements.

The Office of the Interconnection shall calculate energy prices, charges, credits, LMP, opportunity costs and all other costs as prescribed by the Tariff, Operating Agreement, RAA or other applicable Commission-accepted agreement. As a general matter, resources must operate pursuant to the applicable requirements of the Tariff, Operating Agreement and PJM Manuals as determined by PJM to be eligible to receive the full entitlement of all potential sources of revenue for their output of energy or the reduction thereof at the direction of the Office of the Interconnection. Examples of such failures to operate for which a resources shall not be eligible to receive certain portions of revenue permitted under the Tariff or Operating Agreement, include *but are not limited to*, the following:

- a. A generation resource that reduced its output at the direction of the Office of the Interconnection due to a transmission constraint or other reliability issue, but the operation of which caused or contributed to the transmission constraint or reliability issue in question shall not be eligible to receive lost opportunity costs;
- b. Wind resources that do not supply wind power forecast input data as required shall not be eligible to receive lost opportunity costs; and
- c. Synchronized pool-scheduled [Generation or Demand Resources](#) that are not committed solely for the purpose of providing Synchronized Reserve that do not [operate as directed by the Office of the Interconnection](#) shall not be [made whole](#).