

Definitions – O – P - Q

1.27C Office of the Interconnection:

Office of the Interconnection shall have the meaning set forth in the Operating Agreement.

1.28 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 and Part 38 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.28A Operating Agreement of the PJM Interconnection, L.L.C. or Operating Agreement:

That agreement dated as of April 1, 1997 and as amended and restated as of June 2, 1997 and as amended from time to time thereafter, among the members of the PJM Interconnection, L.L.C.

1.28A.01 Option to Build:

The option of the New Service Customer to build certain Customer-Funded Upgrades, as set forth in, and subject to the terms of, the Construction Service Agreement.

1.28B Optional Interconnection Study:

A sensitivity analysis of an Interconnection Request based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

1.28C Optional Interconnection Study Agreement:

The form of agreement for preparation of an Optional Interconnection Study, as set forth in Attachment N-3 of the Tariff.

1.29 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.30 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31A Part IV:

Tariff Sections 36 through 112 pertaining to generation or merchant transmission interconnection to the Transmission System in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31B Part V:

Tariff Sections 113 through 122 pertaining to the deactivation of generating units in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31C Part VI:

Tariff Sections 200 through 237 pertaining to the queuing, study, and agreements relating to New Service Requests, and the rights associated with Customer-Funded Upgrades in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.32 Parties:

The Transmission Provider, as administrator of the Tariff, and the Transmission Customer receiving service under the Tariff. PJMSettlement shall be the Counterparty to Transmission Customers.

1.32.01 PJM:

PJM Interconnection, L.L.C.

1.32A PJM Administrative Service:

The services provided by PJM pursuant to Schedule 9 of this Tariff.

1.32B PJM Control Area:

The Control Area that is recognized by NERC as the PJM Control Area.

1.32C PJM Interchange Energy Market:

The regional competitive market administered by the Transmission Provider for the purchase and sale of spot electric energy at wholesale interstate commerce and related services, as more fully set forth in Attachment K – Appendix to the Tariff and Schedule 1 to the Operating Agreement.

1.32D PJM Manuals:

The instructions, rules, procedures and guidelines established by the Transmission Provider for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

1.32D.01 PJM Markets Facilities:

Those facilities that are both monitored in the PJM Energy Management System and included in the Locational Marginal Price calculations for congestion management.

1.32E PJM Region:

Shall mean the aggregate of the PJM West Region, the VACAR Control Zone, and the MAAC Control Zone.

1.32F PJM South Region:

The VACAR Control Zone.

1.32.F.01 PJMSettlement:

PJM Settlement, Inc. (or its successor).

1.32G PJM West Region:

The PJM West Region shall include the Zones of Allegheny Power; Commonwealth Edison Company (including Commonwealth Edison Co. of Indiana); AEP East Operating Companies; The Dayton Power and Light Company; the Duquesne Light Company, *American Transmission Systems, Incorporated, and Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.*

1.33 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.33A Point of Interconnection:

The point or points, shown in the appropriate appendix to the Interconnection Service Agreement and the Interconnection Construction Service Agreement, where the Customer Interconnection Facilities interconnect with the Transmission Owner Interconnection Facilities or the Transmission System.

1.34 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.35 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.36 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.36.01 PRD Curve

PRD Curve shall have the meaning provided in the Reliability Assurance Agreement.

1.36.02 PRD Provider

PRD Provider shall have the meaning provided in the Reliability Assurance Agreement.

1.36.03 PRD Reservation Price

PRD Reservation Price shall have the meaning provided in the Reliability Assurance Agreement.

1.36.04 PRD Substation:

PRD Substation shall have the meaning provided in the Reliability Assurance Agreement.

1.36.05 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.36A Pre-Expansion PJM Zones:

Zones included in this Tariff, along with applicable Schedules and Attachments, for certain Transmission Owners – Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power and Light Company, Jersey Central Power and Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power & Light Group, Potomac Electric Power Company, Public Service Electric and Gas Company, Allegheny Power, and Rockland Electric Company.

1.36A.01 Price Responsive Demand

Price Responsive Demand shall have the meaning provided in the Reliability Assurance Agreement.

1.36A.02 Project Financing:

Shall mean: (a) one or more loans, leases, equity and/or debt financings, together with all modifications, renewals, supplements, substitutions and replacements thereof, the proceeds of which are used to finance or refinance the costs of the Customer Facility, any alteration, expansion or improvement to the Customer Facility, the purchase and sale of the Customer Facility or the operation of the Customer Facility; (b) a power purchase agreement pursuant to which Interconnection Customer's obligations are secured by a mortgage or other lien on the Customer Facility; or (c) loans and/or debt issues secured by the Customer Facility.

1.36A.03 Project Finance Entity:

Shall mean: (a) a holder, trustee or agent for holders, of any component of Project Financing; or (b) any purchaser of capacity and/or energy produced by the Customer Facility to which Interconnection Customer has granted a mortgage or other lien as security for some or all of Interconnection Customer's obligations under the corresponding power purchase agreement.

1.36B Queue Position:

The priority assigned to an Interconnection Request, a Completed Application, or an Upgrade Request pursuant to applicable provisions of Part VI.

3F Transmission Losses

3F.1 Description of Transmission Losses.

Transmission losses refer to the loss of energy in the transmission of electricity from generation resources to load, which is dissipated as heat through transformers, transmission lines and other transmission facilities.

3F.2 Inclusion of State Estimator Transmission Losses.

Whenever in this Tariff transmission losses are included in the determination of a charge, credit, load (including deviations), or demand reduction, it is explicitly so stated and such included losses shall be those losses incurred on *all* PJM Markets Facilities included in the PJM network model and determined by, and reflected in, the PJM State Estimator, and except for *generator step-up transformers that a Market Seller has not elected to remove from the loss calculation*. Absent such explicit statement, such losses are not included in the determination.

3F.3 Other Losses.

Losses incurred on facilities not included in the PJM network model and therefore not reflected in the PJM State Estimator may be included in the determination of charges, credits, load (including real-time deviations), or demand reductions, as determined by electric distribution companies, unless this Tariff explicitly excludes such losses.

ATTACHMENT K

Transmission Congestion and Loss Charges and Credits

Preface.

This Attachment and Attachment K – Appendix specify the manner in which all Transmission Customers, Network Customers, and Transmission Owners using the Transmission System to serve their Native Load Customers and Market Participants submitting virtual bids and offers will be charged for the costs of congestion and losses on the transmission facilities of the Transmission System that the Office of Interconnection monitors and controls for purposes of congestion management (which, for the convenience of the parties, will be identified on the website maintained by the Office of the Interconnection), the manner in which customers, users and Market Participants will be charged the cost of losses on generator step-up transformers that a Market Seller has not elected to remove from the loss calculation, the manner in which all FTR holders share in the allocation of revenues received as Transmission Congestion Charges-, and the manner in which Network Service Users, Market Participants in the PJM Interchange Energy Market and Transmission Customers share in the allocation of Transmission Loss Charges. In addition, Attachment K - Appendix incorporates into the Tariff for ease of reference the provisions of Schedule 1 of the Operating Agreement (“Schedule 1”). Capitalized terms used in this Attachment which are not defined in the Tariff or in the Attachment, but which are defined in Schedule 1 shall have the meanings set forth in Schedule 1.

1.2A Transmission Losses.

1.2A.1 Description of Transmission Losses.

Transmission losses refer to the loss of energy in the transmission of electricity from generation resources to load, which is dissipated as heat through transformers, transmission lines and other transmission facilities.

1.2A.2 Inclusion of State Estimator Transmission Losses.

Whenever in this Schedule 1, transmission losses are included in the determination of a charge, credit, load (including deviations), or demand reduction, it is explicitly so stated and such included losses shall be those losses incurred on *all* PJM Markets Facilities~~facilities~~ included in the PJM network model and determined by, and reflected in, the PJM State Estimator, and ~~except for~~ *generator step-up transformers that a Market Seller has not elected to remove from the loss calculation.* Absent such explicit statement, such losses are not included in the determination.

1.2A.3 Other Losses.

Losses incurred on facilities not included in the PJM network model and therefore not reflected in the PJM State Estimator may be included in the determination of charges, credits, load (including real-time deviations) or demand reductions, as determined by electric distribution companies, unless this Schedule explicitly excludes such losses.

1.27 Office of the Interconnection.

“Office of the Interconnection” shall mean the LLC.

1.28 Operating Reserve.

“Operating Reserve” shall mean the amount of generating capacity scheduled to be available for a specified period of an Operating Day to ensure the reliable operation of a Control Zone, as specified in the PJM Manuals.

1.29 Original PJM Agreement.

“Original PJM Agreement” shall mean that certain agreement between certain of the Members, originally dated September 26, 1956, and as amended and supplemented up to and including December 31, 1996, relating to the coordinated operation of their electric supply systems and the interchange of electric capacity and energy among their systems.

1.30 Other Supplier.

“Other Supplier” shall mean a Member that: (i) is engaged in buying, selling or transmitting electric energy, capacity, ancillary services, financial transmission rights or other services available under PJM’s governing documents in or through the Interconnection or has a good faith intent to do so, and; (ii) does not qualify for the Generation Owner, Electric Distributor, Transmission Owner or End-Use Customer sectors.

1.31 PJM Board.

“PJM Board” shall mean the Board of Managers of the LLC, acting pursuant to this Agreement.

1.31A [Reserved].

1.32 PJM Control Area.

“PJM Control Area” shall mean the Control Area recognized by NERC as the PJM Control Area.

1.33 PJM Dispute Resolution Procedures.

“PJM Dispute Resolution Procedures” shall mean the procedures for the resolution of disputes set forth in Schedule 5 of this Agreement.

1.34 PJM Interchange Energy Market.

“PJM Interchange Energy Market” shall mean the regional competitive market administered by the Office of the Interconnection for the purchase and sale of spot electric energy at wholesale in interstate commerce and related services established pursuant to Schedule 1 to this Agreement.

1.35 PJM Manuals.

“PJM Manuals” shall mean the instructions, rules, procedures and guidelines established by the Office of the Interconnection for the operation, planning, and accounting requirements of the PJM Region and the PJM Interchange Energy Market.

1.35.01 PJM Market Monitor.

“PJM Market Monitor” shall mean the Market Monitoring Unit established under Attachment M to the PJM Tariff.

1.35.02 PJM Markets Facilities:

Those facilities that are both monitored in the PJM Energy Management System and included in the Locational Marginal Price calculations for congestion management.

1.35A PJM Region.

“PJM Region” shall mean the aggregate of the MAAC Control Zone, the PJM West Region, and VACAR Control Zone.

1.35B PJM South Region.

“PJM South Region” shall mean the VACAR Control Zone.

1.35C PJMSettlement.

“PJMSettlement” shall mean PJM Settlement, Inc. (or its successor), established by PJM as set forth in Section 3.3.

1.36 PJM Tariff.

“PJM Tariff” shall mean the PJM Open Access Transmission Tariff providing transmission service within the PJM Region, including any schedules, appendices, or exhibits attached thereto, as in effect from time to time.

1.36A [Reserved.]

1.36B PJM West Region.

“PJM West Region” shall mean the aggregate of the ECAR Control Zone(s) and MAIN Control Zone(s).

1.37 Planning Period.

“Planning Period” shall initially mean the 12 months beginning June 1 and extending through May 31 of the following year, or such other period established under the procedures of, as applicable, the Reliability Assurance Agreement.

1.38 President.

“President” shall have the meaning specified in Section 9.2.

OPERATING AGREEMENT - OA 14A. TRANSMISSION LOSSES - OA 14A.2 Inclusion of State Estimator Transmission

14A.2 Inclusion of State Estimator Transmission Losses.

Whenever in this Agreement, transmission losses are included in the determination of a charge, credit, load (including deviations), or demand reduction, it is explicitly so stated and such included losses shall be those losses incurred on *all* PJM Markets Facilities~~facilities~~ included in the PJM network model and determined by, and reflected in, the PJM State Estimator, ~~and except~~ *for generator step-up transformers that a Market Seller has not elected to remove from the loss calculation.* Absent such explicit statement, such losses are not included in the determination.

1.2A Transmission Losses.

1.2A.1 Description of Transmission Losses.

Transmission losses refer to the loss of energy in the transmission of electricity from generation resources to load, which is dissipated as heat through transformers, transmission lines and other transmission facilities.

1.2A.2 Inclusion of State Estimator Transmission Losses.

Whenever in this Schedule 1, transmission losses are included in the determination of a charge, credit, load (including deviations), or demand reduction, it is explicitly so stated and such included losses shall be those losses incurred on *all* ~~PJM Markets Facilities~~ ~~facilities~~ included in the PJM network model and determined by, and reflected in, the PJM State Estimator, ~~and except~~ ~~for~~ *generator step-up transformers that a Market Seller has not elected to remove from the loss calculation.* Absent such explicit statement, such losses are not included in the determination.

1.2A.3 Other Losses.

Losses incurred on facilities not included in the PJM network model and therefore not reflected in the PJM State Estimator may be included in the determination of charges, credits, load (including real-time deviations) or demand reductions, as determined by electric distribution companies, unless this Schedule explicitly excludes such losses.