

Performance Assessment Hour, as established through the PJM demand response settlement procedure consistent with the standards specified in Schedule 6 of the RAA;

for each Energy Efficiency Resource, the load reduction quantity approved by PJM subsequent to the pre-delivery year submittal of a post- installation measurement and verification report; and

for each Qualified Transmission Upgrade, the megawatt quantity cleared by such Qualified Transmission Upgrade if it is in service during the Performance Assessment Hour, and zero if it is not in service during such Performance Assessment Hour.

Such calculation shall encompass all resources located in the area defined by the Emergency Action; provided, however, that Performance Shortfall shall be calculated for external Generation Capacity Resources for any Performance Assessment Hour for which the Emergency Action was declared for the entire PJM Region. For purposes of this provision, Qualifying Transmission Upgrades shall be deemed to be located in the Locational Deliverability Area into which such upgrade increased the Capacity Emergency Transfer Limit, and a Qualifying Transmission Upgrade shall be included in calculations of Expected Performance and Actual Performance only if, and to the extent that, the declared Emergency Action encompasses the Locational Deliverability Area into which such upgrade increased the Capacity Emergency Transfer Limit. The Performance Shortfall shall be calculated for each Performance Assessment Hour, and any committed Capacity Resource for which the above calculation produces a negative number for a Performance Assessment Hour shall not have a Performance Shortfall for such Performance Assessment Hour. For any resource that is partially committed as a Capacity Performance Resource and partially committed as a Base Capacity Resource, the performance of such resource during a Performance Assessment Hour shall first be attributed to the resource's Capacity Performance Resource obligation; any performance by such resource in excess of the Capacity Performance Resource's Expected Performance shall be attributed to the resource's Base Capacity Resource obligation.

(d) Notwithstanding subsection (c) above, a Capacity Resource or Locational UCAP of a Capacity Market Seller or Locational UCAP Seller shall not be considered in the calculation of a Performance Shortfall for a Performance Assessment Hour to the extent such Capacity Resource or Locational UCAP was unavailable during such Performance Assessment Hour solely because the resource on which such Capacity Resource or Locational UCAP is based (a) was on a Generator Planned Outage or Generator Maintenance Outage approved by the Office of the Interconnection; ~~(b) was not scheduled to operate by the Office of the Interconnection;~~ ~~(c) was online but was scheduled down, by the Office of the Interconnection, based on a determination by the Office of the Interconnection that such scheduling action was appropriate to the security-constrained economic dispatch of the PJM Region;~~ or (d) was operating within its dispatchable range (i.e. above its Economic Minimum) while following PJM dispatch instructions received in accordance with a PJM acceptable ramp rate. Subject to the foregoing, such resource shall be considered in the calculation of a Performance Shortfall if it would otherwise have been scheduled by the Office of the Interconnection to perform, but was not scheduled to operate, or was scheduled down, solely due to: (i) any operating parameter limitations submitted in the resource's offer, or (ii) the seller's submission of a market-based offer higher than its cost-based.