

**Tariff, Part IX, Subpart F  
Cost Responsibility Agreement**

DRAFT

(Project Identifier # [REDACTED])

**COST RESPONSIBILITY AGREEMENT**  
**By and Between**  
**PJM INTERCONNECTION, L.L.C.**  
**And**

[REDACTED]

DRAFT

**COST RESPONSIBILITY AGREEMENT**

**By and Between**

**PJM INTERCONNECTION, L.L.C.**

**And**

\_\_\_\_\_  
(Project Identifier # \_\_\_\_\_)

**RECITALS**

This Cost Responsibility Agreement (“Agreement”), dated as of [Insert Date], is made and entered into by and between [Insert Project Developer Name] (“Project Developer”) and PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”). Project Developer and Transmission Provider each may be referred to herein as a “Party” or, collectively, “Parties.” Capitalized terms used in this Agreement, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Open Access Transmission Tariff (“Tariff”). For purposes of the Agreement, the terms “Generation Interconnection Procedures” or “GIP” will refer to the interconnection procedures set forth in {Instructions: use Tariff, Part VII if this is a transition period agreement, or use Tariff, Part VIII if this is a post-transition period agreement}. [Possible Language: This Agreement supersedes the (name of agreement) between PJM Interconnection, L.L.C. and (former agreement Project Developer name), dated (insert date of former agreement). This paragraph and the following WHEREAS clauses can be edited as appropriate if there is no former agreement, and this CRA is being into in connection with a merger/re-organization or other agreement or transaction].

WHEREAS, Project Developer owns or operates an existing generating facility within the PJM Region and is currently a party to [an existing Power Purchase Agreement[s] (the [“PPA[s]”])].

WHEREAS, Project Developer has notified the Transmission Provider its [PPA[s]] expire on [Insert Expiration Date[s]].

WHEREAS, the Project Developer proposes to enter into a form of Generation Interconnection Agreement (“GIA”) with PJM and the Transmission Owner coincident with the

expiration of the [PPA[s]] in order to establish an interconnection with the PJM Transmission System for the purposes of making wholesale sales in the PJM Region (the “Project Developer Request”).

WHEREAS, consistent with Order No. 2003<sup>1</sup>, Project Developer need not submit an Interconnection Request pursuant to GIP, Section [to be determined], provided it represents that it is a Qualifying Facility and the output and operating characteristics of its existing generation facility (“Generating Facility”) will continue to be substantially the same as the output and operating characteristics of the Generating Facility as set forth in the existing Project Developer [PPA[s]].

WHEREAS, the Transmission Provider must perform certain modeling, studies or analysis to determine whether the Project Developer may enter into a GIA with PJM and the Transmission Owner.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

#### **COST RESPONSIBILITY**

1. Project Developer elects, and PJM agrees to perform certain modeling, studies or analysis to verify and ensure that the interconnection of Generating Facility meets the necessary system interconnection requirements as specified in the Tariff and associated PJM Manuals, as appropriate.
2. The scope of the modeling, studies or analysis shall be subject to the assumptions as set forth in Attachment A to this Agreement.

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<sup>1</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003 at PP 814 and 815, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats and Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom, Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert denied*, 552 U.S. 1230 (2008).

3. If required, studies shall identify Interconnection Facilities, Network Upgrades and Distribution Upgrades including the estimated cost thereof that may be required to provide interconnection service under the Tariff based upon the information specified by the Project Developer in Attachment A.
4. Project Developer shall submit an upfront deposit in the amount of \$10,000 for the performance of the modeling, studies or analysis at the time Project Developer submits this executed Agreement to the Transmission Provider. If in-depth studies are required (e.g., System Impact Study), the Transmission Provider's good faith estimate for the time to complete such studies is {instructions: provide estimated time to complete studies} months.
5. Project Developer agrees that it shall reimburse the Transmission Provider for the actual costs incurred or expended by the Transmission Provider and Transmission Owner in connection with the modeling, studies or analysis (above and beyond the deposits submitted pursuant to paragraph 4 above) within twenty (20) days of receiving an invoice for such costs. Actual costs may exceed the study deposit.
6. Within one hundred and twenty (120) days after the Transmission Provider completes the modeling, studies or analysis, Transmission Provider shall provide a final invoice ("Final Invoice") which will include an accounting of the actual costs incurred in performing the modeling, studies or analysis. Within twenty (20) days of receiving the Final Invoice, the Project Developer shall make any payment due to the Transmission Provider and/or the Transmission Owner that is necessary to resolve any differences between (a) the Project Developer's cost responsibility under this Agreement and the Tariff for the actual cost of the modeling, studies or analysis; and (b) Project Developer's aggregate payments (including deposits submitted pursuant to paragraph 4 above) remitted pursuant to this Agreement prior to the issuance of the Final Invoice.
7. In the event that the Transmission Provider anticipates that the actual costs of the modeling, studies or analysis will exceed the deposits submitted in accordance with paragraph 4 above, the Transmission Provider shall provide the Project Developer with an estimate of the modeling, studies or analysis costs. Upon receipt of the estimate of such modeling,

studies or analysis costs, the Project Developer may withdraw its Project Developer Request and terminate this Agreement by providing written notice of such withdrawal and termination to the Transmission Provider within 20 Business Days of receiving such estimate. If Project Developer fails to pay such amounts, then Transmission Provider shall deem this Agreement to be terminated and withdrawn. If the Project Developer withdraws its Project Developer Request and terminates this Agreement prior to the completion of the modeling, studies or analysis work, Project Developer agrees to pay actual costs of the modeling, studies or analysis performed up until the time of such request to withdraw and terminate.

### **CONFIDENTIALITY**

8. Project Developer agrees to provide all information requested by the Transmission Provider necessary to complete the required modeling, studies or analysis. Subject to paragraph 9 of this Agreement and to the extent required by GIP, Section **[to be determined]** (relating to confidentiality of information provided by Project Developers), information provided pursuant to this paragraph 8 shall be and remain confidential.
9. Upon completion of all requisite modeling, studies or analysis, the Transmission Provider shall keep confidential all information provided to it by the Project Developer. Upon completion of the modeling, studies or analysis, the results shall be listed on the Transmission Provider's OASIS to the extent required and, to the extent required by Commission regulations, will be made publicly available upon request, except that the identity of the Project Developer shall be remain confidential and will not be posted on OASIS.
10. Project Developer acknowledges that, consistent with the Tariff, the Transmission Provider may contract with consultants, including the Transmission Owners, to provide services or expertise in the modeling, studies or analysis process and that the Transmission Provider may disseminate information to the Transmission Owner.

## DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

11. In modeling, studying or analyzing Project Developer's Request, the Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the Project Developer and possibly by third-parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTOR EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS, OF THE MODELING, STUDIES OR ANALYSIS. The Project Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this Agreement, nor any modeling, studies or analysis prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any interconnection service to or on behalf of the Project Developer at this point in time or in the future.
12. Project Developer agrees that in no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this Agreement or otherwise.

Without limitation of the foregoing, Project Developer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any modeling, studies or analysis arising out of the Project Developer Request shall be deemed third party beneficiaries of this provision entitled “Disclaimer of Warranty/Limitation of Liability.”

#### **ASSIGNMENT**

13. No Party herein shall assign its rights or delegate its duties, or any part of such rights or duties, under this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed. Any such assignment or delegation made without such written consent shall be null and void. A Party may make an assignment in connection with the sale, merger, or transfer of a substantial portion or all of its properties which it owns, so long as the assignee in such a sale, merger, or transfer assumes in writing all rights, duties and obligations arising under this Agreement.

#### **MISCELLANEOUS**

14. Any notice or request made to or by either party regarding this Agreement shall be made to the representative of the other party as indicated below. **Transmission Provider**

PJM Interconnection, L.L.C.  
2750 Monroe Blvd.  
Audubon, PA 19403  
[interconnectionagreementnotices@pjm.com](mailto:interconnectionagreementnotices@pjm.com)

#### **Project Developer**

**[Insert Project Developer Notice Info]**

Either Party may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

15. Subject to any necessary regulatory acceptance, this Agreement shall become effective on the date that it is executed by all Parties, or, if this Agreement is filed with Federal Energy Regulatory Commission (“FERC”) unexecuted, upon the date specified by the FERC.

16. Breach:

a. A breach of this Agreement shall include:

- i. The failure to pay any amount when due;
- ii. The failure to comply with any material term or condition of this Agreement or the Tariff, including but not limited to any material breach of a representation, warranty or covenant made in this Agreement;
- iii. Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- iv. Failure of Project Developer to provide information or data required to be provided pursuant to this Agreement in order for Transmission Provider to perform the modeling, studies or analysis associated with this Agreement.

b. Notice of Breach:

A Party not in breach shall give written notice of an event of breach to the breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach. A Party that commits a Breach and does not take steps to cure the Breach pursuant to this section 16 automatically in Default of this Agreement, and its project and this Agreement shall be deemed terminated and withdrawn. Transmission Provider shall take all necessary steps to effectuate this termination, including submitted the necessary filings with FERC.

c. Cure of Breach or Termination Pursuant to Breach:

- i. Except for the event of Breach set forth in section 16.a.i above, the Breaching Party (a) may cure the Breach within thirty (30) days of the time the Non-Breaching Party sends from the receipt of such notice; or (b) if the Breach cannot be cured within thirty (30) days, may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such thirty (30) day time period and thereafter diligently pursue such action to completion pursuant to a plan to cure, which shall be developed and agreed to in writing by the Interconnection Parties. Such agreement shall not be unreasonably withheld.

- ii. In an event of Breach set forth in section 16.a.i, the Breaching Interconnection Party shall may cure the Breach within five (5) days from the receipt of notice of the Breach. If the Breaching Interconnection Party is the Project Developer, and the Project Developer fails to pay an amount due within five (5) days from the receipt of notice of the Breach, Transmission Provider may use Security to cure such Breach. If Transmission Provider uses Security to cure such Breach, Project Developer shall be in automatic Default and its project and this Agreement shall be deemed terminated and withdrawn
- 17. In addition to Section 16 above, this Agreement may be terminated by the following means:
  - a. By Mutual Consent: This Agreement may be terminated as of the date on which the Parties mutually agree to terminate this Agreement.
  - b. By Project Developer: The Project Developer may unilaterally terminate this Agreement in accordance with the terms set forth in section 7 of this Agreement or pursuant to Applicable Laws and Regulations upon providing Transmission Provider thirty (30) days prior written notice thereof, provided that Project Developer is not in breach under this Agreement.
  - c. By Transmission Provider: Transmission Provider may unilaterally terminate this Agreement in accordance with the Applicable Laws and Regulations upon providing Project Developer thirty (30) days prior written notice thereof.
- 18. No waiver by either Party of one or more breaches by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further breach, whether of a like or different character.
- 19. This Agreement or any part thereof may not be amended, modified or waived other than by a writing signed by all Parties hereto. In the event an amendment is desired, Transmission Provider, consistent with Tariff, Part IX, section 1, Transmission Provider shall tender an agreement to amend. No later than fifteen (15) Business Days after Transmission Provider's tender for execution of such agreement, Project Developer shall either: (i) execute the agreement; or (ii) request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5, or that the agreement be filed

unexecuted with the Commission. Such agreement shall be deemed to be terminated and withdrawn if Project Developer fails to comply with these requirements. Following execution by Project Developer, Transmission Provider shall either: (i) execute the agreement; or (ii) request in writing dispute resolution as allowed under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5. Transmission Provider may also file the agreement with FERC in unexecuted form.

Parties acknowledge that, subsequent to execution of this agreement, errors may be corrected by replacing the page of the agreement containing the error with a corrected page, as agreed to and signed by the parties without modifying or altering the original date of execution or obligations contained therein.

20. This Agreement shall be binding upon the Parties hereto, their heirs, executors, administrators, successors and assigns.
21. This Agreement shall not be construed as an application for service under Part II or Part III of the Tariff.
22. The provisions of the GIP of the Tariff are incorporated herein and made a part hereof.
23. **Governing Law, Regulatory Authority and Rules:** This Agreement shall be deemed a contract made under, and the interpretation and performance of this Agreement and each of its provisions shall be governed and construed in accordance with, the applicable Federal and/or laws of the State of Delaware without regard to conflicts of laws provisions that would apply the laws of another jurisdiction. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders or regulations of a Governmental Authority.
24. **No Third-party Beneficiaries:** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely

for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

25. **Multiple Counterparts:** This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.
26. **No Partnership:** The Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership, obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
27. **Severability:** If any provision of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
28. **Reservation of Rights:** The Transmission Provider shall have the right to make a unilateral filing with FERC to implement or modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Project Developer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and

FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials. By each individual signing below, each represents to the other that they are duly authorized to sign on behalf of that company and have the actual and/or apparent authority to bind the respective company to this Agreement.

**Transmission Provider: PJM Interconnection, L.L.C.**

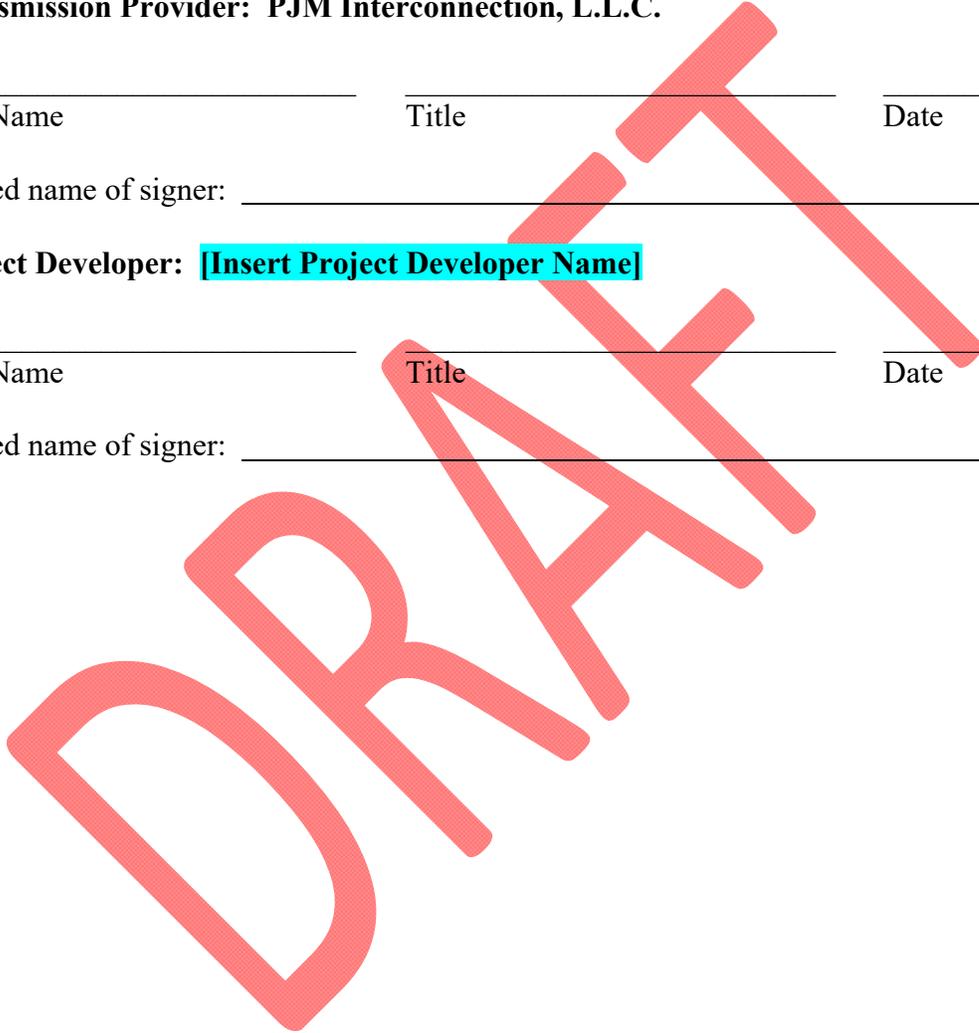
By: \_\_\_\_\_  
Name Title Date

Printed name of signer: \_\_\_\_\_

**Project Developer: [Insert Project Developer Name]**

By: \_\_\_\_\_  
Name Title Date

Printed name of signer: \_\_\_\_\_



**ATTACHMENT A**

**INFORMATION TO BE SUPPLIED BY PROJECT DEVELOPER**

**Name of Interconnection Project Developer** (as it will appear in the GIA):

**Name of the Generating Facility:**

**Location of the Generating Facility:**

**Company name:**

**Address:**

**City, State, Zip Code:**

**Legal Notices:**

**Company name:**

**Address:**

**City, State, Zip Code:**

**Attn:**

**Phone:**

**Email:**

**Tax ID for the Generating Facility:**

**Maximum Facility Output:**

**Capacity Interconnection Rights**

**Description of the equipment configuration (as it is to appear in the GIA):**

**Requested effective date of the GIA (if other than upon execution by all parties, e.g., to coincide with the termination of a PPA):**

**Provide Generating Facility Location/Site Plan (generally, an aerial photo with cross streets labeled and the Generating Facility pinpointed in red):**

**Provide one-line diagram of the Generating Facility and clearly indicate Point of Interconnection and the Point of Change of Ownership:**

**Provide a list of metering equipment and indicate ownership of same:**

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**Addendum 1**  
**[Insert Project Developer Name] Site Overview**

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**Addendum 2**  
**[Insert Project Developer Name] One Line Diagram**

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