

INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT (ICSA) SUPERSEDING LANGUAGE AND AUTOMATIC TERMINATION PROVISION

Problem / Opportunity Statement

Summary

Currently, two sections of the PJM Open Access Transmission Tariff (Tariff), Attachment P (form of ICSA) have caused PJM increased administrative burden, particularly in light of the systematic increase in queue volume. First, PJM Tariff, Attachment P, section 1 does not contain pro-forma language accounting for circumstances when an ICSA supersedes an already-effective ICSA. Second, pursuant to PJM Tariff, Attachment P, Appendix 2, section 14.1.1, the ICSA terminates automatically upon the occurrence of the last of four conditions, which can occur without PJM's knowledge. The above-referenced provisions of the ICSA can make it difficult for PJM to efficiently administer its service agreements tariff, including by timely canceling ICSAs on file with the Commission when appropriate. PJM proposes improving the PJM Tariff language to alleviate the administrative burden caused by these provisions.

Superseding Language in ICSA

PJM Tariff, Attachment P, section 1 does not contain pro-forma language accounting for circumstances when an ICSA supersedes an already-effective ICSA. PJM Tariff, Attachment O (Form of Interconnection Service Agreement) contains such pro-forma language for inclusion in Interconnection Service Agreements (ISAs) that supersede already-effective ISAs. The existence of ICSAs that will be superseded and, thus, should be canceled, are difficult to track because of such missing pro-forma language in Attachment P.

Automatic Termination Provision of ICSA

Tariff, Attachment P, Appendix 2, section 14.1.1 indicates that an ICSA will terminate automatically upon the occurrence of the last of four conditions. The four conditions are as follows: (i) completion of construction of all Interconnection Facilities; (ii) transfer of title under Section 5 of this Appendix 2; (iii) final payment of all Costs due and owing under this Interconnection Construction Service Agreement; and (iv) the delivery to the Interconnected Transmission Owner of final "as-built" drawings of any Interconnection Facilities built by the Interconnection Customer. The conditions are not all within PJM's control, and PJM is not always aware that such conditions have occurred because it has no independent knowledge of the status of the conditions and has not been made aware of the occurrence of the conditions (e.g., PJM has no involvement in and does not always receive notice of the Interconnection Customer's transfer of title to Interconnection Facilities to the Interconnected Transmission Owner or delivery to the Interconnected Transmission Owner of final "as-built" drawings of any Interconnection Facilities built by the Interconnection Customer). If PJM is unaware that the last of these conditions occurred, PJM is also unaware that the ICSA has terminated pursuant to Appendix 2, section 14.1.1.