

1.4B DER Aggregator Participation Model

(a) The rules and procedures for the participation of DER Aggregators are established pursuant to this section 1.4B and the PJM Manuals.

(b) In order to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model, a DER Aggregator shall register each DER Aggregation Resource and DER Capacity Aggregation Resource with the Office of the Interconnection, in accordance with the procedures established under the PJM Manuals.

~~Prior to the initiation of the registration review process by the Office of the Interconnection, a DER Aggregator shall obtain and verify, through good faith efforts and in coordination with the applicable electric distribution company, and, if necessary, any relevant Transmission Owner, the following location and data components needed for the DER Aggregator's registration with the Office of the Interconnection:~~

~~i. With the express written consent of the applicable Component DER, the electric distribution company customer account number and associated physical and transmission system electrical location information of the applicable Component DER, including compliance with applicable PJM and electric distribution company metering and telemetry requirements;~~

~~ii. Evidence of approval to interconnect, including but not limited to a finalized interconnection agreement, with the applicable Component DER, in accordance with any applicable tariffs, agreements, and operating procedures of the electric distribution company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority, to the distribution system for identified megawatts, and identification of participation in an electric distribution company program that recognizes grid withdrawals and/or injections, including but not limited to a net energy metering program.~~

~~Disputes between the DER Aggregator and the electric distribution company regarding the location and data components needed for the DER Aggregator's registration with the Office of the Interconnection described above shall be resolved in accordance with applicable state or local law, and shall not be arbitrated or in any way resolved by the Office of the Interconnection or through the dispute resolution processes under Operating Agreement, Schedule 5.~~

~~Upon receipt of a DER Aggregator's completed registration, the~~ The Office of the Interconnection shall review the registration and data submitted therein for completeness, and verify that the DER Aggregator meets the eligibility criteria for participation in the DER Aggregator Participation Model, as defined under the PJM Tariff and Operating Agreement and Manuals. The DER Aggregator shall only submit a registration for Component DER that are under contract for the term of the registration, and only one DER Aggregator may operate Component DER at a specific location. The Office of the Interconnection shall notify the appropriate ~~electric distribution company~~ Electric Distribution Company of the DER Aggregator's registration through the appropriate PJM system. A single registration shall only be comprised of individual Component

DER in the same state, ~~electric distribution company~~ Electric Distribution Company, Transmission Zone, and pricing point unless otherwise noted below. ~~Upon receipt of notification by the Office of the Interconnection, the electric distribution company may, within 60 calendar days, review and verify, as applicable, the registration and the following information contained therein:~~

The Electric Distribution Company review portion of the registration ~~review~~ process shall commence after: (1) the Office of the Interconnection has an executed DER Aggregator Participation Service Agreement on file, to be used for all DER Aggregation Resources associated with the DER Aggregator; and (2) the Office of the Interconnection receives a complete registration from the DER Aggregator, in a form specified in the PJM Manuals; ~~and (3) pre-registration activities have been completed, consisting of the DER Aggregator obtaining and verifying the location and data components described above needed for its registration.~~

The Electric Distribution Utility review process shall consist of two periods, in sum not to exceed sixty calendar days. The first shall be a single period, not to exceed fifteen calendar days, during which time the Electric Distribution Company and the Office of the Interconnection shall review and verify each Component DER for which a location was created. The second shall be a single period, not to exceed forty-five calendar days, during which the Electric Distribution Company shall perform a reliability review of the DER Aggregation Resource.

The first period shall commence uUpon receipt by the Electric Distribution Company of notification byfrom the Office of the Interconnection.; Following notification, the electric distribution company Electric Distribution Company may, within 60 calendar days, may review and verify, as applicable, the registration Component DER for which a location was created and the following information associated therewith ~~contained therein~~:

- i. The location and data components, including the Electric Distribution Company customer account number and associated physical location such as an address, that represents each Component DER, as further defined in the relevant PJM Manuals, are accurate ~~Operational and physical characteristics, including an inventory of the individual Component DER location-specific capability to reduce load and/or produce electricity;~~
- ii. ~~The specific PJM markets in which the DER Aggregation Resource plans to participate and, if applicable, the effective and termination dates for participation;~~
- iii. ~~The electric distribution company customer account number(s) which represent Component DER location(s) and related information, as defined in the PJM Manuals;~~
- iv. Participation of the Component DER in an ~~electric distribution company~~ Electric Distribution Company's retail program at the time of registration; does not and whether such participation ~~precludes~~ participation of the Component DER in the energy, capacity, and/or ancillary services markets of PJM, and as defined in the PJM Manuals;

a. Component DER that participate in a net energy metering retail program may only participate with grid injections in the PJM ancillary services markets, and may not participate in PJM energy or capacity markets, unless:

1. the ~~electric distribution company~~ Electric Distribution Company confirms to the Office of the Interconnection that participation of the Component DER in a net energy metering retail program or tariff approved by the Relevant Electric Retail Regulatory Authority will not violate the restrictions on duplicative compensation, as described in Tariff, Attachment K-Appendix, section 1.4B(h) and Operating Agreement, Schedule 1, section 1.4B(h); and

2. the Office of the Interconnection determines that the participation of the Component DER otherwise meets the applicable requirements for energy market or capacity market participation.

(b) Component DER that participate in a net energy metering retail program that also participate with grid injections in the PJM ancillary services markets will be excluded from PJM energy market settlements.

iii.v. The Component DER in a DER Aggregation Resource Aggregator's participation in the PJM energy, capacity, and/or ancillary service markets complies with the rules and regulations of any applicable Relevant Electric Retail Regulatory Authority;

ivi. The Relevant Electric Retail Regulatory Authority allows the participation of any applicable Component DER that are also end-use customers of an ~~electric distribution company~~ Electric Distribution Company, in accordance with the provisions of Tariff, Attachment K-Appendix, section 1.4B(g), and Operating Agreement, Schedule 1, section 1.4B(g).

Within the first fifteen calendar days, and in coordination with the Office of Interconnection, the Electric Distribution Company shall also assign the electrical node on the PJM Transmission System to each Component DER. The Office of the Interconnection shall ensure that any information regarding Component DER that the Office of the Interconnection receives from an Electric Distribution Company or a DER Aggregator is accessible to both the Electric Distribution Company and the DER Aggregator.

Following approval of the Component DER by the Electric Distribution Company and the Office of the Interconnection, the DER Aggregator shall designate DER Aggregation Resources comprising of one or more of the approved Component DER. The second period shall commence upon such designation by the DER Aggregator, whereby the Electric Distribution Company shall review the DER Aggregation Resource and verify that

vii. ~~The participation of the Component DER~~ DER Aggregation Resource in the PJM energy, capacity, and/or ancillary service markets do not pose a threat to the reliable and safe operation of the distribution system, the public, or ~~electric distribution company~~ Electric Distribution Company personnel. The scope of the Electric Distribution Company review of distribution system reliability impacts shall be limited to any incremental impacts arising from a Component DER participation in a DER Aggregation Resource that were not previously considered by the Electric Distribution Company during the interconnection study process for that Component DER at the state level.

If the ~~electric distribution company~~ Electric Distribution Company identifies concerns ~~based on factors (i) through (vii) within~~ during the 60 calendar day Electric Distribution Company review period, ~~the electric distribution company~~ portion of the registration process, the Electric Distribution Company may notify the Office of the Interconnection and the DER Aggregator, and the ~~electric distribution company~~ Electric Distribution Company and the DER Aggregator may first attempt to resolve those concerns bilaterally, or in accordance with applicable state or local law, prior to seeking initiation of the dispute resolution process described in Operating Agreement, Schedule 5. Disputes ~~arising under any that the Office of the Interconnection determines solely concern the interpretation of any~~ applicable tariffs, agreements, and operating procedures of the electric distribution company Electric Distribution Company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority, shall be ~~resolved~~ addressed in accordance with applicable state or local law, and shall not be arbitrated or in any way resolved by the Office of the Interconnection or through the dispute resolution processes under Operating Agreement, Schedule 5. Disputes that the Office of the Interconnection determines solely concern the provisions in Tariff, Attachment K-Appendix, section 1.4B(b) may be arbitrated under the dispute resolution processes under Operating Agreement, Schedule 5.

In the event that the ~~electric distribution company's~~ Electric Distribution Company's concerns are resolved within the ~~60 calendar day~~ Electric Distribution Company review period, ~~the electric distribution company~~ portion of the registration process, the Electric Distribution Company may recommend that the Office of the Interconnection approve the location and/or registration, as applicable. In the event that the concerns identified by the ~~electric distribution company~~ Electric Distribution Company are not resolved, the ~~electric distribution company~~ Electric Distribution Company may, within the ~~60 calendar day~~ Electric Distribution Company review period portion of the registration process, recommend that the Office of the Interconnection: (i) reject the location and/or registration, (ii) approve the registration with certain operational limitations on the DER Aggregation Resource identified in the registration, or (iii) approve the registration with the removal of one or more specific Component DER from the DER Aggregation Resource identified in the registration.

Following the registration Electric Distribution Company's review of the DER Aggregation Resource registration period, ~~W~~ within fifteen calendar days, the Office of the Interconnection shall apply the applicable pricing points to the Component DER DER Aggregation Resource, and shall either approve or deny the DER Aggregator's registration based on the Office of the Interconnection's review of the registration and receipt and review of the ~~electric distribution company~~ Electric Distribution Company's comments and recommendation, with deference given to the ~~electric distribution company~~ Electric Distribution Company's assessment of the impact of the DER Aggregator's registration on the safety and reliability of distribution facilities. To the

extent that no comments or recommendations are provided by the ~~electric distribution company~~ Electric Distribution Company, including after the Office of the Interconnection provides final notice to the ~~electric distribution company~~ Electric Distribution Company prior to the expiration of the Electric Distribution Company 60-calendar day first and second review portion of the registration process period, the Office of the Interconnection shall approve the DER Aggregator's registration.

~~During the registration process, the responsibility for physically operating the Component DER within a DER Aggregation Resource and/or dispatching the DER Aggregation Resource will be assigned to the electric distribution company, the DER Aggregator, or another entity, in accordance with any applicable tariffs, agreements, and operating procedures of the electric distribution company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority.~~

All DER Aggregators shall remain in full compliance with the tariffs, agreements, and operating procedures of the applicable ~~electric distribution company~~ Electric Distribution Company, and the rules and regulations of any Relevant Electric Retail Regulatory Authority, in accordance with their executed DER Aggregator Participation Service Agreement, at all times while participating in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model.

Transmission Owners shall, in coordination with the Office of the Interconnection, provide all data to the Office of the Interconnection reasonably required to accurately represent the DER Aggregation Resource in the Regional Transmission Expansion Plan, in accordance with Operating Agreement, section 1.5.4 and the PJM Manuals.

A DER Aggregator shall report to the Office of the Interconnection any proposed update to the inventory of the individual Component DER within the DER Aggregation Resource, or proposed additional market services provided by the DER Aggregation Resource, identified in the DER Aggregator's registration to reflect any proposed addition or subtraction of a Component DER or market service, and any applicable information or data associated with the Component DER or market service, in accordance with the specifications described in the PJM Manuals. Any proposed update shall not require a new registration of the existing Component DER within the approved DER Aggregation Resource. Upon the Electric Distribution Company's receipt of notification of any proposed update, the electric distribution company including all applicable information or data, the host Electric Distribution Company shall have an opportunity to conduct a review, for the first and/or second review period of up to 60 calendar days, in accordance with the provisions of this section related to initial registration, and make a recommendation to the Office of the Interconnection, prior to the Office of the Interconnection approving or denying the proposed update to the DER Aggregation Resource. The DER Aggregator may continue to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model using its existing approved DER Aggregation Resource during the course of any such review conducted by the ~~electric distribution company~~ Electric Distribution Company. An inventory of the individual Component DER within a DER Aggregation Resource registration that is linked to a DER Capacity Aggregation Resource may not be modified during the course of an applicable Delivery Year.

(c) All Component DER in a DER Aggregation Resource shall interface with the same primary pricing node, except: (i) in the case of a DER Aggregation Resource that only provides ancillary services and is less than or equal to 5 MW, the Component DER within the DER Aggregation Resource may interface with multiple primary pricing nodes, so long as those primary pricing nodes are in the same state ~~and~~, service territory of a single ~~electric distribution company~~ Electric Distribution Company and Transmission Zone; and (ii) in the case of a DER Aggregation Resource utilizing the limited multi-nodal aggregation participation option, so long as those primary pricing nodes are in the same state, service territory of a single Electric Distribution Company and Transmission Zone, and meets the criteria defined below and in the PJM Manuals; and (iii) in the case of a DER Capacity Aggregation Resource, the Component DER within a DER Aggregation Resource(s) linked to the DER Capacity Aggregation Resource may interface with multiple primary pricing nodes, so long as those primary pricing nodes are located within a defined zone or sub-zonal Locational Deliverability Area.

The purpose of participating under the limited multi-nodal aggregation option is to allow the participation of Component DER in the energy market that cannot form aggregations at a single primary pricing node at the minimum capability criteria of 0.1 MW. To participate, the multi-nodal DER Aggregation Resource may be comprised of one or more Component DER with capability smaller than 0.1 MW. Component DER at a single primary node with capability greater than 0.1MW will be excluded from participation in the multi-nodal DER Aggregation Resource unless the total capability of all other Component DER in an aggregation is below the 0.1 MW participation threshold, as further described in the PJM Manuals. The multi-nodal DER Aggregation Resource shall also be self-scheduled into the PJM energy markets. The megawatt participation cap on the multi-nodal aggregation participation option will be set to 167 MW within the PJM Region. The Office of the Interconnection shall conduct an assessment of the 167 MW cap upon penetration of DER Aggregation Resources participating in the limited multi-nodal aggregation option exceeding ninety percent of the 167 MW cap value. The Office of the Interconnection will establish a periodic review, in coordination with the ~~electric distribution company~~ Electric Distribution Company and DER Aggregator, no less than annually, or more frequently as needed, to identify any permanent electrical location change that would modify the pricing node associated with a DER Aggregation Resource or its underlying Component DER. During this review, the Office of the Interconnection shall: (i) confirm that applicable data reviewed and verified in the registration process is still complete and accurate, and (ii) request any updates to such data as a condition of continued participation in the DER Aggregator Participation Model.

(d) A DER Aggregator shall self-schedule their DER Aggregation Resource into the PJM Day-ahead Energy Market and Real-time Energy Market based on bidding parameters for the applicable technology-type, as described in the PJM Manuals. A DER Aggregator shall be eligible, at their election, to offer a dispatchable range in submitting bidding parameters into the Day-ahead Energy Market and Real-time Energy Market.

(e) A DER Aggregator or the entity responsible for physically operating the Component DER within a DER Aggregation Resource and/or dispatching a DER Aggregation Resource shall provide telemetry for each DER Aggregation Resource participating in the energy,

capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model, in accordance with the technical specifications described in the PJM Manuals. A DER Aggregator or the entity responsible for physically operating the Component DER within a DER Aggregation Resource and/or dispatching a DER Aggregation Resource may provide telemetry for the individual Component DER within a DER Aggregation Resource. This telemetry shall represent one or more values indicative of the total electrical output of the DER Aggregation Resource and inclusive of all underlying Component DER. This telemetry requirement shall not apply to a DER Aggregation Resource exclusively participating in the energy market that is less than 10 MW, notwithstanding the technical specifications described in the PJM Manuals.

A DER Aggregator shall provide to the Office of the Interconnection all individual Component DER meter data necessary to facilitate the settlement of the DER Aggregator's DER Aggregation Resource, in accordance with Operating Agreement, section 14 and the PJM Manuals. A DER Aggregator shall retain performance data for individual Component DER in a DER Aggregation Resource for auditing purposes, in accordance with the PJM Manuals. A DER Aggregator is responsible for ensuring that Component DER within a DER Aggregation Resource have metering equipment that provides integrated hourly kWh values on an ~~electric distribution company~~ Electric Distribution Company account basis. For non-interval metered residential DER Aggregation Resources, the DER Aggregator must ensure that a representative sample of Component DER have metering equipment that provides integrated hourly kWh values on an ~~electric distribution company~~ Electric Distribution Company account basis, as set forth in the PJM Manuals. For DER Aggregation Resources containing Component DER that are mass market customers, DER Aggregators shall provide aggregated meter data to the Office of the Interconnection for the settlement of the DER Aggregator's DER Aggregation Resource. Meter data must be submitted to the Office of Interconnection within one business day. The measurement systems shall comply with the applicable ~~electric distribution company~~ Electric Distribution Company accuracy requirements for meters, and/or as described in the PJM Manual 01. Additional details for the configuration of such measurement systems under various specific configurations are specified in PJM Manual 14D.

The metering equipment shall meet the ~~electric distribution company~~ Electric Distribution Company requirements for accuracy, or otherwise have a maximum error of two percent over the full range of the metering equipment (including potential transformers and current transformers) and the metering equipment and associated data shall meet the requirements set forth herein and in the PJM Manuals.

(f) The ~~electric distribution company~~ Electric Distribution Company should, prior to the deadline for submission of offers into the Day-ahead Energy Market, as described in Tariff, Attachment K-Appendix, section 1.10.1A and Operating Agreement, Schedule 1, section 1.10.1A, notify the DER Aggregator of any operational limitations for the Operating Day that may impact the bidding parameters of an applicable DER Aggregation Resource. In the event that the ~~electric distribution company~~ Electric Distribution Company identifies additional operational concerns after the deadline described in Tariff, Attachment K-Appendix, section 1.10.1A and Operating Agreement, Schedule 1, section 1.10.1A, the DER Aggregator may utilize the generation rebidding period identified in Tariff, Attachment K-Appendix, section 1.10.9, and Operating Agreement, Schedule 1, section 1.10.9, to update its bidding parameters.

During the Operating Day, the Office of the Interconnection shall dispatch DER Aggregation Resources, by communicating with the entity responsible for physically operating the Component DER within a DER Aggregation Resource and/or dispatching a DER Aggregation Resource, in accordance with the DER Aggregator's submitted bidding parameters. During the Operating Day, an ~~electric distribution company~~Electric Distribution Company may exercise its ability to override the physical operation of a DER Aggregation Resource or individual Component DER within a DER Aggregation Resource, for purposes of maintaining safe and reliable operation of distribution facilities, pursuant to any applicable tariffs, agreements, and operating procedures of the ~~electric distribution company~~Electric Distribution Company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority. The Electric Distribution Company may communicate the decision to override the physical operation of a DER Aggregation Resource or individual Component DER within a DER Aggregation Resource directly to the DER Aggregator. Following the exercise of the ~~electric distribution company's~~Electric Distribution Company's override, the DER Aggregator shall reflect the override by updating the applicable bidding parameters of its DER Aggregation Resource. The Office of the Interconnection shall not take any actions to interrupt or interfere with the Electric Distribution Company's decision to override and will re-dispatch the DER Aggregation Resource to reflect its updated bidding parameters.

An ~~electric distribution company's~~Electric Distribution Company's override shall not excuse a DER ~~Aggregator's~~Aggregator from any financial obligations for failure to perform any of the obligations established under the PJM Tariff, Operating Agreement, RAA, or PJM Manuals for the relevant PJM capacity, energy, and/or ancillary services markets.

Any disputes regarding an ~~electric distribution company's~~Electric Distribution Company's exercise of its ability to override the physical operation of a DER Aggregation Resource or individual Component DER within a DER Aggregation Resource, for purposes of maintaining safe and reliable operation of distribution facilities, pursuant to any applicable tariffs, agreements, and operating procedures of the ~~electric distribution company~~Electric Distribution Company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority, shall be addressed in accordance with applicable state or local law, and shall not be arbitrated or in any way resolved by the Office of the Interconnection or through the dispute resolution processes under Operating Agreement, Schedule 5.

(g) The Office of the Interconnection shall not permit a DER Aggregator to participate in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model if the applicable DER Aggregation Resource includes Component DER that are end-use customers of an ~~electric distribution company~~Electric Distribution Company that distributed 4 million MWh or less in the previous fiscal year, as identified by the ~~electric distribution company~~Electric Distribution Company, unless the ~~electric distribution company~~Electric Distribution Company determines that the Relevant Electric Retail Regulatory Authority permits such end-use customers to participate. The Office of the Interconnection shall permit a DER Aggregator to participate in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model with a DER Aggregation Resource including Component DER that are end-use customers of an ~~electric distribution company~~Electric Distribution Company that distributed 4 million MWh or less in the previous fiscal year, as

identified by the ~~electric distribution company~~Electric Distribution Company, if, during the course of the registration process described above in Tariff, Attachment K-Appendix, section 1.4B(b) and Operating Agreement, Schedule 1, section 1.4B(b), the ~~electric distribution company~~Electric Distribution Company presents any of the following evidence to PJM:

- i. an order, resolution or ordinance of the Relevant Electric Retail Regulatory Authority permitting or conditionally permitting the end-use customer's participation;
- ii. an opinion of the Relevant Electric Retail Regulatory Authority's legal counsel attesting to the existence of a regulation or law permitting or conditionally permitting the end-use customer's participation; or
- iii. an opinion of the state Attorney General, on behalf of the Relevant Electric Retail Regulatory Authority, attesting to the existence of a regulation or law permitting or conditionally permitting the end-use customer's participation.

The Office of the Interconnection shall permit a DER Aggregator to participate in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model if the applicable DER Aggregation Resource includes Component DER that are end-use customers of an ~~electric distribution company~~Electric Distribution Company that distributed more than 4 million MWh in the previous fiscal year, as identified by the ~~electric distribution company~~Electric Distribution Company, unless the DER Aggregation Resource includes one or more Component DER that are demand response and the Relevant Electric Retail Regulatory Authority has prohibited the participation of demand response in the DER Aggregator Participation Model, pursuant to the rules set forth in Tariff, Attachment K-Appendix, section 1.5A.3 (1)(a)(i) and Operating Agreement, Schedule 1, section 1.5A.3 (1)(a)(i).

(h) A DER Aggregator may participate in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model using DER Aggregation Resources containing one or more Component DER that also participate in one or more retail programs. The Office of the Interconnection shall only credit a DER Aggregator for the sale of a product or service in the PJM energy, capacity, and/or ancillary services markets if that same product or service is not also ~~credited~~provided as part of a retail program, including but not limited to a Component DER participating in a retail net energy metering program.

A DER Aggregator may participate in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model using DER Aggregation Resources that provide multiple services in the PJM energy, capacity, and/or ancillary services markets through the DER Aggregator Participation Model. A Component DER shall not be registered with multiple DER Aggregation Resources, or participate as part of another Market Participant outside of the DER Aggregator Participation Model. The Office of the Interconnection shall only credit a DER Aggregator for the sale of a product or service in the PJM energy, capacity, and/or ancillary services markets if that same product is not also ~~credited~~provided as part of another wholesale sale.

(i) DER Aggregators providing capacity using a DER Capacity Aggregation Resource shall be subject to the Day-ahead Energy Market must-offer requirement described in Tariff, Attachment K-Appendix, section 1.10.1A(d) and Operating Agreement, Schedule 1, section 1.10.1A(d), based on the technology of the Component DER within the DER Aggregation Resource linked to the DER Capacity Aggregation Resource, in accordance with the PJM Manuals.

(j) DER Aggregation Resources are subject to offer price cap and associated three pivotal supplier test provisions of Operating Agreement, Schedule 1, section 6.4.

(k) A DER Capacity Aggregation Resource containing DER Aggregation Resource(s) with Component DER directly connected to distribution facilities not co-located with retail end-use load other than Station Power may be subject to a MOPR Floor Offer Price, in accordance with the provisions applicable to MOPR Floor Offer Price for Generation Capacity Resources, as described in Tariff, Attachment DD, section 5.14(h-2).

If a DER Capacity Aggregation Resource is subject to the Minimum Floor Offer Price pursuant to Tariff, Attachment DD, sections 5.14(h-2), the Capacity Market Seller that owns or controls such resources may submit a Sell Offer with a Minimum Floor Offer Price of no lower than the MW-weighted average of the applicable MOPR Floor Offer Prices (zero if not applicable) of the aggregated resources in such Sell Offer.

(l) A DER Capacity Aggregation Resource containing DER Aggregation Resource(s) with Component DER directly connected to distribution facilities not co-located with retail end-use load other than Station Power may be subject to a Market Seller Offer Cap, in a manner consistent with the provisions applicable to Market Seller Offer Cap for Generation Capacity Resources, as described in Tariff, Attachment DD, section 6 and Tariff, Attachment M-Appendix, section II.E.

(m) Projected PJM Market Revenues for DER Capacity Aggregation Resources subject to the Minimum Floor Offer Price or Market Seller Offer Cap shall be determined in accordance with Tariff, Attachment DD, section 6.8(d-1). The determination of PJM Market Revenues by the Market Monitoring Unit or the Office of the Interconnection shall utilize either the hourly output profiles, or the Projected EAS Dispatch, as appropriate

(n) A DER Aggregator's DER Aggregation Resource ~~that contains Component DER that are also load reduction resources~~ shall be accounted for and settled in the Day-ahead Energy Market and Real-time Energy Market by summing all load reduction and injection MWh for the underlying Component DER within the Aggregation. The performance of Component DER that has both load reduction and injection capability shall be calculated as follows:

(i) load reduction to 0 MWh shall be calculated in accordance with Tariff, Attachment K-Appendix, sections 1.5A and 3.3A and Operating Agreement, Schedule 1, sections 1.5A and 3.3A;

(ii) injection shall be determined in accordance with the Day-ahead Energy Market and Real-time Energy Market rules as specified in Tariff, Attachment K-Appendix, section 3.1A, and Operating Agreement, Schedule 1, section 3.3A-1A.

(o) Component DER interconnecting to distribution facilities for purposes of participating in the energy, capacity, and/or ancillary services markets of PJM exclusively through the DER Aggregator Participation Model shall not be subject to the Part IV of the Tariff relating to interconnections with the Transmission System, and shall exclusively interconnect to distribution facilities pursuant to applicable state or local law.