

**Manual 18, Section 8.4A Non-Performance Assessment (*new paragraph*)**

For Public Distribution Microgrid Generators that are Generation Capacity Resources:

- If the Electric Distribution Company determines a Public Distribution Microgrid is wholesale when islanded (that is, the islanded load is reported to PJM as wholesale load), then any islanded generation MWh output that is settled through the PJM energy market counts towards Capacity Performance obligation as Actual Performance.
- If the Electric Distribution Company determines a Public Distribution Microgrid is retail when islanded (that is, the islanded load is not reported to PJM as wholesale load), then any islanded Public Distribution Microgrid Generators should not report their islanded output as PJM supply. In this case, the islanded Public Distribution Microgrid Generator is not available to supply PJM load, and their Actual Performance is zero for the intervals in which the Public Distribution Microgrid is islanded.
- Whether a Public Distribution Microgrid is wholesale or retail when islanded, the Expected Output during a Performance Assessment Interval is what it would have been had the Public Distribution Microgrid Generator still been grid-connected.

Definitions and additional business rules for Public Distribution Microgrids can be found in PJM Manual 14D, Appendix B: Public Distribution Microgrid Business Rules and PJM Manual 14D, Appendix C: Voluntary Guideline on Public Distribution Microgrid Operations.