



Agreement Between PJM and Lincoln Power, L.L.C., *et al.*

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On March 31, 2023, Lincoln Power, L.L.C. and seven affiliates* filed Chapter 11 bankruptcy petitions in the U.S. Bankruptcy Court for the District of Delaware (Case No. 23-10382).

**Including PJM generation-owning members, Elgin Energy Center, LLC and Rocky Road Power, LLC (the “Debtors”)*

Immediately following the bankruptcy petition date, PJM and the Debtors discussed resolution of the Debtors' Non-Performance Charges for the Performance Assessment Intervals relating to Winter Storm Elliott in late December 2022 ("PAI Charges"), as well as the transfer of the Debtors' generation assets to a Purchaser through a section 363 bankruptcy sale or under a plan of reorganization.

PJM to retain its existing collateral and withheld pre-petition funds, and be allowed to apply these amounts toward its claim for the PAI Charges.

Balance of PJM's claim for PAI Charges will be a general unsecured claim entitled to equal treatment with other general unsecured claims in the Debtors' bankruptcy case.

- Generation assets to be sold under the Bankruptcy Code “free and clear” of the PAI obligation to a Purchaser that may not be owned, directly or indirectly, or managed by Carlyle (present equity owners), Cogentrix (present manager), or their affiliated entities or funds.
- Debtors will reject the PJM Operating Agreement. Purchaser would enter into the Operating Agreement with PJM.
- PJM will not impose conditions for membership upon Purchaser that it would not otherwise impose in ordinary course.
- Interconnection Agreements to be assumed and assigned by Debtors to Purchaser.
- Pending Purchaser taking ownership, Elgin and Rocky Road will continue to perform all material obligations of a PJM Member.

Purchaser and certain debtors will still need to obtain FERC approvals under FPA sections 203 and 205. PJM will not oppose Purchaser's FERC filings provided consistent with the parties' agreement.

Agreement is subject to Bankruptcy Court approval per Bankruptcy Rule 9019 motion filed by Debtors (hearing scheduled May 25, 2023). FERC received notice of 9019 approval motion.

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PJM/Lincoln Power Agreement



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