

35.2 Abbreviations, Acronyms and Definitions

In this Agreement, the following words and terms shall have the meanings (such meanings to be equally applicable to both the singular and plural forms) ascribed to them in this Section 35.2.

35.2.1 Abbreviations and Acronyms.

"ATC" shall mean Available Transfer Capability.

"AFC" shall mean Available Flowgate Capability.

"CPS" shall mean Control Performance Standard.

"DCS" shall mean Disturbance Control Standard.

"EMS" shall mean the respective Energy Management Systems utilized by the Parties to manage the flow of energy within their Regions.

"FERC" shall mean the Federal Energy Regulatory Commission or any successor agency thereto.

"ICCP", "ISN" and "ICCP/ISN" shall mean those common communication protocols adopted to standardize information exchange.

"IDC" shall mean the NERC Interchange Distribution Calculator used for identifying and requesting congestion management relief.

"IROL" shall mean Interconnected Reliability Operating Limit.

"ISO" shall mean Independent System Operator.

"MMWG" shall mean the NERC working group that is charged with multi-regional modeling.

"MVAR" shall mean megavolt ampere of reactive power.

"MW" shall mean megawatt of capacity.

"NERC" shall mean the North American Electricity Reliability Corporation or its successor organization.

"NPCC" shall mean the Northeast Power Coordinating Council, Inc., including the NPCC Cross Border Regional Entity (CBRE), or their successor organizations.

"NYISO" shall have the meaning stated in the preamble of this Agreement.

“OASIS” shall mean the Open Access Same-Time Information System required by FERC for the posting of market and transmission data on the Internet websites of PJM and NYISO.

“OATT” shall mean the applicable Open Access Transmission Tariff on file with FERC for PJM and NYISO.

“PJM” shall have the meaning stated in the preamble of this Agreement.

“RFC” shall mean Reliability First Corporation.

“RTO” shall mean Regional Transmission Organization.

“SDX System” shall mean the system used by NERC to exchange system data.

“SERC” SERC Reliability Corporation or its successor organization.

“SOL” shall mean System Operating Limit.

“TLR” shall mean the NERC Transmission Loading Relief Procedures used in the Eastern Interconnection as specified in NERC Operating Policies.

“TTC” shall mean Total Transfer Capability.

35.2.2 Definitions.

Any undefined, capitalized terms used in this Agreement shall have the meaning given under industry custom and, where applicable, in accordance with good utility practices or the meaning given to those terms in the tariffs of PJM and NYISO on file at FERC.

“Agreement” shall have the meaning stated in the preamble.

“Area Control Error” means the instantaneous difference between a Balancing Authority’s net actual and scheduled interchange, taking into account the effects of Frequency Bias and correction for meter error.

“Available Transfer Capability” means a measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses.

“Balancing Authority Area” shall mean an electric system or systems, bounded by Interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Balancing Authority Areas and contributing to frequency regulation of the Interconnection Facilities as set forth by NERC.

“Balancing Authority Operator” shall mean the entity responsible for the secure operation of a Balancing Authority Area as set forth by NERC.

“Confidential Information” shall have the meaning stated in Section 35.8.1.

“Control Area(s)” shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied.

“Control Performance Standard” shall mean the reliability standard that sets the limits of a Balancing Authority’s Area Control Error over a specified time period.

“Coordinated Flowgate” shall mean a Flowgate impacted by the flows of a Party as determined by a mutually agreed upon study methodology identified in a congestion management process. A Coordinated Flowgate may be in the footprint of a Party or a third party.

“Coordination Committee” shall mean the jointly constituted PJM and NYISO committee established to administer the terms and provisions of this Agreement pursuant to Article Three.

“Delivery Point” shall mean the point at each of the points of direct Interconnection between PJM and the NYISO Balancing Authority Area. Such Delivery Point(s) shall include the Interconnection Facilities between the PJM and the New York Control Areas.

“Dispute” shall have the meaning stated in Article Fourteen.

“Disturbance Control Standard” shall mean the reliability standard that sets the time limit following a disturbance within which a balancing authority must return its Area Control Error to within a specified range.

“Economic Dispatch” shall mean the sending of dispatch instructions to generation units to minimize the cost of reliably meeting load demands.

“Effective Date” shall have the meaning stated in Section 35.18.1.

“Emergency” shall mean any abnormal system condition that requires remedial action to prevent or limit loss of transmission or generation facilities that could adversely affect the reliability of the electricity system.

“Emergency Energy” shall mean energy supplied from Operating Reserve or electrical generation available for sale in New York or PJM or available from another Balancing Authority Area. Emergency Energy may be provided in cases of sudden and unforeseen outages of generating units, transmission lines or other equipment, or to meet other sudden and unforeseen circumstances such as forecast errors, or to provide sufficient Operating Reserve. Emergency Energy is provided pursuant to this Agreement and the Inter Control Area Transactions Agreement dated May 1, 2000 and priced according to Section 35.6.4 of this agreement and said Inter Control Area Transactions Agreement.

“Flowgate” shall mean a representative modeling of facilities or groups of facilities that may act as potential constraint points.

“Force Majeure” shall mean an event of *force majeure* as described in Section 35.19.1.

“Good Utility Practice” shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the North American electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted by NERC.

“Governmental Authority” shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power.

“Intellectual Property” shall mean (i) ideas, designs, concepts, techniques, inventions, discoveries, or improvements, regardless of patentability, but including without limitation patents, patent applications, mask works, trade secrets, and know-how; (ii) works of authorship, regardless of copyright ability, including copyrights and any moral rights recognized by law; and (iii) any other similar rights, in each case on a worldwide basis.

“Intentional Wrongdoing” shall mean an act or omission taken or omitted by a Party with knowledge or intent that injury or damage could reasonably be expected to result.

“Interconnected Reliability Operating Limit” or **“IROL”** shall mean the value (such as MW, MVAR, Amperes, Frequency, or Volts) derived from, or a subset of, the System Operating Limits, which if exceeded, could expose a widespread area of the bulk electrical system to instability, uncontrolled separation(s) or cascading outages.

“Interconnection” shall mean a connection between two or more individual Transmission Systems that normally operate in synchronism and have interconnecting Intertie(s).

“Interconnection Facilities” shall mean the Interconnection facilities described in SCHEDULE A.

“Market Participant” shall mean an entity that, for its own account, produces, transmits, sells, and/or purchases for its own consumption or resale capacity, energy, energy derivatives and ancillary services in the wholesale power markets. Market Participants include transmission service customers, power exchanges, Transmission Owners, load serving entities, loads, holders of energy derivatives, generators and other power suppliers and their designated agents.

“Metered Quantity” shall mean apparent power, reactive power, active power, with associated time tagging and any other quantity that may be measured by a Party’s Metering Equipment and that is reasonably required by either Party for Security reasons or revenue requirements.

“Metering Equipment” shall mean the potential transformers, current transformers, meters, interconnecting wiring and recorders used to meter any Metered Quantity.

“Mutual Benefits” shall mean the transient and steady-state support that the integrated generation and Transmission Systems in PJM and New York provide to each other inherently by virtue of being interconnected as described in Section 35.4 of this Agreement.

“Network Resource” shall have the meaning as provided in the NYISO OATT, for such resources located in New York, and the meaning as provided in the PJM OATT, for such resources located in PJM.

“Notice” shall have the meaning stated in Section 35.19.21

“NYISO Tariffs” means the NYISO OATT and the NYISO Market Administration and Control Area Services Tariff (“Services Tariff”), collectively.

“NYSRC Reliability Rules” means the rules applicable to the operation of the New York Transmission System. These rules are based on reliability Standards adopted by NERC and NPCC, but also include more specific and more stringent rules to reflect the particular requirements of the New York Transmission System.

“Operating Entity” shall mean an entity that operates and controls a portion of the bulk transmission system with the goal of ensuring reliable energy interchange between generators, loads, and other operating entities.

“Operating Instructions” shall mean the operating procedures, steps, and instructions for the operation of the Interconnection Facilities established from time to time by the Coordination Committee or the PJM and NYISO individual procedures and processes and includes changes from time to time by the Coordination Committee to such established procedures, steps and instructions exclusive of the individual procedures.

“Operating Reserve” shall mean generation capacity or load reduction capacity which can be called upon on short notice by either Party to replace scheduled energy supply which is unavailable as a result of an unexpected outage or to augment scheduled energy as a result of unexpected demand or other contingencies.

“Operational Control” shall mean Security monitoring, adjustment of generation and transmission resources, coordinating and approval of changes in transmission status for maintenance, determination of changes in transmission status for reliability, coordination with other Balancing Authority Areas and reliability Coordinators, voltage reductions and load shedding, except that each legal owner of generation and transmission resources continues to physically operate and maintain its own facilities.

“Outages” shall mean the planned unavailability of transmission and/or generation facilities dispatched by PJM or the NYISO, as described in Article Nine of this Agreement.

“Party” or **“Parties”** refers to each party to this Agreement or both, as applicable.

“PJM” has the meaning stated in the preamble of this Agreement.

“Region” shall mean the Control Areas and transmission facilities with respect to which a Party serves as RTO or Reliability Coordinator under NERC policies and procedures.

“Reliability Coordinator” or **“RC”** shall mean the entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.

“Reliability Coordinator Area” shall mean that portion of the bulk electric system under the purview of the Reliability Coordinator.

“Reliability Standards” shall mean the criteria, standards, rules and requirements relating to reliability established by a Standards Authority.

“Schedule” shall mean a schedule attached to this Agreement and all amendments, supplements, replacements and additions hereto.

“Security” shall mean the ability of the electric system to withstand sudden disturbances including, without limitation, electric short circuits or unanticipated loss of system elements.

“Security Limits” shall mean operating electricity system voltage limits, stability limits and thermal ratings.

“Standards Authority” shall mean the North American Electric Reliability Council (“NERC”), and the NERC regional councils with governance over PJM and NYISO, any successor thereof, or any other agency with authority over the Parties regarding standards or criteria to either Party relating to the reliability of Transmission Systems.

“Standards Authority Standards” shall have the meaning stated in Section 35.5.2.

“State Estimator” shall mean a computer model that computes the state (voltage magnitudes and angles) of the transmission system using the network model and real-time measurements. Line flows, transformer flows, and injections at the busses are calculated from the known state and the

transmission line parameters. The State Estimator has the capability to detect and identify bad measurements.

“System Operating Limit” or “SOL” shall mean the value (such as MW, MVAR, Amperes, Frequency, or Volts) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria.

“Transmission Owner” shall mean an entity that owns Transmission Facilities.

“Transmission System” shall mean the facilities controlled or operated by PJM or NYISO as designated by each in their respective OATTs.

“Transmission Facility” shall mean a facility for transmitting electricity, and includes any structures, equipment or other facilities used for that purpose.

“Voltage and Reactive Power Coordination Procedures” are the procedures under Article Eleven for coordination of voltage control and reactive power requirements.

35.2.3 Rules of Construction.

35.2.3.1 No Interpretation Against Drafter.

In addition to their roles as RTOs/ISOs and Reliability Coordinators, and the functions and responsibilities associated therewith, the Parties agree that each Party participated in the drafting of this Agreement and was represented therein by competent legal counsel. No rule of construction or interpretation against the drafter shall be applied to the construction or in the interpretation of this Agreement.

35.2.3.2 Incorporation of Preamble and Recitals.

The Preamble and Recitals of this Agreement are incorporated into the terms and conditions of this Agreement and made a part thereof.

35.2.3.3 Meanings of Certain Common Words.

The word “including” shall be understood to mean “including, but not limited to.” The word “Section” refers to the applicable section of this Agreement and, unless otherwise stated, includes all subsections thereof. The word “Article” refers to articles of this Agreement.

35.2.3.4 Standards Authority Standards, Policies, and Procedures.

All activities under this Agreement will meet or exceed the applicable Standards Authority standards, policies, or procedures as revised from time to time.

35.2.3.5 Scope of Application.

Each Party will perform this Agreement in accordance with its terms and conditions with respect to each Control Area for which it serves as ISO or RTO and, in addition, each Control Area for which it serves as Reliability Coordinator.