



# Consolidation of Defined Terms in One Governing Agreement

GDECS

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# Statistics for Current Defined Terms

<b>303 terms only defined in Tariff</b>	<b>155 terms defined in Tariff and OA (some pending FERC acceptance)</b>	<b>25 terms defined in Tariff, OA and RAA</b>
<b>50 terms only defined in OA</b>	<b>37 terms defined in Tariff and RAA</b>	<b>3 terms defined in Tariff, OA and CTOA</b>
<b>30 terms only defined in RAA</b>	<b>6 terms defined in Tariff and CTOA</b>	<b>1 term in Tariff, RAA and CTOA</b>
<b>13 terms only defined in CTOA</b>	<b>2 term defined in OA and CTOA</b>	<b>9 terms defined in Tariff, OA, RAA and CTOA</b>
	<b>6 terms defined in OA and RAA</b>	<b>1 term defined in OA, RAA and CTOA</b>

- Consolidate all defined terms in one governing document
- Eliminate possibility of multiple or conflicting definitions of the same defined term in different agreements
- Eliminate “definitions” that are simply cross references to how a term is defined in another document. Example: “Annual Demand Resource” shall have the meaning specified in the Reliability Assurance Agreement.”

- Consolidate terms that mean the same thing into one definition.  
Example: Operating Agreement, Operating Agreement of the PJM Interconnection, L.L.C and PJM Operating Agreement.
- Other conforming revisions in governing documents to change references that indicate a term being defined “in this Agreement” to change it to say it is defined “in the Tariff”

- 26 defined terms are not consistent across governing agreements
- Some inconsistencies are minor, stylistic differences while others are more substantive

-Affiliate	-Base Capacity Resource	-Capacity Performance Resource
-Consolidated Transmission Owners Agreement	-Control Area	-Counterparty
-Demand Resource	-Effective Date	-Electric Distributor
-End-Use Customer	-FERC	-Firm Point-to-Point Transmission Service
-Generation Owner	-Good Utility Practice	-Incremental Auction
-Load Serving Entity	-Member	-NERC
-Other Supplier	-PJM Board	-Planning Period
-Point-to-Point Transmission Service	-Transmission Facilities	-Transmission Owner
-Zonal Capacity Price	-Zone	

- PJM counsel and SMEs reviewing inconsistent defined terms to determine:
  - the correct definition of those terms
  - whether more than one definition is truly needed and if create another term to use for one so we aren't using same defined term to mean different things in different agreements
  - PJM will bring through the GDECS for discussion

- TOs have FPA, section 205 rights over CTOA
- Consolidation proposal will be raised with TOs at their December 2016 TOAC meeting
- If TOs do not want to consolidate the CTOA defined terms, proposal will only include consolidating the defined terms from the Tariff, OA and RAA

- PJM preference is to move all defined terms to Tariff rather than a new, stand alone governing document
  - vast majority of defined terms are in Tariff (see slide 2)
- To extent term is now only substantively defined in RAA, OA or CTOA, move that definition to the Tariff
- To address Member concerns about retaining FPA, section 205 rights to defined terms in OA, suggest there be two definition sections in the Tariff - one for which PJM has sole section 205 rights and one for which PJM shares section 205 rights with Members



- In definitions section of the OA, RAA and CTOA, incorporate general language that states something similar to the following:

*“Unless the context otherwise specifies or requires, all capitalized terms used in this Agreement shall have the respective meanings assigned in the PJM Tariff for all purposes of this Agreement (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references herein to sections, Schedules, Exhibits or Appendices are to sections, Schedules, Exhibits or Appendices of this Agreement.”*

- GDECS discussion December 2016 and January 2017
- GDECS vote January 2017
- MRC first read February 2017
- MRC vote March 2017
- MC vote April 2017
- Filing April or May 2017
- Don't need long discussion since few, if any, substantive revisions to definitions