

[Excerpt from JOA Section 35.2]

“Operational Base Flow” or “OBF” shall mean an equal and opposite MW offset of power flows over the Waldwick PARs and ABC PARs to account for natural system flows over the JK Interface and the ABC Interface in order to facilitate the reliable operation of the NYISO and/or PJM transmission systems. The OBF is not a firm transmission service on either the NYISO transmission system or on the PJM transmission system. The OBF shall not result in charges from one Party to the other Party, or from one Party to the other Party’s Market Participants, except for the settlements described in the Real-Time Energy Market Coordination and Settlements provisions set forth in Sections 7 and 8 of Schedule D to this Agreement. In particular, the NYISO and its Market Participants shall not be subjected to PJM Regional Transmission Expansion Plan (“RTEP”) cost allocations as a result of the OBF. ~~In the event one Party issues a charge to the other Party, or to one or more of the other Party’s Market Participants, based on the OBF to implement settlement rules other than those set forth in Sections 7 and 8 of Schedule D to this Agreement, then the Party that receives the charge shall have the right to reduce the OBF value to zero MW immediately, or at a time of its choosing.~~

[Excerpt from JOA Section 35.23 Schedule D Section 7.2]

In order to implement the NY-NJ PAR coordination process, including the establishment and continuation of the initial and any future OBF as defined in this Section and Section 35.2 of this Agreement, on the ABC PARs and the Waldwick PARs, the facilities comprising the ABC Interface and JK Interface ~~must remain~~ shall be functional and operational at all times, consistent with Good Utility Practice, except when they are taken out-of-service to perform maintenance or are subject to a forced outage. ~~Consistent with Sections 35.5.1, 35.5.3, 35.9.1 and 35.9.1.2 of this Agreement, the ABC Interface facilities and JK Interface facilities shall be maintained, repaired and replaced in accordance with Good Utility Practice.~~