



Indian River Units 1 and 2 **Deactivation Study**

General

PJM received notice from NRG Energy, Inc. (“NRG”) of its proposed deactivation of the Indian River Units 1 and 2 with a total capacity of approximately 180 MW. PJM understands that NRG is proposing to mothball Indian River Unit 2 effective May 1, 2010 and Unit 1 effective May 1, 2011.

Reliability Analysis Results

PJM Transmission Planning and PHI performed an analysis of the 2010 system with Indian River Unit 2 unavailable and the 2011 system with Indian River Units 1 and 2 unavailable. With the completion of the network upgrades identified below, the Indian River Units 1 and 2 will not be needed for reliability beyond the proposed generation deactivation dates.

2010 DPL South Load Deliverability Violations

1. Trappe Tap – Todd 69 kV line overloads for the loss of Milford – Steele 230 kV
Solution:
 - Rebuild Trappe Tap – Todd 69 kV line
 - Cost Estimate – \$12 Million
 - Projected In-Service Date – May 1, 2010

2. Mt. Pleasant – Middletown 138 kV line overloads for loss of Cedar Creek – Red Lion 230 kV
Solution:
 - Rebuild Mt. Pleasant to Townsend 138 kV
 - Cost Estimate – \$3.92 Million
 - Projected In-Service Date – May 1, 2010

2011 DPL Local Criteria Violation

1. Indian River 230/138 kV overloads for loss of parallel transformer
Solution:
 - Add a third Indian River 230/138 kV transformer
 - Cost Estimate – \$7.3 Million
 - Projected In-Service Date – May 1, 2011