



**Pre-Qualification Package for
PJM Designated Entity Status**

REDACTED

September 2018



About Anbaric Development Partners, LLC

Anbaric Development Partners, LLC (Anbaric) submits the following pre-qualification package to the PJM Office of Interconnection and seeks Designated Entity Status to develop transmission solutions within the region.

Anbaric is a development platform focused on electric transmission and microgrid development. The company was formed on February 21, 2017 by a partnership between an affiliate of Anbaric, Anbaric AP3, LLC, and Tx Grid 1 LLC, a wholly owned subsidiary of the Ontario Teachers' Pension Plan Board (OTPP). OTPP is the largest single-profession pension plan in Canada, and, as of June 30, 2018, has net assets under management of C\$193.9 billion. OTPP has a dedicated and highly specialized infrastructure investment department within its Infrastructure and Natural Resources Group that invests and manages the plan's infrastructure portfolio. As of June 30, 2018, the infrastructure portfolio was valued at C\$17.2 billion and includes power generation, electricity and gas distribution, container terminals, airports, high-speed rail, and water and wastewater utilities.

Anbaric conceives, incubates, develops, and obtains financing for projects that strengthen the bulk power grid, integrate regional markets, and bring renewable energy to population centers. Our top priority is to bring the highest value to our customers, investors, and electric power consumers by developing assets that bring affordable, competitively priced electricity to market. As a developer, Anbaric invests in projects that will have long lifespans: electric transmission and distribution assets foremost among them. As a steward of our investors' capital, Anbaric is interested in growing a portfolio of assets that provide steady, reliable returns for decades to come. Anbaric does not seek energy commodity exposure, but rather to develop and own interests in assets and companies that are platforms for the efficient trade of energy,

1. Name and address of the entity including a point of contact

Name:

Anbaric Development Partners, LLC

Address:

401 Edgewater Pl, Ste 680
Wakefield, MA 01880

Principal Contact:

Howard Kosel
Project Manager
hkosel@anbaric.com
917-331-5250

Secondary Contact

Clarke Bruno
President, Transmission
cbruno@anbaric.com
781-683-0704

2. Technical and engineering qualifications of the entity or its affiliate, partner, or parent company

Anbaric will draw on the experience of its internal personnel and its agreements with qualified third party contractors for technical and engineering capability to create transmission projects in the PJM region.

Anbaric's senior management team has extensive experience developing major projects, including two in the PJM region, and experience managing various contractors involved in designing, permitting, engineering, constructing, and operating transmission projects.

Anbaric's technical and engineering project development qualifications include the participation of its founder, Dr. Edward N. Krapels, and predecessor entities in the development of two operational transmission lines in the PJM region, both of which connect New Jersey to New York.

The first, the Neptune Regional Transmission System, runs from Sayreville, New Jersey, connects into Long Island, and was completed and commercially operating in June 2007.

The second, the Hudson Transmission Project, starts in Ridgefield, New Jersey, connects into Manhattan, and was completed and commercially operating in June 2013.

In addition to Neptune and Hudson, via predecessor entities, Anbaric has been involved in developing the following transmission projects:

- "Poseidon," a proposed 500 MW buried cable running between South Brunswick, New Jersey and Melville (Long Island), New York;
- "Vermont Green Line," a proposed 400 MW buried cable running from Beekmantown, New York to New Haven, Vermont, transferred to GridAmerica Holdings Inc., a subsidiary of National Grid USA, in January 2017; and
- "Maine Green Line," a proposed 1,200 MW buried cable running from Orrington, Maine to Plymouth, Massachusetts.

Operating Projects

The Neptune Regional Transmission System

Anbaric's principal, Edward N. Krapels, was a founder of Atlantic Energy Partners, the developer of the Neptune Regional Transmission System. Mr. Krapels and the Atlantic Energy Partners team developed the Neptune Project: a 660 MW (500 kV) high-voltage, direct current (HVDC) submarine electric transmission cable that connects generation resources in the PJM system to electricity consumers on Long Island.

The cable extends 65 miles from the First Energy substation in Sayreville, New Jersey to the Long Island Power Authority's ("LIPA's") Newbridge Road substation in Nassau County, New York.

Neptune provides capacity and energy in a more flexible and reliable manner than new generating facilities, whatever their fuel source, on Long Island. It saves Long Island ratepayers money, increases capacity and diversifies electricity sources without the local impacts associated with new power generation.

Neptune began construction in June 2005. This project was completed in the summer of 2007, ahead of schedule and under budget. More information on the project can be found at www.neptunerts.com.

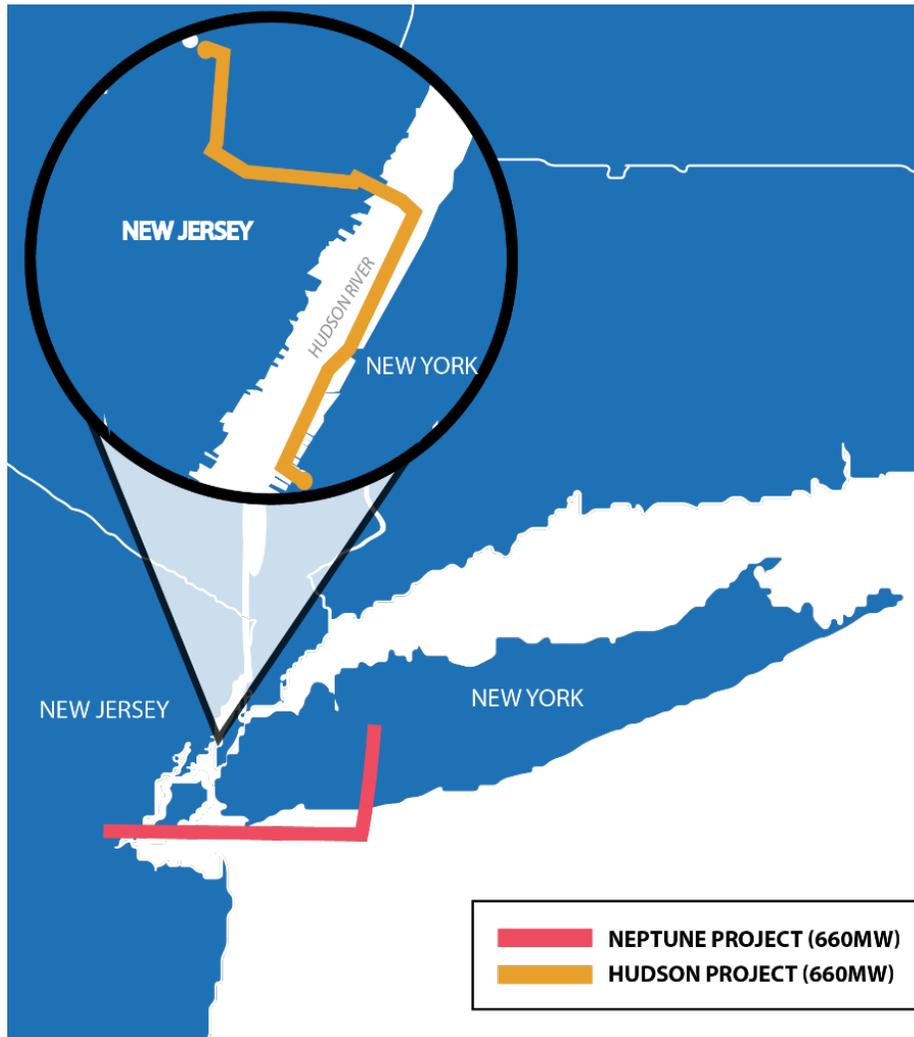
The Hudson Transmission Project

Mr. Krapels was also a founder of Hudson Transmission Partners, LLC, and developer of the Hudson Transmission Project ("Hudson"). Hudson is a 660 MW electric transmission link between New York City and PJM Interconnection, providing a new source of electric power for the New York City customers of the New York Power Authority (NYPA) and with the ability to offer New York City access to renewable resources throughout PJM.

Hudson has back-to-back converter stations in Ridgefield, New Jersey and connects to the New York City grid at Con Ed's West 49th Street substation via an AC cable installed underground in railroad rights of way in Bergen County and then beneath the Hudson River.

Hudson began construction in May 2011 and was completed, six weeks ahead of schedule, in June 2013. More information on the project can be found at www.hudsonproject.com.

Figure 1: Anbaric Operational Project Map



Projects Under Development

The Vermont Green Line

A predecessor entity of Anbaric, together with National Grid, led the development of the Vermont Green Line, an underground and underwater line between the NYISO grid at Beekmantown, New York and the ISO-NE grid at New Haven, Vermont. This 400 MW, HVDC line will extend 60 miles from a new converter station in Beekmantown, New York, travel under Lake Champlain, and connect to a new converter station in New Haven, Vermont.

Anbaric led the development of the Vermont Green Line until January 2017, when Anbaric transferred control, further development, and eventual operations of the project to National Grid. More information on the project can be found at www.vermontgreenline.com.

The Maine Green Line

An Anbaric predecessor entity developed the Maine Green Line, also with National Grid. This land-and-sea HVDC project will initially deliver up to 1,200 MW of wind from Orrington, Maine, firmed up by imports of hydropower from eastern Canada, via a submarine cable to Plymouth, Massachusetts.

The Maine Green Line seeks to catalyze development of renewable resources in northern New England by providing the necessary infrastructure to bring that power to more densely populated areas to the south, including the Boston area. The Maine Green Line also seeks to bypass the congestion that now exists on the overhead transmission lines between northern and southern New England. Maine-based contractor Cianbro Development Corporation and Connecticut-based PowerBridge are also part of the Maine Green Line development team. National Grid assumed control in 2017 and as of the date of this pre-qualification package, has suspended further development of this project.

More information on the project can be found at www.maine.greenline.com.

The Poseidon Project

An Anbaric predecessor entity developed the Poseidon Renewable Project with funding from Exelon. The project supplies 500 MW of renewable energy, associated capacity, and RECs from PJM's 500 kV Deans substation in New Jersey to LIPA's 138 kV Ruland Road substation.

The Poseidon project seeks to help realize two of New York State's signature energy goals – 50% of electricity from renewables by 2030 and keeping electricity affordable for Long Island's ratepayers. Long Island lacks the space to deploy solar or land-based wind on a scale required to reach the “50 by 30” goal and offshore wind remains very expensive. Wind from the PJM market, from Pennsylvania and even points to the west, benefits from low land and construction costs and resulting economies of scale. Poseidon anticipates that such power can be provided at a cost 25% to 50% less than the cost of renewable energy produced on Long Island or offshore.

Exelon has conveyed the assets of the Poseidon project to Anbaric. While the Poseidon project has been withdrawn from the PJM interconnection queue, the Deans substation is the site of a new Anbaric interconnection request to inject offshore wind into the PJM grid at that 500 kV substation and the Ruland Road substation in NYISO has likewise been repurposed.

More information on the project can be found at www.poseidon-project.com.

Senior Management Experience

Anbaric's technical and engineering project development qualifications further include the significant experience of its Senior Management.

Edward Krapels

Edward N. Krapels, Founder and CEO of Anbaric, is a leader in the industry of non-utility electric transmission and distribution development. Anbaric is a platform company for the Ontario Teachers' Pension Plan. Anbaric specializes in early stage development of large-scale electric transmission systems for offshore wind projects, the transformation of the electric and heating/cooling systems on campuses, and storage solutions.

Prior to the inception of Anbaric, Mr. Krapels was a founding partner in developing several iconic electric transmission projects, including the Neptune Regional Transmission System, the Hudson Project, and several major new projects designed to bring renewable power into urban markets. Mr. Krapels is also responsible for innovations in the DER industry.

As former financial advisor and risk management consultant, Mr. Krapels is widely published in energy industry journals. He was a member of Department of Energy Secretary Steven Chu's Electricity Advisory Committee from 2010 to 2012 and has provided valuation and due diligence services to many prominent investors in the energy arena. As a risk management advisor, Mr. Krapels has assisted major utilities, end users, and government agencies. He developed a series of Guides to energy hedging strategies for Risk which have been used by many companies around the world. He remains one of the authorities on the appropriate uses of hedging tools and on the distinctions between hedging and speculating in energy markets. Mr. Krapels has been a registered Commodity Trading Advisor.

Mr. Krapels has written several books, dozens of monographs, and scores of articles ranging from the international oil and gas to U.S. electricity markets. He serves on various boards, including the Board of the Alpha Project and the Visiting Committee of the Social Sciences Division of the University of Chicago. He received his Ph.D. at the Johns Hopkins University, his M.A. at the University of Chicago, and his B.A., at the University of North Carolina, Chapel Hill.

Timothy Vaill

Tim Vaill is the Chief Financial Officer for Anbaric. In this role he oversees the firm's financial planning, financial management, and strategic growth. He is the key liaison with Anbaric's co-owner and investment partner, the Ontario Teachers' Pension Plan.

Mr. Vaill is the former Chairman and Chief Executive Officer of Boston Private Financial Holdings, Inc, a publicly-held (NASDAQ) wealth management company with banking and investment activities nationwide. Prior to his work at Boston Private, Mr. Vaill was an Executive Officer for an American Express subsidiary, The Boston Company, and a senior financial consultant for Fidelity Investments in Boston. Just prior to joining Anbaric, Mr. Vaill was on the Economic Development Team for the Commonwealth of Massachusetts under Governor Deval Patrick.

Mr. Vaill holds a MBA in Finance from the Harvard Business School, a Master's in Public Administration from the Harvard Kennedy School, and a BS degree in Mathematics from Tufts University. He serves on several boards and was formerly the Chairman of the Economic Development Council for the Town of Andover, where he resides. He continues as a member of the Investment Committee for the Massachusetts \$60 billion State Pension Fund, MassPRIM.

Clarke Bruno

Clarke Bruno is the President of Anbaric's Transmission team overseeing the team's work in the US and Canada. Mr. Bruno co-led development of the Poseidon Transmission project.

Mr. Bruno has had almost two decades of experience in the private and public sector in energy and environmental policy, project development, and regulatory law. As counsel to former New Jersey Governor Corzine, he helped prepare the State's energy master plan and provided legal and policy analysis on the State's initiatives to upgrade the grid, spur renewable energy projects, redevelop brownfields, and increase public and private infrastructure investments. As a senior attorney during Mayor Bloomberg's first term in New York City, Mr. Bruno led the team that won dismissal of four twenty-year old class action lawsuits and revitalized a 50-member legal department. Before entering government, he was a regulatory lawyer and litigator for nine years and clerked for a federal judge for one year. He chaired the NYC Bar Association's energy committee from 2012 to 2015.

Howard Kosel

Howard Kosel is a Project Manager for Anbaric. Mr. Kosel also co-led development of the Poseidon Transmission project.

Mr. Kosel has over 37 years of experience in the energy industry. Prior to joining Anbaric, Mr. Kosel was a managing director at Abatis Capital LLC, an energy-focused private equity firm. At Abatis, Mr. Kosel lead the team responsible for asset valuation, market analysis and due diligence of prospective investments.

Prior to joining Abatis, Mr. Kosel was Vice President of KeySpan Corporation's unregulated subsidiary KeySpan Energy Development Corporation, where he had responsibility for developing and executing KeySpan's electric and gas asset strategy, including asset acquisitions, development, enhancements, optimizations and divestitures. During his career at KeySpan, Mr. Kosel also served as vice president of generation operations responsible for managing a fleet of 4,100 MW and growing it to over 6,800 MW of installed capacity. Mr. Kosel led substantial growth in KeySpan's assets, highlighted by the acquisition of the Ravenswood Generating facility, a 2,168 MW generating facility located in New York City, the development and construction of the Ravenswood 250 MW natural gas fired combined cycle facility and development and construction of 160 MW of peaking power plant projects on Long Island.

Additionally, during his tenure at KeySpan, Mr. Kosel held many senior operating positions in electric generation, including plant manager and chief engineer, and in transmission and distribution, including manager of electric design and construction, where he was responsible for managing the maintenance, design and construction of the overhead and underground electric transmission and distribution system on Long Island.

Bryan Sanderson

Bryan Sanderson has nearly 20 years of experience in energy markets with a strong background in the natural gas and power sectors.

Prior to joining Anbaric, he held roles in project development and energy marketing with Invenergy, an IPP specializing in the development of wind and natural gas generation assets. In these roles he was responsible for early stage development activities, as well as hedge risk and market modeling for assets approaching or in commercial operation.

Before moving to the asset side of the energy business, Mr. Sanderson spent six years providing consulting and market advisory services to a range of clients across the energy value chain, and three years on the energy trading desk of a major hedge fund. In these roles, he was responsible for modeling supply, demand, price, and basis, analyzing numerous market-related issues, and communicating his views on the markets to clients and traders. Mr. Sanderson holds a BS and MS in Chemical Engineering from MIT, and an MBA from the Kellogg School of Management at Northwestern University.

He oversaw all aspects of the development of the Vermont Green Line, including permitting, interconnection, siting, and outreach strategy. In addition, Mr. Sanderson manages the market analytics and financial analyses for all of Anbaric's projects.

Stephen Conant

Stephen Conant is a Project Manager for Anbaric and President of Green Line Devco, LLC. He has 20 years of experience in the electric power industry.

Before working for Anbaric, Mr. Conant was Energy Security Analysis, Inc.'s Senior Market Analyst for western power markets. Mr. Conant has worked as a Senior Consultant for Stone & Webster Management Consultants where he prepared due diligence analysis for major power asset transfers, including coal, natural gas, and hydroelectric power plants and natural gas pipelines.

Prior to joining the private sector he worked 12 years in local, state, and federal government, including three years for the U.S. House of Representatives. Mr. Conant's experience includes environmental permitting for major capital projects, including air permitting, power plant licensing, and hazardous waste remediation. He also sits on the Board of Directors of the Lowell Parks & Conservation Trust, a non-profit land trust that he co-founded in 1990 in his hometown of Lowell, Massachusetts.

Soam Goel

Soam Goel, Lead Partner, Special Situations, pursues investments in transmission and microgrid infrastructure projects that are under development, campus energy infrastructure, and existing energy infrastructure that can be transformed through significant capital investments.

Soam Goel has been the Chief Commercial Officer of Power Network New Mexico, a wholly owned subsidiary of Goldman Sachs Global Infrastructure Fund (GSIP). He originated the \$400M project for GSIP. Mr. Goel founded Enersights in 2004 to provide strategic advice to senior executives of utility companies and financial participants. Prior to that, he spent 10 years with PA Consulting and its predecessor firms where he co-headed the energy M&A practice. Under his leadership, the firm conducted assignments such as company, generation, and transmission transactions – \$40M to \$8B in size – for utilities, industry vendors, investment banks, and private equity. Mr Goel's prior experience includes working for the Unilever Group of Companies as part of their fast track management development program. Mr. Goel received B.Tech. in Chemical Engineering from the Indian Institute of Technology and an MBA from the University of Texas at Austin.

Kevin Knobloch

Kevin Knobloch is President of NY OceanGrid at Anbaric where he brings nearly 40 years of experience in public policy, government, advocacy, management and journalism. Prior to joining Anbaric full-time, Knobloch was a Senior Research Fellow at the Center for International Environment and Resource Policy (CIERP) at the Fletcher School of Law and Diplomacy, where he conducted research on corporate perspectives on clean energy policy and expanding economic development. He has also worked with Anbaric as a senior consultant for offshore wind since September 2017.

In January 2017, Knobloch completed a 3.5-year Obama Administration appointment as Chief of Staff of the U.S. Department of Energy (DOE) and senior manager for Secretary of Energy Ernest Moniz. Prior to his service at DOE, Knobloch was President of the Union of Concerned Scientists for ten years. Earlier in his career, he served as Director of Conservation Programs at the Appalachian Mountain Club, Legislative Director for U.S. Senator Timothy Wirth (D-CO) and Legislative Assistant for U.S. Representative Ted Weiss (D-NY). He began his career as a newspaper journalist for several publications in Massachusetts, including The Berkshire Eagle.

Knobloch serves on the Board of Directors of Heartland Water Technologies, the Strategic Advisory Board of Phoenix Revolution, and the Advisory Board of the New England Forestry Foundation. His past Board service includes eight years on the Board of Directors of CERES and ten years on the Board of Directors of the Environmental League. Knobloch holds a Master in Public Administration degree from the John F. Kennedy School of Government at Harvard University, with a focus on natural resource economics, and a Bachelor of Arts degree from the University of Massachusetts Amherst.

3. Demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities, including a list or other evidence of transmission facilities previously developed regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM region

Through its founder, Edward N. Krapels, and its predecessor entities, Anbaric has participated in the development of two operational transmission lines from New Jersey to New York. The first, the Neptune Regional Transmission System, connects into Long Island, and was completed and commercially operating in June 2007. The second, the Hudson Transmission Project, connects into Manhattan, and was completed and commercially operating in June 2013.

In addition to Neptune and Hudson, via predecessor entities, Anbaric developed the following transmission projects:

- “Poseidon,” a proposed 500 MW cable running between South Brunswick, New Jersey and Melville, New York; the interconnections for which are now repurposed by Anbaric for offshore wind.
- “Vermont Green Line,” a proposed 400 MW cable running from Beekmantown, New York to New Haven, Vermont, transferred to GridAmerica Holdings Inc., a subsidiary of National Grid USA, in January 2017, and
- “Maine Green Line,” a proposed 1,200 MW cable running from Orrington, Maine to Plymouth, Massachusetts is also under the control of National Grid.

Development of the Neptune, Hudson, and Poseidon projects, all of which extend from New Jersey to New York, has provided Anbaric with experience and familiarity planning transmission systems in the PJM region.

Please see the response to Item 2 above for a more detailed description of the Neptune, Hudson, Poseidon, Vermont Green Line, and Maine Green Line projects.

Current Development Activities

PJM Competitive Planning Process

Anbaric Development Partners, LLC plans to participate in the PJM competitive planning process which implements FERC Order 1000. The process affords non-incumbent transmission developers an opportunity to participate in the regional planning and expansion of the PJM bulk electric system. PJM will publish a set of criteria violations, for both reliability and market efficiency, and solicit solutions from competing transmission developers. In this process PJM and the FERC encourage innovative, cost effective and timely solutions to the challenges of building and maintaining a highly reliable electric system.

This process is managed by the Transmission Expansion Advisory Committee (TEAC) who provides advice and recommendations to aid in the development of the Regional Transmission Expansion Plan (RTEP).

Ocean Grid Projects

In New York, Massachusetts and New Jersey, Anbaric is developing its OceanGrid family of projects: a series of independently owned open-access offshore transmission facilities.

Building planned, independent offshore transmission will make best use of limited interconnection points, integrate with the power grid most efficiently, and enable the industry to scale effectively. Installing fewer subsea cables will minimize impacts to the environment, fisheries, and threatened marine species, and reduce opposition from impacted stakeholders.

NY OceanGrid and NJ OceanGrid

New York and New Jersey, respectively, have plans to develop 2,400 and 3,500 MW of offshore wind by 2030. Anbaric believes that offshore wind development at this scale will require a planned, coordinated transmission system, rather than a project-by-project approach to transmission development. Through the strategic selection of onshore points of interconnection, careful planning to minimize environmental impacts, and by building transmission at scale, the NY/NJ OceanGrid will serve as foundational infrastructure in support of the offshore wind industry.

The NY OceanGrid and NJ OceanGrid will consist of a series of offshore collector platforms each with one or more high voltage export cables to shore. Each collector platform will be designed to handle 800-1200 MW of offshore wind, with the ability to connect multiple wind farms. The development and construction of the NY OceanGrid and NJ OceanGrid will occur over a number of phases, timed in coordination with the development and construction of offshore wind farms. As various legs of the systems are constructed, the offshore collector platforms may ultimately be connected to each other by offshore links, depending on the economics and reliability needs as the offshore industry grows.

The NY OceanGrid and NJ OceanGrids would be able to serve offshore wind farms located anywhere on the OCS from Cape May, NJ to Long Island.

MA Ocean Grid

Anbaric is currently developing the MA Ocean Grid under the leadership of Mr. Conant.

The MA Ocean Grid will connect offshore wind energy from wind energy Areas off the coasts of Massachusetts and Rhode Island to Massachusetts and the rest of New England.

On February 13, 2018, Federal Energy Regulatory Commission (FERC) issued an Order authorizing Anbaric to charge negotiated rates for transmission rates on MA Ocean Grid, a proposed offshore transmission system for Massachusetts offshore wind generation.¹ Anbaric intends to ask FERC for similar authorizations for proposed developments in New Jersey and New York.

Anbaric has begun development of these planned open access transmission projects through a number of steps:

- Identifying ideal interconnection points with the NYISO grid in Load Zones J and K
- Acquiring interconnection queue positions and repurposing ongoing permitting efforts for previously secured interconnection points
- Initiating the environmental due diligence and studies necessary to secure federal and state permits for underwater transmission lines
- Commencing the government, industry, stakeholder, environmental and community engagement process necessary to secure support for our transmission system
- Commencing the federal permitting processes to bury offshore transmission lines in federal waters off the coast of New York State and to operate the OceanGrid system consistent with FERC regulations
- Filing application for right of way grants and rights of use easements with the U.S. Department of the Interior's Bureau of Ocean Energy Management (BOEM) to site

¹ See Attachment A: FERC Docket No. ER18-435-000, ORDER GRANTING APPLICATION FOR AUTHORIZATION TO CHARGE NEGOTIATED RATES, SUBJECT TO CONDITION, AND GRANTING WAIVERS

offshore collector platforms and bury transmission cables in federal waters to deliver all 2400 MWs sought in New York to the onshore NYISO grid.

On June 21, 2018, the Bureau of Ocean Energy Management (BOEM) determined Anbaric to be legally, technically, and financially qualified to acquire and hold a Right of Way (ROW) Grant on the Outer Continental Shelf (OCS). Anbaric is currently BOEM Company No.: 15075.

ISOs/RTOs

Further, Anbaric is an active participant in the ISOs and RTOs which preside over the regional markets of its projects. As of the date this filing, Anbaric Development Partners, LLC holds Qualified Transmission Developer status in NYISO, a Provisional membership in ISO-NE/NEPOOL's Transmission sector, and is applying for a membership in PJM.

Development Approach

In its incubation process, Anbaric works with stakeholders to identify projects that provide long-term economic, electricity, and environmental value under a range of engineering, system planning, and macro-economic scenarios. Anbaric subjects such projects to rigorous fatal-flaw and feasibility scrutiny, and examines the project's environmental attributes, community impacts and its broader political and economic profile.

For projects meeting its standards, Anbaric's development process continues until construction financing is secured. The firm consults with power industry businesses to identify customers for the project; governmental officials to make certain that it is consistent with larger policy objectives; regulators to secure the necessary approvals; environmental, community, and business groups to understand their views and gain their support; equipment vendors to prepare them for expected orders; and debt and equity investors to prepare them for the anticipated investment opportunity.

For each project, Anbaric assembles a skilled team of experts, most of whom have worked with the firm previously. Thus, in the development of PJM transmission facilities, Anbaric will utilize its experience and its relationships with skilled third parties to contract for technical and engineering capabilities.

The organizational chart that follows depicts the tasks that Anbaric completes independently and in concert with contracted vendors throughout its project development process.

Figure 2: Anbaric Development Partners: Development Approach



Construction Experience

Anbaric entrusts construction of its transmission projects to a qualified Engineering, Procurement, and Construction (EPC) contractor. Contractors are selected via a formal, competitive solicitation process and on a project-by-project basis, depending on variables such as the size and scope of the project, the location of the project, and the technology that will be utilized. Pursuant to the contract, the contractor will maintain the high availability and reliability of the HVDC system, assist in planning for future maintenance, spare parts procurement, system upgrades, and other technical support. Contractors will also be required to adhere to construction, maintenance, and operating practices and will be considered based off of their previous, demonstrated ability to do so.

The Neptune and Hudson projects were designed and constructed by an EPC consortium consisting of highly experienced contractors Siemens Power Transmission and Distribution (Siemens) and Prysmian Cables and Systems (Prysmian). Siemens was responsible for the high voltage conversion equipment for the Neptune transmission project, and simultaneously built and provided equipment for the two Neptune converter stations on Long Island and Sayreville, New Jersey. The company has over 40 years of experience developing HVDC transmission projects, beginning in 1977. Prysmian is a worldwide supplier of cable systems for energy, telecommunications, and fiber optics, with a specialization in the manufacture and installation of undersea cable. Through predecessor entities, the company has 140 years of experience installing cable projects. Prysmian supplied 65 miles of high-voltage cable for the Neptune Project – 50 miles of which was buried under the sea – as well as installation of the cable.

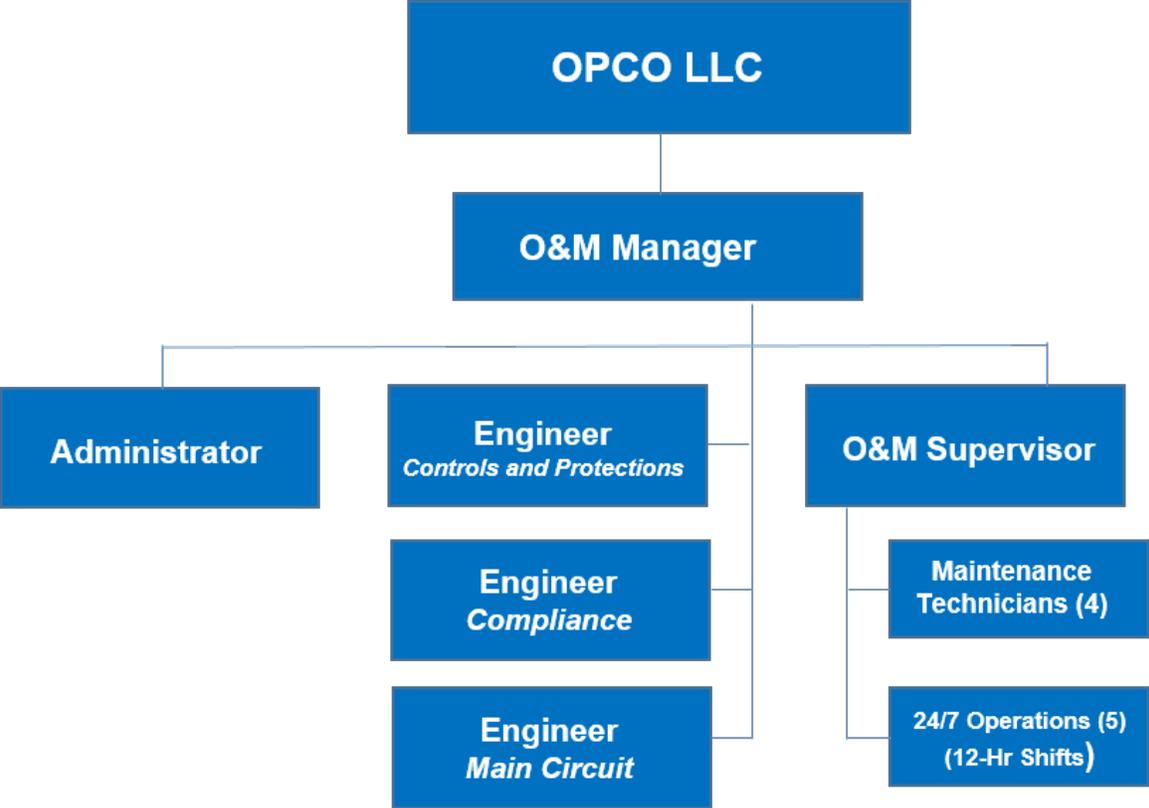
Anbaric plans to use construction contractors with similarly strong experience and qualifications for projects it develops in the PJM region as a Designated Entity.

Operations and Maintenance Experience

Upon completion of construction, Anbaric projects are operated and maintained by qualified parties (O&M Contractors). For example, the Neptune and Hudson projects have been operated and maintained by Powerbridge, which has executed long-term O&M contracts with Siemens and Prysmian. Figure 3 depicts the typical organizational relationship that Anbaric (doing business as an operating company LLC formed specifically for purposes of project management) establishes with its O&M Contractors.

Anbaric plans to use a similarly qualified O&M Contractor (or contractors) for projects it develops in the PJM region as a Designated Entity.

Figure 3: Anbaric Typical Organizational Relationship with Selected O&M Provider



4. Previous record of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices

For the Neptune and Hudson projects, as described more fully in Item 2 above, Anbaric's predecessor entities conducted formal, competitive solicitations for HVDC converter station and cable vendors and O&M Contractors and in such solicitations, sought vendors capable of complying with standardized construction, maintenance, and operating practices.

The Neptune and Hudson projects leveraged the extensive experience of Siemens and Prysmian as EPC contractors and, through Powerbridge, O&M Contractors for construction, operation, and maintenance in accordance with standardized practices. Through development of the Neptune and Hudson transmission projects, Anbaric has experience delivering complex transmission projects in accordance with local, state, and federal permitting, regulatory, and reliability requirements.

5. Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices

To develop each project, Anbaric utilizes its experience and its existing strong relationships to assemble a skilled team of experts, contractors, consultants, and suppliers, most of whom have worked previously with predecessor entities of Anbaric. As described above in Items 2, 3, and 4, Anbaric and its senior management have extensive experience developing projects in accordance with standardized practices, and will apply that experience to any project Anbaric proposes in the PJM region.

With respect to construction, as described above, Anbaric will rely on a qualified EPC contractor. The identity of that contractor depends upon the project specifications. Anbaric will select contractors via a formal, competitive solicitation process based on their demonstrated experience and ability to adhere to standardized construction, maintenance, and operating practices. Vendors must also include highly trained and skilled management, technical engineers, regulatory and compliance support personnel, operators, technicians and administrative support personnel.

With respect to operations and maintenance, Figure 3 above depicts the typical organizational relationship that Anbaric (doing business as an operating company LLC formed specifically for purposes of project management) will establish with its O&M Contractors. O&M vendors are contracted on a project-by-project basis, depending on variables such as the size and scope of the project, the location of the project, and the technology that will be utilized. Pursuant to the contract, the contractor will maintain the high availability and reliability of the HVDC system, assist in planning for future maintenance, spare parts procurement, system upgrades and other technical support.

Contractors will also be required to adhere to construction, maintenance, and operating practices and will be considered based off of their previous, demonstrated ability to do so.

6. Financial statements of the entity or its affiliate, partner, or parent company. Please provide the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection

Because Anbaric Development Partners, LLC is a newly formed entity, three years of financial statements are not available. A copy of Anbaric's audited financial statements for 2017 are attached to this application.²

Anbaric plans to rely on the financial resources and capabilities of commercially and financially robust investor, Ontario Teachers' Pension Plan Board (OTPP), via its wholly owned subsidiary Tx Grid 1 LLC, to finance transmission projects proposed to PJM, NYISO, and elsewhere in North America. In March 2017, Anbaric partnered with Tx Grid 1 LLC to fund Anbaric Development Partners, LLC (which was formed in February of 2017 in anticipation of OTPP's investment); a platform company for developing the next wave of Anbaric's clean energy transmission and microgrid projects. Through this subsidiary, OTPP is committed to funding both the development and capital costs of Anbaric's projects. Pursuant to the terms and conditions of the Anbaric Amended and Restated Limited Liability Company Agreement dated March 8, 2017, Tx Grid 1 LLC has committed to provide Anbaric with up to US\$75 million in capital to fund Anbaric's research, incubation, and development of projects. Anbaric also plans to rely on OTPP, via Tx Grid 1 LLC, to provide and/or arrange for permanent project financing as provided in the terms and conditions of the Anbaric A&R LLC Agreement.

OTPP is the largest single-profession pension plan in Canada, investing and administering the pensions of 318,000 retired and working teachers in the Province of Ontario. As of June 30, 2018, OTPP had net assets under management of C\$ 193.9 billion, invested across a mix of equities (public and private), fixed income, natural resources, real assets (real estate and infrastructure) and absolute return strategies. OTPP has a dedicated and highly specialized infrastructure investment department within its Infrastructure and Natural Resources Group that invests and manages the plan's infrastructure portfolio. As of June 30, 2018, the infrastructure portfolio was valued at C\$17.2 billion and includes power generation, electricity and gas distribution, container terminals, airports, high-speed rail, and water and wastewater utilities.

For OTPP's most recent financial statement, please visit <https://www.otpp.com/corporate/ontario-teachers-reporting> and click on "Financial Statements" under "Annual Reporting." For OTPP's

² See Attachment B: Anbaric Development Partners, LLC, Audited Financials 2017

audited financial statements from 2000 through 2015, please visit <https://www.otpp.com/corporate/ontario-teachers-reporting/reports-archive> and click on “Financial Reporting” under the applicable year. Hard copies of the financial statements can be sent to PJM upon request.

In addition, Anbaric through its predecessor entities has experience successfully financing transmission projects. In the successful development of the Neptune and Hudson projects, Anbaric dealt with all aspects of the development and financing of the projects and demonstrated its ability to raise the equity and debt to support the development, construction, and operation of each of these HVDC transmission projects. The Neptune and Hudson projects were developed as merchant projects and financed in the private capital markets. The developers (including Anbaric) provided most of the initial development capital. Some five years after development was initiated, the development team contracted with bankers at Société Générale to hold an auction for the right to provide permanent equity for the project. Two private equity investors (Starwood Capital and Energy Investors Funds) were selected from more than 20 applicants.

7. Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity

Anbaric Development Partners, LLC commits to becoming a signatory to the Consolidated Transmission Owners Agreement if it becomes a Designated Entity in the PJM Region.

8. Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities

As described above in Items 2 and 3, O&M Contractors for Anbaric projects are selected based on their demonstrated experience and ability to maintain the high availability and reliability of the HVDC system, to assist in planning for future maintenance, to provide the highest-quality preventative maintenance to deter failure, and their spare parts procurement, system upgrade, and technical and administrative support capabilities. The demonstrated ability to respond quickly to facility failure has been and will continue to be a criterion for Anbaric's selection of O&M Contractors for past projects.

Anbaric will work with its EPC and O&M Contractors and suppliers to procure and maintain spare equipment and materials for use in an emergency or failure. In the event of an emergency or failure, Anbaric will work with its selected contractors to provide a fast, properly scaled, and comprehensive assessment and response.

9. Description of the experience of the entity in acquiring rights of way

Anbaric and its management team are experienced in identifying, negotiating for, and obtaining rights of way in its development activity.

Whenever and wherever possible, Anbaric utilizes existing rights of way, including public roadways, railroad assets, and other public ways in the planning of its project routes in effort to minimize environmental impacts.

The company and its legal and siting counsel typically negotiate long-term use agreements or easement rights with federal, state and county/local officials, for the installation of the underground and submarine portions of cables.

Where limited use of private property is required along the terrestrial routes of its project construction or operation, Anbaric will obtain all necessary private permanent and temporary construction easements, leases, licenses or other agreements prior to the start of construction

Table 1 below depicts the scope of agreements that were obtained for projects that Anbaric developed via predecessor entities.

Table 1: Anbaric Right of Way Experience

Project	Types of Right of Way	Location
Neptune	Public Roadway	New York
Hudson	Railroad	New York
Vermont Green Line	Option Agreements (Private Estate), Public Roadway, Municipal Property	New York, Vermont
Maine Green Line	Railroad	Maine
Poseidon	Option Agreements (Private Estate), Purchase Agreements, Municipal Property	New York, New Jersey



Attachment A:

FERC Docket No. ER18-435-000

*ORDER GRANTING APPLICATION FOR
AUTHORIZATION TO CHARGE NEGOTIATED RATES,
SUBJECT TO CONDITION, AND GRANTING WAIVERS*

162 FERC ¶ 61,097
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Kevin J. McIntyre, Chairman;
Cheryl A. LaFleur, Neil Chatterjee,
Robert F. Powelson, and Richard Glick.

Anbaric Development Partners, LLC

Docket No. ER18-435-000

ORDER GRANTING APPLICATION FOR AUTHORIZATION TO CHARGE
NEGOTIATED RATES, SUBJECT TO CONDITION, AND GRANTING WAIVERS

(Issued February 12, 2018)

1. In this order, the Commission authorizes Anbaric Development Partners, LLC (ADP) to charge negotiated rates for transmission rights on a proposed integrated offshore transmission system that includes two high-voltage direct current (HVDC) transmission lines connecting Massachusetts offshore wind generation to the ISO-New England, Inc. (ISO-NE) transmission system in Massachusetts, known as Anbaric's Massachusetts Ocean Grid ("Project"), subject to condition. The Commission also grants ADP's request for waivers of certain Commission requirements.¹

¹ Under the Commission's precedent, merchant transmission projects differ from those of traditional public utilities in that the developers of merchant transmission projects assume all of the market risk of a project and have no captive customers from which to recover the cost of the project. Thus, on a case-by-case basis, the Commission has allowed merchant transmission projects to be priced based on negotiated rates and has granted certain waivers. *See, e.g., Hudson Transmission Partners, LLC*, 135 FERC ¶ 61,104 (2011) (*Hudson Transmission*); *Champlain Hudson Power Express, Inc.*, 132 FERC ¶ 61,006 (2010) (*Champlain Hudson*); *Chinook Power Transmission, LLC*, 126 FERC ¶ 61,134 (2009) (*Chinook*).

I. Background

A. Applicant

2. ADP states that it is a limited liability corporation organized and existing pursuant to the laws of Delaware, with a principal place of business in Wakefield, Massachusetts.² ADP states that it is not a generator or a load serving entity, and that it does not own or operate any existing electric generation or transmission facilities.

3. ADP states that its primary owners include Anbaric AP3 LLC (Anbaric AP3) and TxGrid 1 LLC (TxGrid), with a sixty percent and forty percent ownership interest, respectively. ADP further states that Anbaric AP3, a Delaware limited liability corporation, is 93 percent owned by Anbaric Holding LLC (Anbaric), who is 100 percent owned by Dr. Edward N. Krapels.³ ADP states that Anbaric holds a minority interest in the Hudson Transmission Partners, LLC transmission project that traverses from New Jersey to midtown Manhattan, New York, which has been in service since 2013.⁴ ADP also states that Anbaric is developing three transmission projects in or near the ISO-NE region: 1) the Maine Green Line project that would serve ISO-NE; 2) the West Point project that would serve NYISO; and 3) the Poseidon Project that would connect PJM Interconnection, L.L.C. and NYISO.⁵

4. In addition, ADP states that TxGrid, also a Delaware limited liability corporation, is a 100 percent beneficially owned subsidiary of the Ontario Teachers' Pension Plan (OTTP). ADP explains that the OTTP owns a global portfolio of assets, but does not own or control any generation or transmission facilities in the ISO-NE region. According to ADP, nearly all of OTTP's investments in electricity-related assets in the United States are currently owned through its 50 percent indirect interest in InterGen, a global power generation company with operating power plants located in Mexico, the United Kingdom, and Australia.⁶ Specifically, ADP explains that InterGen currently holds

² ADP Filing at 3.

³ ADP Filing at 5.

⁴ ADP Filing at 5-6.

⁵ ADP Filing at 6.

⁶ ADP Filing at 8

two cross-border transmission tie lines used to deliver power from some of its Mexican generation to the California Independent System Operator, Inc. (CAISO) market and a power marketing entity.⁷

B. Description of the Project

5. ADP describes the Project as two 1,000 MW HVDC transmission lines that can deliver at least 2,000 MW of offshore wind generation from off of the coast of Massachusetts to the Southeast Massachusetts Load Zone (SEMA) in ISO-NE. ADP states that the Project will include two 1,000 MW offshore platforms with AC switching stations that are linked by a subsea AC cable, each sited near offshore wind lease blocks identified by the U.S. Department of Interiors Bureau of Ocean Energy Management. ADP explains that the offshore wind generation will connect to the offshore platforms through AC cables, where the electric energy will be converted to DC and transferred to onshore convertor stations by two subsea HVDC cables. ADP explains that the two 1,000 MW HVDC transmission cables will connect to HVDC convertor stations at two separate 345 kV substations located in SEMA. ADP states that a portion of the onshore transmission cable will be an underground insulated cable consisting of two copper conductors.⁸

6. ADP states that the Project is linked to Massachusetts's current Request for Proposals for offshore wind (Massachusetts RFP), which seeks up to 1,600 MW of offshore wind generation by 2027. ADP explains that the Massachusetts RFP is limited to generation developers that own leases in the offshore wind lease blocks identified by the U.S. Department of Interior's Bureau of Ocean Energy Management. ADP anticipates that this is the first of several RFPs related to the offshore wind lease blocks off of Massachusetts's coast, and ADP states that it continues to engage with the Massachusetts Department of Public Utilities in regards to the Massachusetts RFP processes.

C. Application

7. On December 13, 2017, ADP filed a request for (1) authorization to sell transmission rights on the Project at negotiated rates; and (2) waiver of certain Commission regulations and reporting requirements discussed below. ADP contends that its application meets the four-factor analysis for authorizing negotiated rates as outlined in *Chinook*. ADP further contends that its proposal complies with the Commission's

⁷ *Id.*

⁸ ADP Filing at 12-13.

Policy Statement addressing the allocation of capacity for new merchant transmission projects and participant-funded transmission projects.⁹ Accordingly, ADP requests Commission approval of its proposed open solicitation and capacity allocation process, subject to its commitment to demonstrate in one or more post-open solicitation compliance filings that its selection of customers is consistent with the Commission-approved process. Finally, ADP intends to allocate up to 100 percent of the Project's initial capacity to one or more transmission customers through the open solicitation and capacity allocation process.

8. ADP requests the Commission grant its application by February 12, 2018 to enable ADP to meet its schedule for permitting and for its planned open solicitation process.¹⁰

II. Notice, Intervention, and Responsive Pleadings

9. Notice of ADP's filing was published in the *Federal Register*, 82 Fed. Reg. 60,393 (2017), with interventions and protests due on or before January 3, 2018. Bay State Wind LLC filed a timely motion to intervene.

III. Discussion

A. Procedural Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2017), the timely, unopposed motion to intervene serves to make the entity that filed it a party to this proceeding.

B. Negotiated Rate Authority

11. In evaluating negotiated rate applications, the Commission's analysis has focused on four areas of concern: (1) the justness and reasonableness of the rates; (2) the potential for undue discrimination; (3) the potential for undue preference, including affiliate preference; and (4) regional reliability and operational efficiency

⁹ ADP Filing at 28-30 (citing *Maine Power Express, LLC*, 156 FERC ¶ 61,002, at P 9 (2016), *Lake Erie CleanPower Connector*, 144 FERC ¶ 61,203, at P 6 (2013) (*LECC*), *Allocation of Capacity on New Merchant Transmission Projects and New Cost-Based, Participant-Funded Transmission Projects*, 142 FERC ¶ 61,038 (2013) (Policy Statement)).

¹⁰ ADP Filing at 7.

requirements.¹¹ This approach simultaneously acknowledges the financing realities faced by merchant transmission developers and mandates of the Federal Power Act (FPA) and the Commission's open access requirements. Moreover, this approach allows the Commission to use a consistent framework to evaluate requests for negotiated rate authority from a wide range of merchant transmission projects that can differ substantially from one project to the next.

1. Factor One: Just and Reasonable Rates

12. To approve negotiated rates for a transmission project, the Commission must find that the rates are just and reasonable.¹² In determining whether negotiated rates will be just and reasonable, the Commission looks to whether the merchant transmission developer has assumed the full market risk for the cost of constructing its proposed project and is not building within the footprint of the developer's (or an affiliate's) traditionally regulated system. In such a case, there are no captive customers who would be required to pay the costs of the project. The Commission will also consider whether the developer or an affiliate already owns transmission facilities in the region where the project is to be located, what alternatives customers have, whether the developer is capable of erecting any barriers to entry among competitors, and whether the developer would have any incentive to withhold capacity.¹³

a. ADP's Proposal

13. ADP states that it will assume all market risk for the Project and that there will be no captive customers.¹⁴ ADP explains that it is a new market entrant in ISO-NE; therefore, it does not own or operate any existing transmission facilities in ISO-NE. ADP further states that no affiliate currently owns or controls facilities in ISO-NE. ADP states that the revenue to pay for the Project will result from the sale of the capacity of the Project; thus, ADP has no incentive to withhold capacity on the Project. Furthermore, ADP states that ADP and its affiliates do not own or control any barriers to market entry

¹¹ *Chinook*, 126 FERC ¶ 61,134 at P 37.

¹² *Id.*; *Champlain Hudson*, 132 FERC ¶ 61,006 at P 17 (same).

¹³ *Chinook*, 126 FERC ¶ 61,134 at P 38.

¹⁴ ADP Filing at 31.

or have an incentive to withhold capacity.¹⁵ ADP also states that, when the transmission line is completed, it will turn over operational control of the line to ISO-NE, which will operate the line under its Commission-approved Tariff.

14. ADP asserts that potential generation customers can pursue alternative transmission service by constructing radial tie lines that connect to the ISO-NE transmission system, and negotiated rates that customers are willing to pay will essentially be capped by the cost of constructing such a radial line. ADP explains that the Massachusetts RFP contemplates the open and competitive procurement process that evaluates price and terms, and includes radial generation tie lines to the ISO-NE transmission system as eligible project designs. As a result, ADP states that it will not be the only option for customers that pursue offshore wind; customers will have the alternative of either constructing their own radial tie lines or obtaining transmission service from a competing transmission developer.¹⁶ ADP also asserts that, since it has no captive customers, customers will purchase transmission service from ADP only to the extent that it is cost-effective for them to do so. Lastly, the anchor customers that would likely subscribe to the Project are knowledgeable in generation and transmission and would be well-versed at negotiating a contract with ADP.¹⁷

b. Commission Determination

15. Based upon the information provided in the application, we conclude that, ADP's request for authority to charge negotiated rates for service on the Project has met the first of the *Chinook* factors. ADP assumes full market risk for the Project, has no captive customers, and neither ADP nor any affiliate owns or operates transmission facilities in the same area served by the Project. Additionally, no entity is required to purchase transmission service from ADP, and customers have the alternative of constructing their own generation tie lines or purchasing transmission from other transmission developers. Further, ADP and its affiliates do not own or control any barriers to market entry by other offshore transmission developers or have any incentive to withhold capacity on the Project. ADP will turn over operational control of the line to ISO-NE after the Project is completed. Accordingly, we find that ADP's Project, if executed as explained in ADP's filing, satisfies the first factor of our negotiated rate analysis.

¹⁵ ADP Filing at 32.

¹⁶ ADP Filing at 32-33.

¹⁷ *Id.*

2. Factor Two: Undue Discrimination

16. As explained in *Chinook*, in order to prevent undue discrimination when granting merchant transmission owners negotiated rate authority, the Commission has considered: (1) the terms and conditions of a merchant transmission developer's open season; and (2) its tariff commitments (or in the regional transmission operator (RTO)/ISO context, its commitment to turn operational control over to the RTO or ISO).¹⁸ The Policy Statement, however, provides an alternative to conducting a formal open season. Under this alternative, a developer may demonstrate no undue discrimination or preference by conducting an open solicitation that complies with the requirements of the Policy Statement.¹⁹ Specifically, the developer must: (1) broadly solicit interest in the project from potential customers; and (2) after the solicitation process, demonstrate to the Commission that it has satisfied the solicitation, selection, and negotiation process criteria set forth in the Policy Statement.²⁰

17. In the Policy Statement, the Commission stated that applicants must issue broad notice of the project in a manner that ensures that all potential and interested customers are informed of the proposed project, such as by placing notice in trade magazines or regional energy publications.²¹ Such notice should include developer points of contact, pertinent project dates, and sufficient technical specifications and contract information to inform interested customers of the nature of the project, including the following: (1) project size/capacity; (2) end points of the line; (3) projected construction and/or in-service dates; (4) type of line; (5) precedent agreement (if developed); and (6) other capacity allocation arrangements (including how the developer will address potential oversubscription of capacity).²² The developer should also specify in the notice the criteria it plans to use to select transmission customers. In addition, the developer may also adopt a specific set of objective criteria it will use to rank prospective customers, provided it can justify why such criteria are appropriate. Finally, the Commission

¹⁸ *Chinook*, 126 FERC ¶ 61,134 at P 40.

¹⁹ Policy Statement, 142 FERC ¶ 61,038 at PP 15, 23.

²⁰ *Id.* P 16.

²¹ *Id.* P 23.

²² *Id.* P 20.

expects the developer to update its notice if there are any material changes to the nature of the project or the status of the capacity allocation process, in particular to ensure that interested entities are informed of any remaining available capacity.²³

18. Additionally, in the Policy Statement, the Commission stated that merchant transmission developers must disclose the results of their capacity allocation process, though this disclosure would be part of the Commission's approval of the capacity allocation process and thus noticed and acted upon under section 205 of the FPA.²⁴ Developers must demonstrate that the processes that led to the identification of transmission customers and the execution of the relevant contractual arrangements are consistent with the Policy Statement and the Commission's open access principles. Specifically, the developer should describe the criteria that were used to select customers, any price terms, and any risk-sharing terms and conditions that served as the basis for identifying transmission customers selected versus those that were not, as well as provide certain information listed in the Policy Statement in order to provide transparency to the Commission and interested parties.²⁵

19. The Commission emphasized in the Policy Statement that the information in the post-selection demonstration is an essential part of a merchant transmission developer's request for approval of a capacity allocation process, and that the developer will have the burden to demonstrate that its process was in fact not unduly discriminatory or preferential, and resulted in rates, terms, and conditions that are just and reasonable.²⁶ The Commission allows developers discretion in the timing of requests for approval of capacity allocation processes. For example, a developer can seek approval of its capacity allocation approach after having completed the process of selecting customers in accordance with Commission policies. Alternatively, a developer can first seek approval of its capacity allocation approach, and then can demonstrate in a compliance filing filed in response to the Commission's order approving that approach that the developer's selection of customers was consistent with the approved selection process.

²³ *Id.* PP 24-27.

²⁴ 16 U.S.C. § 824d (2012).

²⁵ Policy Statement, 142 FERC ¶ 61,038 at P 30.

²⁶ *Id.* P 32.

a. ADP's Proposal

20. ADP commits to conduct an open solicitation process consistent with the requirements of the Policy Statement.²⁷ ADP states that it will retain a third-party independent adviser, experienced in overseeing open seasons for merchant transmission capacity, to facilitate broad notice of the Project and the selection and ranking of prospective customers. ADP states that it will initiate the open solicitation process by issuing a press release that will be circulated to energy trade publications, news outlets within the ISO-NE, and a list of potential transmission customers developed by ADP and its third-party independent adviser. ADP also states that it anticipates developing an exclusive website devoted specifically to the open solicitation process that will be active on or before the press release for open solicitation is distributed.²⁸ ADP explains that the website and press release will identify anticipated dates for significant development and construction, the Project's capacity, the interconnection points, a statement regarding allocation of capacity, characteristics of the line, and the criteria ADP will use to assess potential customers.²⁹ ADP further states that the press release will identify the website address for ADP's open solicitation process and the website will contain more detailed information about the Project. ADP states that the website information will include activities completed to date, a confidentiality agreement, and selection and ranking criteria.³⁰ ADP states that any material changes to the project status or open solicitation process will be posted to ADP's website and distributed through an email list-serv. ADP states that once customer agreements have been executed, it will post on its website the winning bidder(s), the quantity of transmission rights awarded, and the expiration date of the transmission rights awarded, along with the bidders' contact information for potential resale of the transmission rights.³¹

21. ADP commits to file with the Commission (pursuant to FPA section 205) the results of the capacity allocation process, and will demonstrate that its open solicitation process and execution of contractual agreements were conducted in a manner consistent with the policies described in the Commissions open access policies and its Policy

²⁷ ADP Filing at 35.

²⁸ ADP Filing at 35-36.

²⁹ ADP Filing at 36.

³⁰ *Id.*

³¹ ADP Filing at 37.

Statement.³² In the compliance filing, ADP states that it will provide, at a minimum: (1) a description of the actions that ADP took to provide broad notice of the Project, including information about the Project and the customer evaluation criteria; (2) the identity of the parties who expressed interest in the Project, placed bids, and/or purchased capacity (and the capacity amounts, terms, and prices involved in that interest, bid, or purchase); (3) the basis for ADP's rationale for capacity proration, if any, if the Project is oversubscribed; (4) the basis for ADP's rationale not to increase capacity of the Project if it is oversubscribed; (5) ADP's rationale for offering more affordable rates, terms, and conditions to certain customers, such as "first movers"³³ or those willing to take on greater project risk-sharing; (6) the criteria that ADP used to distinguish customers and the method it used to evaluate bids; and (7) ADP's rationale for selecting or rejecting customers, including any rates, terms, or conditions.³⁴

22. ADP states that it will: (1) ensure that books and records for the Project will comply with the Uniform System of Accounts (USofA) in Part 101 of the Commission's regulations³⁵ and will be subject to examination pursuant to Part 41 of the CFR;³⁶ (2) file financial statements and reports in accordance with Part 141.14 and 141.15 of the Commission's regulations;³⁷ and (3) employ an independent auditor to audit its books and records.³⁸

b. Commission Determination

23. We acknowledge ADP's commitment to conduct an open solicitation and capacity allocation process consistent with the requirements of the Policy Statement. We will, however, reserve judgment on the open solicitation and capacity allocation process

³² *Id.*

³³ "First movers" refers to those customers who respond early and take on greater project risk. *See Allocation of Capacity on New Merch. Transmission Projects and New Cost-Based, Participant-Funded Transmission Projects*, 140 FERC ¶ 61,061, at P 16 (2012).

³⁴ ADP Filing at 41.

³⁵ ADP Filing at 37 (citing 18 C.F.R. pt. 101 (2017)).

³⁶ *Id.* (citing 18 C.F.R. pt. 41 (2017)).

³⁷ *Id.* (citing 18 C.F.R. pt. 141 (2017)).

³⁸ ADP Filing at 38.

pending ADP's compliance filing with the Commission within 30 days of the close of the open solicitation process disclosing the results of its capacity allocation process and demonstrating that its capacity allocation was consistent with the Policy Statement and the Commission's open access policies.³⁹

24. As noted in ADP's filing, it commits to allocate up to 100 percent of the Project's initial capacity through a transparent open solicitation process consistent with the requirements of the Policy Statement.⁴⁰ ADP also commits to retain a third-party independent adviser, experienced in overseeing open seasons for merchant transmission capacity, to facilitate broad notice of the Project and the selection and ranking of prospective customers. In addition, once customer agreements are executed, ADP commits to submit a subsequent compliance filing with the results of its capacity allocation process and to seek approval of the process by demonstrating that its open solicitation process and execution of contractual agreements were compliant with the Commission's open access policies and its Policy Statement. ADP also commits to turn over operational control of the Project to ISO-NE.

25. We also acknowledge ADP's commitment that, consistent with *Chinook*, once the Project has commenced operation, ADP will: (1) ensure that the books and records for the Project will comply with the USofA found in Part 101 of the Commission's regulations⁴¹ and will be subject to examination as required in Part 41 of the CFR;⁴² (2) file financial statements and reports in accordance with Part 141.14 and 141.15 of the Commission's regulations;⁴³ and (3) employ an independent auditor to audit its books and records.⁴⁴ These commitments will assist the Commission in carrying out its oversight role.

³⁹ The Policy Statement indicates how the Commission will treat that compliance filing. Policy Statement, 142 FERC ¶ 61,038 at P 31.

⁴⁰ ADP Filing at 30.

⁴¹ ADP Filing at 37 (citing 18 C.F.R. pt. 101 (2017)).

⁴² *Id.* (citing 18 C.F.R. pt. 41 (2017)).

⁴³ *Id.* at 12 (citing 18 C.F.R. pt. 141 (2017)).

⁴⁴ *Id.* at 12.

3. Factor Three: Undue Preference and Affiliate Concerns

26. In the context of merchant transmission, the Commission's concerns regarding the potential for affiliate abuse arise when the merchant transmission developer is affiliated with either the anchor customer, participants in the open season or solicitation, or customers that subsequently take service on the merchant transmission line. The Commission expects an affirmative showing that the affiliate is not afforded an undue preference, and the developer bears a high burden to demonstrate that the assignment of capacity to its affiliate and the corresponding treatment of nonaffiliated potential customers is just, reasonable, and not unduly discriminatory or preferential.⁴⁵

a. ADP's Proposal

27. ADP argues that its proposal to charge negotiated rates for transmission service rights does not raise any undue preference or affiliate concerns. ADP states that none of its affiliates currently own any existing electric generation, transmission, or distribution facilities in ISO-NE, and that the Project will not interconnect with any existing facilities owned by an affiliate of ADP.⁴⁶ ADP further asserts that it does not anticipate that any affiliate of ADP will participate in the open solicitation process or become an anchor customer of the Project. If an affiliate were to either participate in or be allocated capacity through the open solicitation process, ADP states that it will document the facts and circumstances surrounding this allocation of capacity in its post-allocation compliance filing.⁴⁷ ADP further states that it will turn over operational control of the project to ISO-NE, which will operate the Project pursuant to its Tariff.⁴⁸ ADP also commits to file electric quarterly reports of its transactions as required of transmission providers, to comply with any applicable affiliate rules, and to abide by the Commission's Standards of Conduct⁴⁹ to the extent that any affiliate takes transmission service on the Project.

⁴⁵ Policy Statement, 142 FERC ¶ 61,038 at P 34.

⁴⁶ ADP Filing at 38-39.

⁴⁷ ADP Filing at 39.

⁴⁸ *Id.*

⁴⁹ 18 C.F.R. pt. 358 (2017).

b. Commission Determination

28. We acknowledge ADP's commitment to engage in an open solicitation process and to make a compliance filing with the Commission disclosing the results of the capacity allocation process and describing the process in sufficient detail to demonstrate that no affiliate has been afforded undue preference. We note that ADP states that none of its affiliates owns or operates electric facilities in ISO-NE and the Project will not interconnect with any existing facilities owned by an affiliate of ADP. In addition, we acknowledge ADP's commitment to turn over operational control of its facilities to ISO-NE, file electric quarterly reports of its transactions, comply with all other affiliate rules, and abide by the Commission's Standards of Conduct to the extent that any affiliate takes transmission service on the Project. Moreover, ADP's commitments regarding the open solicitation process and reporting requirements will ensure that all transactions are transparent. We accept these commitments as addressing our affiliate preference concerns, subject to the Commission's approval of ADP's compliance filing demonstrating that the assignment of capacity to any affiliate and the corresponding treatment of nonaffiliated potential customers is just, reasonable, and not unduly discriminatory or preferential.

4. Factor Four: Regional Reliability and Operational Efficiency

29. In order to ensure regional reliability and operational efficiency, the Commission expects that any merchant transmission developer whose project is connected to an RTO or an ISO turn over operational control of the project to the RTO/ISO. Merchant transmission projects, like cost-based transmission projects, are subject to mandatory reliability requirements.⁵⁰ Merchant transmission developers are required to comport with all applicable requirements of the North American Electric Reliability Corporation and any regional reliability council in which they are located.

⁵⁰ See, e.g., *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 (cross-referenced at 114 FERC ¶ 61,104), *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

a. ADP's Proposal

30. As noted above, ADP commits to turn over operational control of the Project to ISO-NE and comply with all applicable reliability requirements.⁵¹ Specifically, ADP states that it will comply with all applicable NERC and regional reliability council requirements. ADP states that the Project will be reviewed through the ISO-NE Elective Transmission Upgrade interconnection process and subject to system impact studies conducted by ISO-NE. Additionally, ADP commits to provide ISO-NE all required information necessary to inform its regional transmission planning process, consistent with the requirements of Order No. 1000.⁵²

b. Commission Determination

31. We acknowledge ADP's commitment to turn over operational control of the Project to ISO-NE, comply with all applicable reliability requirements, and provide ISO-NE with all required information necessary for its regional transmission planning process pursuant to Order No. 1000. We also acknowledge and rely on ADP's assertion that it intends to comply with the all NERC and regional reliability council requirements, and that the Project will be reviewed through ISO-NE's ETU interconnection process and subject to system impact studies conducted by ISO-NE.⁵³ Accordingly, we find that, if executed as explained in ADP's filing, ADP's proposal meets the regional reliability and operational efficiency requirements, subject to ADP's continuing participation in the necessary regional transmission planning processes.⁵⁴

⁵¹ ADP Filing at 39.

⁵² ADP Filing at 40 (citing *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. 31,323 (2011), order on reh'g, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom*, *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014); *ISO New England Inc.*, 143 FERC ¶ 61,150, at P 70 (2013)).

⁵³ ADP Filing at 44.

⁵⁴ Order No. 1000 requires merchant transmission developers to provide "adequate information and data to allow public utility transmission providers in the transmission planning region to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region."

(continued ...)

C. Request for Waivers

1. ADP's Proposal

32. ADP requests that the Commission grant waiver of certain filing and reporting regulatory requirements that will become effective when ADP becomes a public utility.⁵⁵ ADP states that the Commission has granted similar waiver requests to other merchant transmission developers seeking negotiated rate authority.⁵⁶ Specifically, ADP requests waiver of the following: (1) the full reporting requirements of Subparts B and C of Part 35 of the Commission's regulations, except for sections 35.12(a), 35.13(b), 35.15, and 35.16, and (2) Part 141 relating to forms and reports, except sections 141.14 and 141.15.⁵⁷ ADP also requests waiver of any other part of the Commission's regulations as necessary to grant the authorizations requested herein.

2. Commission Determination

33. For good cause shown and consistent with our findings for other merchant transmission proposals, we will grant waiver of the full reporting requirements of Subparts B and C of Part 35 of the Commission's regulations, except for the requirements of sections 35.12(a), 35.13(b), 35.15, and 35.16, as requested by ADP.⁵⁸

Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 164. *See also ISO New England Inc.*, 143 FERC ¶ 61,150, at P 70 (2013).

⁵⁵ ADP explains that, because it is not currently filing with this application a proposed tariff or rate schedule and does not yet provide transmission service, Commission action on the present filing will not, *per se*, make ADP a public utility under *Multitrade*. ADP Filing at 42 (citing *Multitrade Limited Partnership*, 63 FERC ¶ 61,252, at 62,692 (1993)).

⁵⁶ ADP Filing at 42 (citing *Rock Island Clean Line, LLC*, 139 FERC ¶ 61,142, at PP 43-47 (2012); *Neptune Regional Transmission System, LLC*, 139 FERC ¶ 61,110, at P 12 (2012); *LECC*, 144 FERC ¶ 61,203; *Chinook*, 126 FERC ¶ 61,134 at PP 68 - 69).

⁵⁷ ADP Filing at 42.

⁵⁸ *See, e.g., Tres Amigas, LLC*, 153 FERC ¶ 61,287, at P 48 (2015); *Lucky Corridor, LLC*, 151 FERC ¶ 61,072, at P 47 (2015).

34. We will also grant ADP's request for waiver of Part 141, except sections 141.14 and 141.15. The Commission has previously granted waiver of these requirements to other merchant transmission developers.⁵⁹

The Commission orders:

(A) ADP is hereby granted authority to sell transmission rights on its proposed merchant transmission project at negotiated rates, subject to condition, as discussed in the body of this order.

(B) ADP is hereby directed to file with the Commission a compliance filing within 30 days after the close of the open solicitation process, as discussed in the body of this order.

(C) As discussed in the body of this order, ADP is hereby granted waiver of (1) the provisions of Subparts B and C of Part 35 of the Commission's regulations, except for the requirements of sections 35.12(a), 35.13(b), 35.15, and 35.16, and (2) Part 141, with the exception of sections 141.14 and 141.15.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁵⁹ See, e.g., *Plains and Eastern Clean Line LLC*, 148 FERC ¶ 61,122, P 35 (2014); *LECC*, 144 ¶ 61,203 at P 31.

Document Content(s)

ER18-435-000.DOCX.....1-16



Attachment B:

*Anbaric Development Partners, LLC,
Audited Financials 2017*

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