

***Merchant Transmission Interconnection
Feasibility Study Report***

For

***PJM Merchant Transmission Request
Queue Position AE1-037***

Deans 500kV

May 2019

Preface

The intent of the feasibility study is to determine a plan, with ballpark cost and construction time estimates, to connect the subject generation to the PJM network at a location specified by the Interconnection Customer. The Interconnection Customer may request the interconnection of generation as a capacity resource or as an energy-only resource. As a requirement for interconnection, the Interconnection Customer may be responsible for the cost of constructing: (1) Direct Connections, which are new facilities and/or facilities upgrades needed to connect the generator to the PJM network, and (2) Network Upgrades, which are facility additions, or upgrades to existing facilities, that are needed to maintain the reliability of the PJM system. In some instances a generator interconnection may not be responsible for 100% of the identified network upgrade cost because other transmission network uses, e.g. another generation interconnection, may also contribute to the need for the same network reinforcement. The possibility of sharing the reinforcement costs with other projects may be identified in the feasibility study, but the actual allocation will be deferred until the impact study is performed. The Feasibility Study estimates do not include the feasibility, cost, or time required to obtain property rights and permits for construction of the required facilities. The project developer is responsible for the right of way, real estate, and construction permit issues. For properties currently owned by Transmission Owners, the costs may be included in the study. The conduct of light load analysis as required under the PJM planning process is not performed during the Generation Interconnection Feasibility Study phase of the PJM study process. Additional reinforcement requirements for this Interconnection Request may be defined during the conduct of the light load analysis which shall be performed following execution of the System Impact Study agreement.

General

The Interconnection Customer (IC), has proposed a Merchant Transmission Line to connect an HVDC offshore wind transmission system designed to inject offshore wind energy, developed and operated by others, into PSEG's transmission system, in North Brunswick, NJ. The installed facilities will have a capability of 1200MW – with 1200MW of this output being recognized as Firm Transmission Injection Rights (TIRs), and 1200MW being recognized as non-firm TIRs. The proposed in-service date for this project is December 31, 2025. **This study does not imply a PSEG commitment to this in-service date.**

Point of Interconnection

AE1-037 will interconnect with the PSEG transmission system at the Deans 500kV Substation.

Cost Summary

The AE1-037 project will be responsible for the following costs:

Description	Total Cost
Attachment Facilities	\$ 0
Direct Connection Network Upgrades	\$ 0
Non Direct Connection Network Upgrades	\$ 20,409,332
Total Costs	\$ 20,409,332

Attachment Facilities

No Attachment Facilities are required to support this interconnection request.

Direct Connection Cost Estimate

No Direct Connection Facilities are required to support this interconnection request.

Non-Direct Connection Cost Estimate

The total preliminary cost estimate for the Non-Direct Connection work is given in the table below. These costs do not include CIAC Tax Gross-up.

Description	Activity Cost
Deans 500kV Substation: Expand 500kV buses and install two new 5000kV circuit breakers for the new line exit	\$ 20,409,332
Total Non-Direct Connection Facility Costs	\$ 20,409,332

Transmission Owner Scope of Work

Regarding the AE1-037 interconnection request, PSE&G has reviewed and agrees with PJM's results. PSE&G has completed the analysis for AE1-037 point of interconnection cost and duration estimate. Please see below.

Estimate: \$20,409,332

Duration: 39 Months

Assumptions:

- Point of interconnect is understood to be the pothead termination. 500kV underground cable, duct banks, and pothead termination to be provided by the Interconnection Customer. Pothead support steel is included
- Site location assumed to be in wooded area. Clearing and grubbing is included
- Outages will be available
- Permits will be available

Interconnection Customer Requirements

1. An Interconnection Customer entering the New Services Queue on or after October 1, 2012 with a proposed new Customer Facility that has a Maximum Facility Output equal to or greater than 100 MW shall install and maintain, at its expense, phasor measurement units (PMUs). See Section 8.5.3 of Appendix 2 to the Interconnection Service Agreement as well as section 4.3 of PJM Manual 14D for additional information.

2. The Interconnection Customer may be required to install and/or pay for metering as necessary to properly track real time output of the facility as well as installing metering which shall be used for billing purposes. See Section 8 of Appendix 2 to the Interconnection Service Agreement as well as Section 4 of PJM Manual 14D for additional information.
3. The Interconnection Customer seeking to interconnect a wind generation facility shall maintain meteorological data facilities as well as provide that meteorological data which is required per item 5.iv. of Schedule H to the Interconnection Service Agreement.

Revenue Metering and SCADA Requirements

PJM Requirements

The Interconnection Customer will be required to install equipment necessary to provide Revenue Metering (KWH, KVARH) and real time data (KW, KVAR) for IC's generating Resource. See PJM Manuals M-01 and M-14D, and PJM Tariff Sections 24.1 and 24.2.

Public Service Electric and Gas Requirements

The Interconnection Customer will be required to comply with all PSE&G Revenue Metering Requirements for Generation Interconnection Customers. The Revenue Metering Requirements may be found within the "Information and Requirements for Electric Service" document located at the following links:

http://www.pseg.com/business/builders/new_service/before/
<http://www.pjm.com/planning/design-engineering/to-tech-standards.aspx>

Network Impacts

The Queue Project AE1-037 was evaluated as a 1200.0 MW of firm injection at the Deans 500kV substation in the PSEG area. Project AE1-037 was evaluated for compliance with applicable reliability planning criteria (PJM, NERC, NERC Regional Reliability Councils, and Transmission Owners). Project AE1-037 was studied with a commercial probability of 53%. Potential network impacts were as follows:

Summer Peak Analysis – 2022

Generator Deliverability

(Single or N-1 contingencies for the Capacity portion only of the interconnection)

None.

Multiple Facility Contingency

(Double Circuit Tower Line, Fault with a Stuck Breaker, and Bus Fault contingencies for the full energy output)

None.

Contribution to Previously Identified Overloads

(This project contributes to the following contingency overloads, i.e. "Network Impacts", identified for earlier generation or transmission interconnection projects in the PJM Queue)

None.

Short Circuit

(Summary of impacted circuit breakers)

None.

Steady-State Voltage Requirements

(Summary of the VAR requirements based upon the results of the steady-state voltage studies)

Steady State Voltage Studies to be conducted during later study phases

Stability and Reactive Power Requirement for Low Voltage Ride Through

(Summary of the VAR requirements based upon the results of the dynamic studies)

Stability Studies to be conducted during later study phases

Affected System Analysis & Mitigation

MISO Impacts:

MISO Impacts to be determined during later study phases (as applicable)

Winter Analysis - 2021

Winter Studies to be conducted during later study phases

Light Load Analysis - 2021

Light Load Studies to be conducted during later study phases

Potential Congestion due to Local Energy Deliverability

PJM also studied the delivery of the energy portion of this interconnection request. Any problems identified below are likely to result in operational restrictions to the project under study. The developer can proceed with network upgrades to eliminate the operational restriction at their discretion by submitting a Merchant Transmission Interconnection request.

Note: Only the most severely overloaded conditions are listed below. There is no guarantee of full delivery of energy for this project by fixing only the conditions listed in this section. With a Transmission Interconnection Request, a subsequent analysis will be performed which shall study all overload conditions associated with the overloaded element(s) identified.

None.

New System Reinforcements

(Upgrades required to mitigate reliability criteria violations, i.e. Network Impacts, initially caused by the addition of this project generation)

None.

Contribution to Previously Identified System Reinforcements

(Overloads initially caused by prior Queue positions with additional contribution to overloading by this project. This project may have a % allocation cost responsibility which will be calculated and reported for the Impact Study)

None.