

***PJM Generator Interconnection Request
Queue #U2-051
Glen Lyn-Wythe 138kV
Feasibility Study***

519272

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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,

U2-051 Glen Lyn-Wythe 138kV Feasibility Study Report

General

The Interconnection Customer (IC) proposes to install PJM Project #U2-051, an 80 MW wind powered generating facility comprised of 54 – 1.5 MW GE turbine generators connecting to the American Electric Power (AEP) Glen Lyn – Wythe 138 kV circuit via a new 3-breaker ring bus. The proposed location of the generating facilities is on the border of Bland and Giles Counties in Virginia (See Exhibit 1), approximately seven miles from the Glen Lyn-Wythe transmission line. The IC will construct a radial transmission line from the site to the new substation. The projected in-service date is scheduled for December 2010.

Attachment Facilities

U2-051 will connect to the transmission system via a new in-line switching station located between AEP's Wythe (via Progress Park) and Glen Lyn 138kV stations. The new station would consist of three 138 kV circuit breakers configured in a ring-bus arrangement with 138 kV metering (see Exhibit 2). AEP will retain ownership of the proposed in-line station facilities. In addition, relaying at both Wythe and Glen Lyn stations will need to be upgraded. It is understood that the IC will be responsible for all costs associated with this construction.

It is expected that a 200' x 200' (minimum) station site will be provided to AEP by the IC for the interconnection substation. Note that the IC station facilities and any facilities outside the new station were not included in the cost estimate. These are assumed to be responsibility.

The AEP construction scope:

- Construct a new switching station connecting to the Wythe – Glen Lyn 138 kV line, including three 138 kV circuit breakers, relays, 138 kV metering, SCADA, and associated equipment.
Estimated Cost (2008 dollars): **\$4,000,000**
- Replace relaying with AEP standard package at Wythe station.
Estimated Cost (2008 dollars): **\$500,000**
- Replace relaying with AEP standard package at Glen Lyn station.
Estimated Cost (2008 dollars): **\$500,000**

Attachment Facilities Cost: **\$5,000,000**

These estimates are preliminary in nature, as they were determined without the benefit of detailed engineering studies. Final estimates will require an on-site review and coordination to determine final construction requirements. It will take approximately one year after obtaining the authorization to construct the facilities as outlined above.

Local AEP Impacts

The impact of the proposed generating facility on the AEP System was assessed for adherence with applicable reliability criteria. AEP planning criteria require that the transmission system meet single contingency performance criteria in accordance with the AEP FERC Form 715. Therefore, this set of criteria was used to assess the impact of the proposed facility on the AEP System. This project was studied as an 80 MW net energy injection consistent with the interconnection application. This project was studied with PJM projects #U2-017, U2-024 and U2-050 already in service at 100% output in the vicinity of U2-051. The interconnection project was studied at full capacity. The results are summarized below.

Before this report was issued the U2-017 and U2-024 projects were withdrawn from the Generator Interconnection queue.

Limitations for Category A Conditions (2012 Summer Conditions)

- No problems identified.

Limitations for Category B Conditions (2012 Summer Conditions)

- No problems identified.

Short Circuit Analysis

- No problems identified.

Stability Analysis

- Stability studies were not performed as part of this Feasibility Study and are not normally performed as part of a Facility Study effort. The stability assessments are part of the System Impact Study. Based upon the results of this future System Impact Study, the extent of system upgrades could change and the associated costs could be significantly different.

Local/Network Upgrades

- None required

Contributions to Previously Identified Local/Network Overloadss

1. AEP U2-024 – M&B Coal Company¹ 138 kV line is overloaded to 154% (466 MVA) of its normal rating under system normal conditions. Without the addition of U2-051 Project, the same facilities are loaded to 152% (460 MVA) of normal rating. *
2. AEP M&B Coal Company – Baileysville¹ No. 2 138 kV line is overloaded to 154% (466 MVA) of its normal rating under system normal conditions. Without the addition of U2-051 Project, the same facilities are loaded to 152% (460 MVA) of normal rating. *
3. AEP Baileysville No. 1 – Baileysville¹ No. 2 138 kV line is overloaded to 153% (308 MVA) of its normal rating under system normal conditions. Without the addition of U2-051 Project, the same facilities are loaded to 152% (306 MVA) of normal rating. *
4. 2 miles of 138kV from U2-024 to the M&B Coal Tap is overloaded to 191% of its emergency rating for an outage of the AEP U2-017-Tazewell 138kV line. Without the addition of U2-051 Project, the same facilities are loaded to 190% of the emergency rating. *
5. 8 miles of 138kV from the M&B Coal Tap to Baileysville Station is overloaded to 191% of its emergency rating for an outage of AEP U2-017-Tazewell 138kV line. Without the addition of U2-051 Project, the same facilities are loaded to 190% of emergency rating. *
6. 138kV bus tie breaker at Baileysville station (between Bus #1 & Bus #2) is overloaded to 182% of its emergency rating for an outage of AEP U2-017 to Tazewell 138kV line. Without the addition of U2-051 Project, the same facilities are loaded to 181%. *
7. AEP U2024 – Wyoming 138 kV line is overloaded to 134% of its emergency rating for an outage of the AEP U2024 – M&B Coal Company 138 kV line. Without the addition of U2-051 Project, the same facilities are loaded to 132% of emergency rating. *
8. AEP Saltville – Tazewell 138 kV line is overloaded to 102% of its emergency rating for an outage of AEP U2024 – M&B Coal Company 138 kV line. Without the addition of U2-051 Project, the same facilities are loaded to 101% of emergency rating. *
9. AEP Bearwallow – Faraday² 69 kV line is overloaded to 121% of its emergency rating for an outage of the AEP Saltville – Tazewell 138 kV line when generating at full output. Without the addition of U2-051 Project, the same facilities are loaded to 101% of emergency rating. If the generation were to operate at capacity, the line would be overloaded to 107%. Therefore, the upgrades from U2-050 should accommodate for generating at capacity, but not necessarily full output.

¹ Please note that because these facilities are overloaded under normal conditions, the same overload issues may appear for several contingencies in the following sections but are not discussed hereafter.

* This equipment is overloaded prior to the addition of U2-050. PJM will allocate the costs associated with the overloads based on the results of previous studies.

Contribution to Previously identified Local Network Upgrades

- Rebuild 9 miles of 138kV six-wired single circuit from U2-024 to Baileysville Station to accommodate a double circuit configuration with larger 1590 ACSS conductor. New towers will be needed to accommodate the 1590 ACSS conductor. Add additional breakers at Baileysville and U2-024 to accommodate second circuit. Estimated cost is **\$9,900,000***. (This alleviates overloads 1,2,4,5,7, 8)
- Difference of building one of the two single circuit lines from U2-024 to the Baileysville-Tazewell 138 kV circuit. Estimated cost is **\$600,000**. (This alleviates overloads 1,2,4,5, & 7)
- Bus tie breaker at Baileysville Station will need to be replaced to eliminate overloads during normal and contingency conditions. Estimated cost is **\$550,000***. (Includes: circuit breaker, conductor, switches, and some bus modifications) (This alleviates overloads 3 & 6)
- Replace 4.5 miles of conductor on the Bearwallow – Faraday 69 kV line.
Estimated Cost (2008 Dollars): **\$4,500,000**

Local/Network Upgrade Cost: **\$4,500,000**

*Estimates are intended to be preliminary in nature, as they were determined without the benefit of detailed engineering studies. Final estimates will require an on-site review and coordination to determine final construction requirements.

Reactive Requirements

PJM requires a power factor correction to 95% lead/lag at the point of interconnection for wind generating facilities. It is expected that the IC will adhere to this standard.

Network Impacts

The Queue Project U2-050 was studied as a(n) 100MW (Capacity = 13MW) injection at Lonesome Pine 138 kV substation in the AEP area. Project U2-050 was evaluated for compliance with reliability criteria for summer peak conditions in 2012. Potential network impacts were as follows:

Generator Deliverability

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

No problems identified.

Multiple Facility Contingency

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

No problems identified

Short Circuit

(Summary form of Cost allocation for breakers will be inserted here if any)

No problems identified.

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)

No problems identified except for the local network problems identified above.

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)

(Summary form of Cost allocation for transmission lines and transformers will be inserted here if any)

None

MISO Impacts

Any impacts on the MISO transmission system will be identified in the Impact Study.

Exhibit 1: Approximate interconnection location of the proposed facilities

2: Simplified diagram of proposed 138 kV in-line switching station

Exhibit