

***Generation Interconnection
Feasibility Study Report***

For

***PJM Generation Interconnection Request
Queue Position AD2-091***

Hardin Switch 345 kV

December 2018

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.

For Local and Network Upgrades which are required due to overloads associated with the System Impact Studies of an individual New Services Queue, and have a cost less than \$5,000,000, the cost of the Local and Network Upgrades will be shared by all proposed projects which have been assigned a Queue Position in the New Services Queue in which the need for the Local and Network Upgrades was identified. The Load Flow Cost Allocation methods discussed in this manual, including cutoffs, still apply to the individual projects.

For Local and Network Upgrades which are required due to the overloads associated with the System Impact Studies of an individual New Services Queue, and have a cost of \$5,000,000 or greater, the cost of the Local and Network Upgrades will be allocated according to the order of the New Service Requests in the New Services Queue and the MW contribution of each individual Interconnection Request for those projects which cause or contribute to the need for the Local or Network Upgrades. The Load Flow Cost Allocation methods discussed in this manual, including cutoffs, still apply to the individual projects.

Cost allocation rules can be found in PJM Manual 14A, Attachment B. 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.

PJM utilizes manufacturer models to ensure the performance of turbines is properly captured during the simulations performed for stability verification. Turbine manufacturers provide such models to their customers. The list of manufacturer models PJM has already validated is contained in Attachment G-2 of Manual 14A. Manufacturer models may be updated from time to time, for various reasons such as to reflect changes to the control systems or to more accurately represent the capabilities turbines and controls which are currently available in the field. Additionally, as new turbine models are developed, turbine manufacturers provide such new models which must be used in the conduct of these studies. PJM needs adequate time to evaluate the new models in order to reduce delays to the System Impact Study process timeline for the Interconnection Customer as well as other Interconnection Customers in the study group. Therefore, PJM will require that any Interconnection Customer with a new manufacturer model must supply that model to PJM, along with a \$10,000 fully refundable deposit, no later than three (3) months prior to the starting date of the System Impact Study (See Section 2.2.2. of Manual

14A for starting dates) for the Interconnection Request which shall specify the use of the new model. The Interconnection Customer will be required to submit a completed dynamic model study request form (Attachment G-1 of Manual 14A) in order to document the request for the study.

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.

General

The Interconnection Customer (IC) proposes to install PJM Project #AD2-091, a 50.0 MW (50.0 MW Capacity) Storage facility in Hardin County, OH (see Figure 2). The point of interconnection for the storage facility will be to interconnect to the proposed Hardin Switch 345 kV switching station connecting to AEP's East Lima – Marysville 345 kV line being built for PJM Project #U2-041 (See Figure 1).

The requested in service date is December 31, 2020.

Attachment Facilities

Point of Interconnection (Hardin Switch 345 kV)

To be constructed by PJM Project #U2-041.

Note: It is assumed that the 345 kV revenue metering and gen lead installed for #U2-041 will be adequate for the additional generation.

Interconnection Customer Requirements

The Generation Interconnection Agreement does not in or by itself establish a requirement for American Electric Power to provide power for consumption at the developer's facilities. A separate agreement may be reached with the local utility that provides service in the area to ensure that infrastructure is in place to meet this demand and proper metering equipment is installed. It is the responsibility of the developer to contact the local service provider to determine if a local service agreement is required.

Requirement from the PJM Open Access Transmission Tariff:

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.

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.

AEP Requirements

The Interconnection Customer will be required to comply with all AEP Revenue Metering Requirements for Generation Interconnection Customers. The Revenue Metering Requirements may be found within the "Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System" document located at the following link:

<http://www.pjm.com/~media/planning/plan-standards/private-aep/aep-interconnection-requirements.ashx>

Network Impacts

The Queue Project AD2-091 was evaluated as a 50.0 MW (Capacity 50.0 MW) injection to the U2-041 345 kV switching station in the AEP area. Project AD2-091 was evaluated for compliance with applicable reliability planning criteria (PJM, NERC, NERC Regional Reliability Councils, and Transmission Owners). Project AD2-091 was studied with a commercial probability of 53%. Potential network impacts were as follows:

Summer Peak Analysis – 2021

Contingency Descriptions

The following contingencies resulted in overloads:

| Contingency Name | Description |
|------------------|---|
| AEP_P1-2_#6497 | CONTINGENCY 'AEP_P1-2_#6497' OPEN BRANCH FROM BUS 242939 TO BUS 247540 CKT 1 / 242939 05MARYSV 345 247506 U2-041 C 345 1 END |
| AEP_P1-2_#6496 | CONTINGENCY 'AEP_P1-2_#6496' OPEN BRANCH FROM BUS 242935 TO BUS 247506 CKT 1 / 242935 05E LIMA 345 247506 U2-041 C 345 1 END |

Table 1

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

Steady-State Voltage Requirements

None

Short Circuit

(Summary of impacted circuit breakers)

New circuit breakers found to be over-duty:

None

Affected System Analysis & Mitigation

LGEE Impacts:

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

MISO Impacts:

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

Duke, Progress & TVA Impacts:

Duke Carolina, Progress, & TVA Impacts to be determined during later study phases (as applicable).

OVEC Impacts:

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

Delivery of Energy Portion of Interconnection Request

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.

| Contingency | | | Affected Area | Facility Description | Bus | | PF | Loading | | Rating | | MW Con. |
|-------------|------|----------------|---------------|-------------------------------|--------|--------|----|---------|--------|--------|-----|---------|
| # | Type | Name | | | From | To | | Initial | Final | Type | MVA | |
| 1 | N-1 | AEP_P1-2_#6497 | AEP - AEP | U2-041 C-05ELIMA 345 kV line | 247506 | 242935 | DC | 133.56 | 139.14 | NR | 897 | 49.99 |
| 2 | N-1 | AEP_P1-2_#6496 | AEP-AEP | U2-041 C-U2-072 C 345 kV line | 247506 | 247540 | DC | 94.59 | 100.16 | NR | 897 | 49.99 |
| 3 | N-1 | AEP_P1-2_#6496 | AEP-AEP | U2-072 C-05MARYSV 345 kV line | 247540 | 242939 | DC | 133.56 | 139.14 | NR | 897 | 49.99 |

Table 2

Note: FERC Form 715 part 4 was updated to eliminate the normal rating requirement for single contingencies on EHV facilities. The Summer Emergency Rating for the above listed facility is 1186 MVA.

System Reinforcements

None

Schedule

It is anticipated that the time between receipt of executed agreements and Commercial Operation may range from 12 to 18 months if no line work is required. If line work is required, construction time would be between 24 to 36 months after signing an interconnection agreement.

Note: The time provided between anticipated normal completion of System Impact, Facilities Studies, subsequent execution of ISA and ICSA documents, and the proposed Backfeed Date is shorter than usual and may be difficult to achieve.

Conclusion

Based upon the results of this Feasibility Study, the construction of the IC's 50.0 MW (50.0 MW Capacity) storage facility (PJM Project #AD2-091) will not require additional interconnection charges.

Figure 1: AD2-091 Point of Interconnection (Hardin Switch 345 kV)

Single-Line Diagram

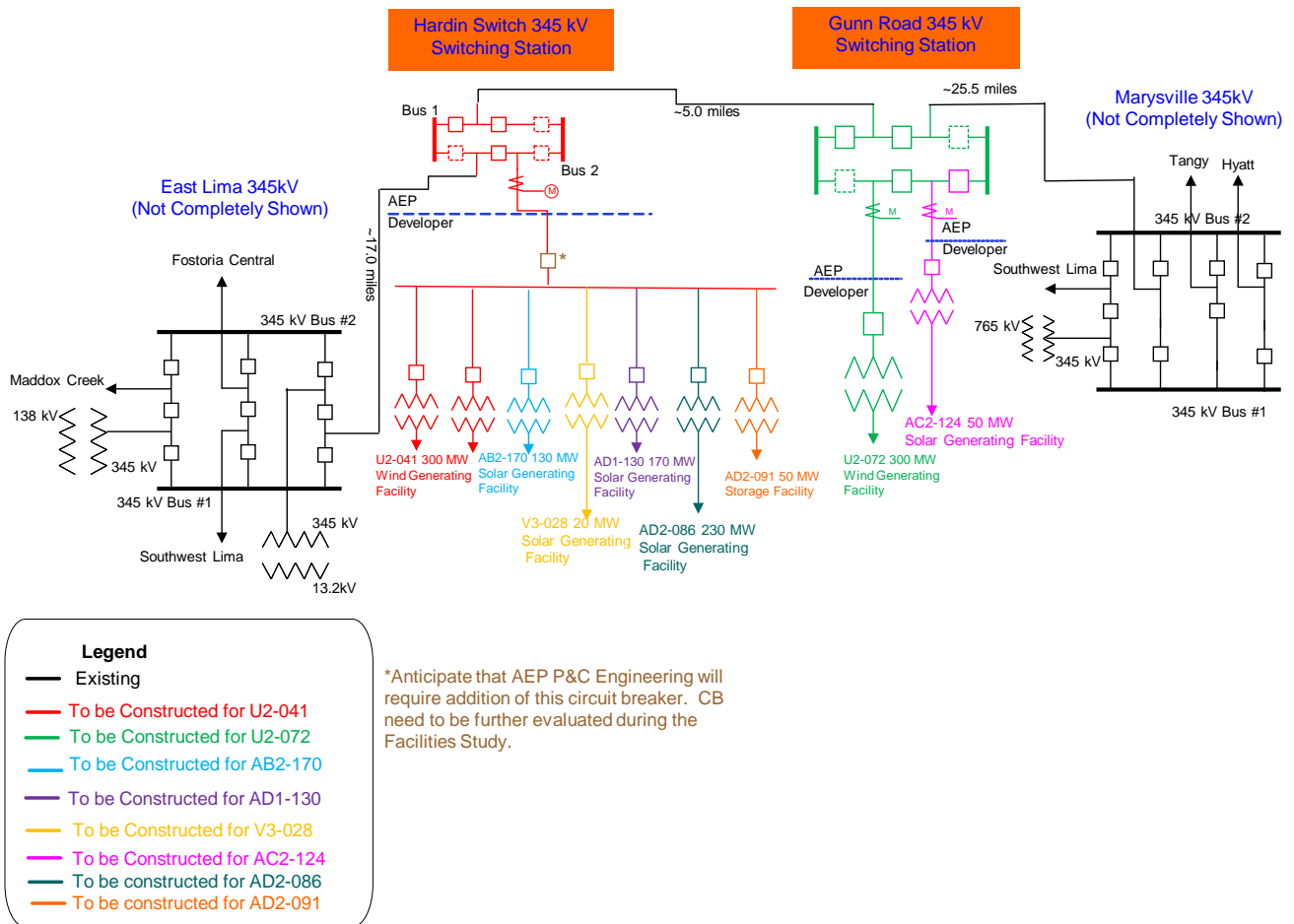


Figure 2: Point of Interconnection (Hardin Switch 345 kV)

