

***Generation Interconnection
System Impact Study Report***

For

***PJM Generation Interconnection Request
Queue Position AC1-088***

Strawton 138 kV

March 2018

Preface

The intent of the System Impact Study is to determine a plan, with approximate cost and construction time estimates, to connect the subject generation interconnection project to the PJM network at a location specified by the Interconnection Customer. 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. All facilities required for interconnection of a generation interconnection project must be designed to meet the technical specifications (on PJM web site) for the appropriate transmission owner.

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 or merchant transmission upgrade, may also contribute to the need for the same network reinforcement.

The System Impact 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

EC&R Development, LLC (EC&R) proposes to install PJM Project #AC1-088, a 20.0 MW (20.0 MW Capacity) storage facility connecting to the PJM queue U3-002 Wind Farm Collector station that is connected to AEP's Strawton 138 kV switching station in Madison County, Indiana (see Figure 2).

The requested in service date is December 31, 2017.

Attachment Facilities

Primary Point of Interconnection (Strawton 138 kV Switching Station)

No additional attachment facilities are required to accommodate the interconnection of AC1-088 to the Strawton 138 kV switching station.

Separate 34.5 kV revenue metering will be required in order to participate in the PJM Reg D and Capacity Markets.

- **Estimated 138 kV Revenue Metering Cost: \$200,000**

Interconnection Customer Requirements

It is understood that EC&R is responsible for all costs associated with this interconnection. The costs of EC&R's storage facility are not included in this report; these are assumed to be EC&R's responsibility.

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>

Storage Capacity Requirements and Participation in the PJM Regulation D Market

If it is intended that the project (when completed) will participate in the regulation markets, only half the stockpile can be considered; If the project will not participate in the regulation market, then the full stockpile will be considered.

Assuming that AC1-088 is participating in the regulation markets, then 10 MWH should be the starting point.

Note that under the Capacity Performance (CP) rules, for all generators, if a CP alert is called, must be capable of delivering their offered capacity for a continuous 24 hours. Exceptions to this can be requested from both the Independent Market Monitor (IMM) and PJM, but are not guaranteed.

The CP parameter limits are located at this link:

<http://www.pjm.com/~media/committees-groups/committees/elc/postings/20150612-june-2015-capacity-performance-parameter-limitations-informational-posting.ashx>

If the project does not request an exception, then it can receive 10 MWH/24 hours or 0.42 MW MWC

If the project gets an exception (say 10 hours), then it can receive 10 MWH /10 Hours or 1.00 MWC.

The Capacity value for AC1-088 will need to be adjusted before the Facilities Study commences. This can be discussed during the Facilities Study kick off call.

Network Impacts

The Queue Project AC1-088 was evaluated as a 20.0 MW (Capacity 20.0 MW) injection/withdrawal at the Strawton 138 kV substation in the AEP area. Project AC1-088 was evaluated for compliance with applicable reliability planning criteria (PJM, NERC, NERC Regional Reliability Councils, and Transmission Owners). Project AC1-088 was studied with a commercial probability of 100%. Potential network impacts were as follows:

Base Case Used

Summer Peak Analysis – 2020 Case

Contingency Descriptions

The following contingencies resulted in overloads:

None

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

(Results of the steady-state voltage studies should be inserted here)

None

Short Circuit

(Summary of impacted circuit breakers)

New circuit breakers found to be over-duty:

None

Stability and Reactive Power Requirement

(Results of the dynamic studies should be inserted here)

No problems identified

Affected System Analysis & Mitigation

LGEE Impacts:

None

MISO Impacts:

None

Duke, Progress & TVA Impacts:

None

OVEC Impacts:

None

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.

None

Light Load Analysis

No light load thermal impacts

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

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 In-Service Date is shorter than usual and may be difficult to achieve.

Conclusion

Based upon the results of this System Impact Study, the construction of the 20.0 MW (0.0 MW Capacity) storage facility of EC&R (PJM Project #AC1-088) will only require additional interconnection charges for the metering required to participate in the PJM Reg D and the Capacity Markets.

Cost Breakdown for Point of Interconnection (Strawton 138 kV)		
Non-Direct Connection Cost Estimate	34.5 kV Revenue Metering	\$200,000
	Total Estimated Cost for Project AC1-088	\$200,000

Table 1

The 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.

Figure 1: Point of Interconnection (Strawton 138 kV Switching Station)

Single-Line Diagram

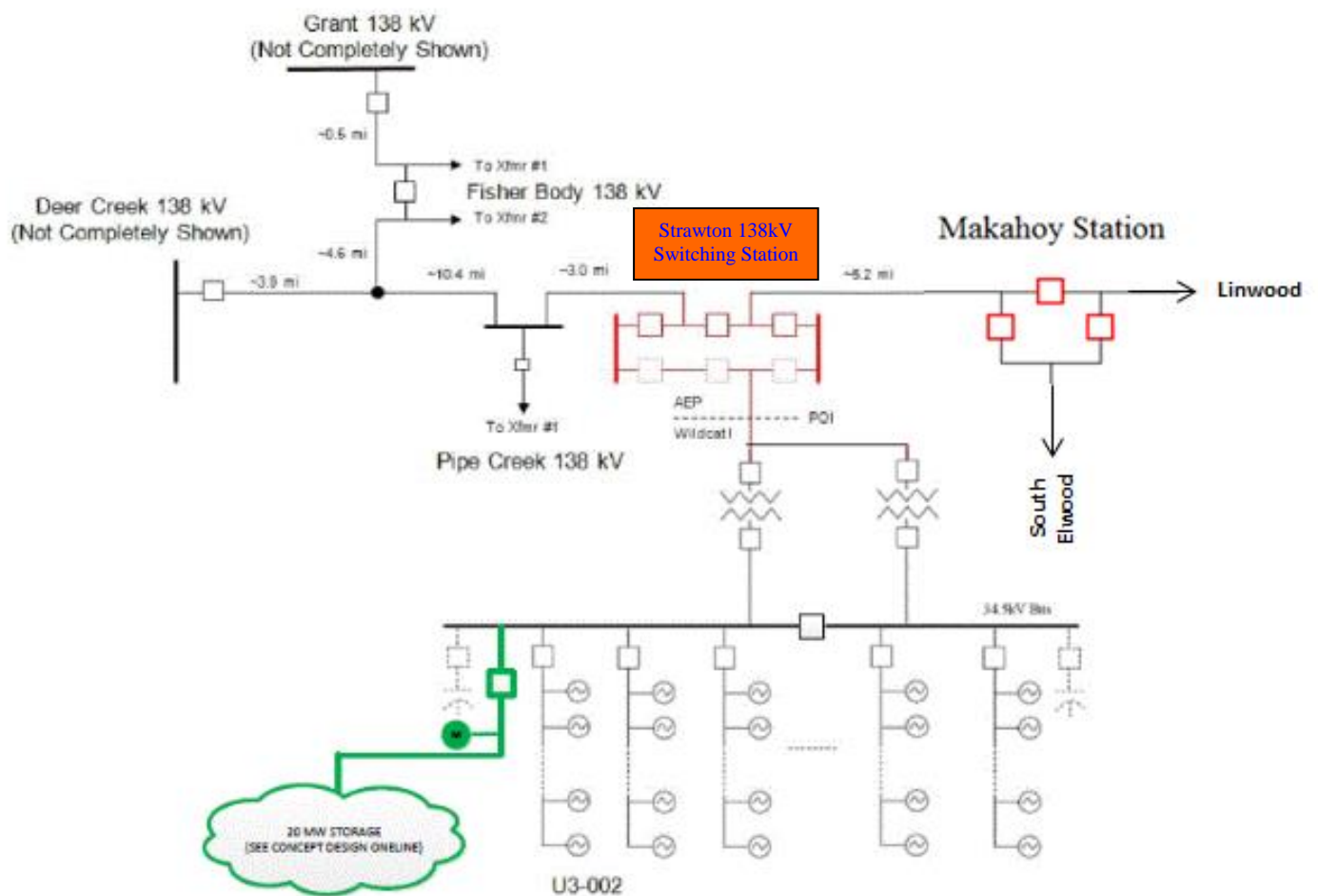


Figure 2: Point of Interconnection (Strawton 138 kV Switching Station)

