

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

For

***PJM Generation Interconnection Request
Queue Position AC1-122 and AC1-123***

Smith Mountain-Candlers Mountain 138 kV

May 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

Dragonfly Solar, LLC proposes to install PJM Project #AC1-122 and #AC1-123, a combined 80.0 MW (54.4 MW Capacity) solar generating facility in Altavista, VA (see Figure 2). The point of interconnection will be to the AEP's Smith Mountain – Candler's Mountain 138 kV section of the Smith Mountain – Opossum Creek 138 kV circuit (see Figure 1).

The requested in service date is June 1, 2019.

Attachment Facilities

Point of Interconnection (Smith Mountain - Candler's Mountain 138 kV)

To accommodate the interconnection on the Smith Mountain – Candler's Mountain 138 kV section of the Smith Mountain – Opossum Creek 138 kV circuit, a new three (3) circuit breaker 138 kV switching station physically configured in a breaker and half bus arrangement but operated as a ring-bus will be constructed (see Figure 1). Installation of associated protection and control equipment, 138 kV line risers, SCADA, and 138 kV revenue metering will also be required. AEP reserves the right to specify the final acceptable configuration considering design practices, future expansion, and compliance requirements.

New Switching Station Work:

- Construct a new three (3) circuit breaker 138 kV switching station physically configured in a breaker and half bus arrangement but operated as a ring-bus. Installation of associated protection and control equipment, 138 kV line risers, SCADA, and 138 kV revenue metering will also be required (see Figure 1).
- **Estimated Station Cost: \$5,000,000**

Direct Connection Cost Estimate

The total preliminary cost estimate for Direct Connection work is given in the following tables below.

For AEP building Direct Connection cost estimates:

Description	Total Cost
Smith Mountain-Candler's Mountain 138 kV T-Line Cut In	\$1,000,000
Total	\$1,000,000

Table 1

Non-Direct Connection Cost Estimate

The total preliminary cost estimate for Non-Direct Connection work is given in the following tables below:

For AEP building Direct Connection cost estimates:

Description	Estimated Cost
138 kV Revenue Metering	\$250,000
Upgrade line protection and controls at the Smith Mountain 138 kV substation to coordinate with the new 138 kV switching station.	\$250,000
Upgrade line protection and controls at the Opossum Creek 138 kV substation to coordinate with the new 138 kV switching station.	\$250,000
Total	\$750,000

Table 2

Interconnection Customer Requirements

It is understood that Dragonfly Solar is responsible for all costs associated with this interconnection. The costs above are reimbursable to AEP. The cost of Dragonfly Solar's generating plant and the costs for the line connecting the generating plant to Dragonfly Solar's switching station are not included in this report; these are assumed to be Dragonfly Solar'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>

Network Impacts

The Queue Projects AC1-122 & AC1-123 were evaluated as a 80.0 MW (Capacity 54.4 MW) injection into the Smith Mountain – Candler's Mountain 138 kV line in the AEP area. Project AC1-123 was evaluated for compliance with applicable reliability planning criteria (PJM, NERC, NERC Regional Reliability Councils, and Transmission Owners). Project AC1-123 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:

Contingency Name	Description
6215_B2_TOR13860B_MOAB	CONTINGENCY '6215_B2_TOR13860B_MOAB' OPEN BRANCH FROM BUS 242748 TO BUS 242802 CKT 1 / 242748 05PENHOK 138 242802 05SMITHMTN1 138 1 END

Table 3

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)

None

Stability and Reactive Power Requirement

(Results of the dynamic studies should be inserted here)

No mitigations found to be required at this time

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.

AC1-122 & AC1-123 - Delivery of Energy Portion of Interconnection Request													
#	Type	Contingency Name	Affected Area	Facility Description	Bus From	Bus To	Cir.	PF	Loading		Rating Type	MVA	MW Con.
									Initial	Final			
1	N-1	6215_B2_TOR13860B_MOAB	AEP - AEP	05SMITHMTN2-05ROCKCA 138 kV line	247499	242775	1	AC	93.7	99.7	ER	286	17.23

Table 4

Note: The 286 MVA emergency rating is due to the relay thermal limit, the relays have been upgraded and the new emergency rating is 409 MVA.

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 Backfeed Date is shorter than usual and may be difficult to achieve. Depending on details of the ultimate planned

location, the siting process for the proposed Point of Interconnection facilities could present a significant challenge to the proposed schedule.

Conclusion

Based upon the results of this System Impact Study, the construction of the 80.0 MW (54.4 MW Capacity) solar generating facility of Dragonfly Solar (PJM Project #AC1-122 and #AC1-123) will require the following additional interconnection charges. This plan of service will interconnect the proposed solar generating facility in a manner that will provide operational reliability and flexibility to both the AEP system and the Dragonfly Solar generating facility.

Cost Breakdown for Point of Interconnection (Smith Mountain-Bearskin 138 kV)			
Type of Network Upgrade	Network Upgrade Number	Description	Estimated Cost
Attachment Cost	n5626	New 138 kV Switching Station	\$5,000,000
Non-Direct Connection Cost Estimate	n5627	Smith Mountain-Candlers Mountain 138 kV T-Line Cut In	\$1,000,000
	n5628	138 kV Revenue Metering	\$250,000
	n5630	Upgrade line protection and controls at the Smith Mountain 138 kV substation to coordinate with the new 138 kV switching station.	\$250,000
	n5631	Upgrade line protection and controls at the Opossum Creek 138 kV substation to coordinate with the new 138 kV switching station.	\$250,000
		Total Estimated Cost for Project AC1-122/123	\$6,750,000

Table 5

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.

Single-Line Diagram



Figure 2: Point of Interconnection (Smith Mountain - Candler's Mountain 138 kV)

