Generation Interconnection

System Impact Study Report

for

Queue Project AE2-277

MCDOWELL 138 KV

16 MW Capacity / 38.2 MW Energy

February 2020

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1 Introduction

This System Impact Study has been prepared in accordance with the PJM Open Access Transmission Tariff, 205, as well as the System Impact Study Agreement between **Keystone State Renewables, LLC**, the Interconnection Customer (IC), and PJM Interconnection, LLC (PJM), Transmission Provider (TP). The Interconnected Transmission Owner (ITO) is Penn Power (part of American Transmission System Inc. "ATSI").

2 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: 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 an Interconnection Customer 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 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 System Impact Study is performed.

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.

The Interconnection Customer seeking to interconnect a wind or solar generation facility shall maintain meteorological data facilities as well as provide that meteorological data which is required per Schedule H to the Interconnection Service Agreement and Section 8 of Manual 14D.

3 General

The Interconnection Customer (IC), has proposed a Solar/Storage generating facility located in Mercer County, PA. The installed facilities will have a total capability of 38.2 MW with 16 MW of this output being recognized by PJM as Capacity. The proposed in-service date for this project is 12/31/2021. This study does not imply a TO commitment to this in-service date.

Queue Number	**AE2-277**
Project Name	MCDOWELL 138 KV
Interconnection Customer	Keystone State Renewables, LLC
State	PA
County	Mercer
Transmission Owner	ATSI (Penn Power)
MFO	38.2
MWE	38.2
MWC	16
Fuel	Solar/Storage
Basecase Study Year	2022

4 Point of Interconnection

AE2-277 will interconnect with the ATSI transmission system by extending the Maysville 138 kV bus, installing one (1) 138 kV circuit breaker, and extending a new line exit to the Primary POI. The IC will be responsible for acquiring all easements, properties, and permits that may be required to expand the Maysville substation and associated Attachment Facilities.

Attachment 1 shows a one-line diagram of the proposed primary Direct Connection facilities for the AE2-277 generation project to connect to the FirstEnergy ("FE") transmission system. **Attachment 2** provides the proposed location for the point of interconnection. IC will be responsible for constructing all the facilities on its side of the POI, including the Attachment Facilities which connect the generator to the FE transmission system's Direct Connection facilities.

5 Cost Summary

The AE2-277 project will be responsible for the following costs:

Description	Total Cost
Attachment Facilities	$393,700
Direct Connection Network Upgrade	$0
Non Direct Connection Network Upgrades	$1,371,300
System Upgrades	$325,000
Total Costs	**$2,090,000**

The costs provided above exclude the Contribution in Aid of Construction ("CIAC") Federal Income Tax Gross Up charge. If, at a future date, it is determined that the CIAC Federal Income Tax Gross charge is required, the Transmission Owner shall be reimbursed by the Interconnection Customer for such taxes.

The required Attachment Facilities and Direct and Non-Direct Connection work for the interconnection of the AE2-277 generation project to the FE Transmission System is detailed in the following sections. The associated one-line with the generation project Attachment Facilities and the Primary Direct and Non-Direct Connection facilities are shown in Attachment 1.

Note: PJM Open Access Transmission Tariff (OATT) section 217.3A outline cost allocation rules. The rules are further clarified in PJM Manual 14A Attachment B. The allocation of costs for a network upgrade will start with the first Queue project to cause the need for the upgrade. Later queue projects will receive cost allocation contingent on their contribution to the violation and are allocated to the queues that have not closed less than 5 years following the execution of the first Interconnection Service Agreement which identifies the need for this upgrade.

6 Transmission Owner Scope of Work

AE2-277 will interconnect with the ATSI transmission system by extending the Maysville 138 kV bus, installing one (1) 138 kV circuit breaker, and extending a new line exit to the Primary POI. The IC will be responsible for acquiring all easements, properties, and permits that may be required to expand the Maysville substation and associated Attachment Facilities.

Attachment Facilities

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

Description	Total Cost
Install line exit take-off structure, foundations, disconnect switch and associated equipment at ring bus substation	$393,700
Total Attachment Facility Costs	$393,700

7 Direct Connection Cost Estimate

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

Description	Total Cost
	$0
Total Direct Connection Facility Costs	$0

8 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	Total Cost
Extend the McDowell 138 kV bus and install one 138 kV circuit breaker	$1,371,300
Total Non-Direct Connection Facility Costs	**$1,371,300**

9 Schedule

Based on the scope of work for the Attachment Facilities and the Direct and Non-Direct Connection facilities, it is expected to take a minimum of **13 months** after the signing of an Interconnection Construction Service Agreement to complete the installation. This includes the requirement for the IC to make a preliminary payment that compensates FE for the first three months of the engineering design work that is related to the Attachment Facilities. Full initial deposit is required for the Non-Direct Connection work. This assumes that there will be no environmental issues with any of the new properties associated with this project, that there will be no delays in acquiring the necessary permits for implementing the defined interconnection work, and that all transmission system outages will be allowed when requested.

The schedule for the required Network Impact Reinforcements will be more clearly identified in future study phases. The estimate elapsed time to complete each of the required reinforcements is identified in the "System Reinforcements" section of the report.

10 Transmission Owner Analysis

10.1 Power Flow Analysis

FE performed an analysis of its underlying transmission <100 kV system. At the Primary POI, the AE2-277 project contributes to overloads on the FE transmission <100 kV system as shown below. The estimated cost of system reinforcements necessary to mitigate these overloads is $325,000.

Contingency Description	Overloaded Element	Rating (MVA)	% Loading After AE2-277	Final % Loading	AE2-277 MW Contrib.	FE Comments/Reinforcements
Shenango-McDowell 138 kV Line	McDowell-Sharon Y-300 69 kV Line	48	112%	112%	15.4	Upgrade relay at McDowell

11 Interconnection Customer Requirements

11.1 System Protection

The IC must design its Customer Facilities in accordance with all applicable standards, including the standards in FE's "Requirements for Transmission Connected Facilities" document located at: http://www.pjm.com/planning/design-engineering/to-tech-standards/private-firstenergy.aspx. Preliminary protection requirements will be provided as part of the Facilities Study. Detailed protection requirements will be provided once the project enters the construction phase.

11.2 Compliance Issues and Interconnection Customer Requirements

The proposed Customer Facilities must be designed in accordance with FE's "Requirements for Transmission Connected Facilities" document located at: http://www.pjm.com/planning/design-engineering/to-tech-standards/private-firstenergy.aspx. In particular, the IC is responsible for the following:

1. The purchase and installation of a fully rated 138 kV circuit breaker to protect the AE2-277 generator lead line. A single circuit breaker must be used to protect this line; if the project has several GSU transformers, the individual GSU transformer breakers cannot be used to protect this line.

2. The purchase and installation of the minimum required FE generation interconnection relaying and control facilities. This includes over/under voltage protection, over/under frequency protection, and zero sequence voltage protection relays.

3. The purchase and installation of supervisory control and data acquisition ("SCADA") equipment to provide information in a compatible format to the FE Transmission System Control Center.

4. Compliance with the FE and PJM generator power factor and voltage control requirements.

5. The execution of a back-up service agreement to serve the customer load supplied from the AE2-277 generation project metering point when the units are out-of-service. This assumes the intent of the IC is to net the generation with the load.

The IC will also be required to meet all PJM, ReliabilityFirst, and NERC reliability criteria and operating procedures for standards compliance. For example, the IC will need to properly locate and report the over and under voltage and over and under frequency system protection elements for its units as well as the submission of the generator model and protection data required to satisfy the PJM and ReliabilityFirst audits. Failure to comply with these requirements may result in a disconnection of service if the violation is found to compromise the reliability of the FE system.

11.3 Power Factor Requirements

The IC shall design its solar Customer Facility with the ability to maintain a power factor of at least 0.95 leading (absorbing VARs) to 0.95 lagging (supplying VARs) measured at the high-side of the facility substation transformer(s) connected to the FE transmission system.

12 Revenue Metering and SCADA Requirements

12.1 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 Section 8 of Attachment O.

12.1.1 Meteorological Data Reporting Requirement

The solar generation facility shall provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Atmospheric pressure (hectopascals)
- Irradiance
- Forced outage data

12.2 ATSI Requirements

The IC will be required to comply with all FE revenue metering requirements for generation interconnection customers which can be found in FE's "Requirements for Transmission Connected Facilities" document located at: http://www.pjm.com/planning/design-engineering/to-tech-standards/private-firstenergy.aspx

13 Network Impacts

The Queue Project AE2-277 was evaluated as a 38.2 MW (Capacity 16.0 MW) injection at the McDowell 138 kV substation in the ATSI area. Project AE2-277 was evaluated for compliance with applicable reliability planning criteria (PJM, NERC, NERC Regional Reliability Councils, and Transmission Owners). Project AE2-277 was studied with a commercial probability of 100%. Potential network impacts were as follows:

Summer Peak Load Flow

14 Generation Deliverability

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

None

15 Multiple Facility Contingency

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

None

16 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

17 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

18 System Reinforcements:

The Transmission Owner identified the need for the following system reinforcement on their <100 kV system:

Facility	Upgrade Description	Cost
McDowell-Sharon Y-300 69 kV Line	**OEE-008A: Upgrade limiting RT at McDowell so the TL is the limiting element.** **Project Type : FAC** **Cost : $325,000** **Time Estimate : 12 Months**	$325,000
	TOTAL COST	**$325,000**

Affected Systems

19 Affected Systems

None

Short Circuit

20 Short Circuit

The following Breakers are overduty:

None

Stability

21 Stability Analysis and Reactive Power Assessment

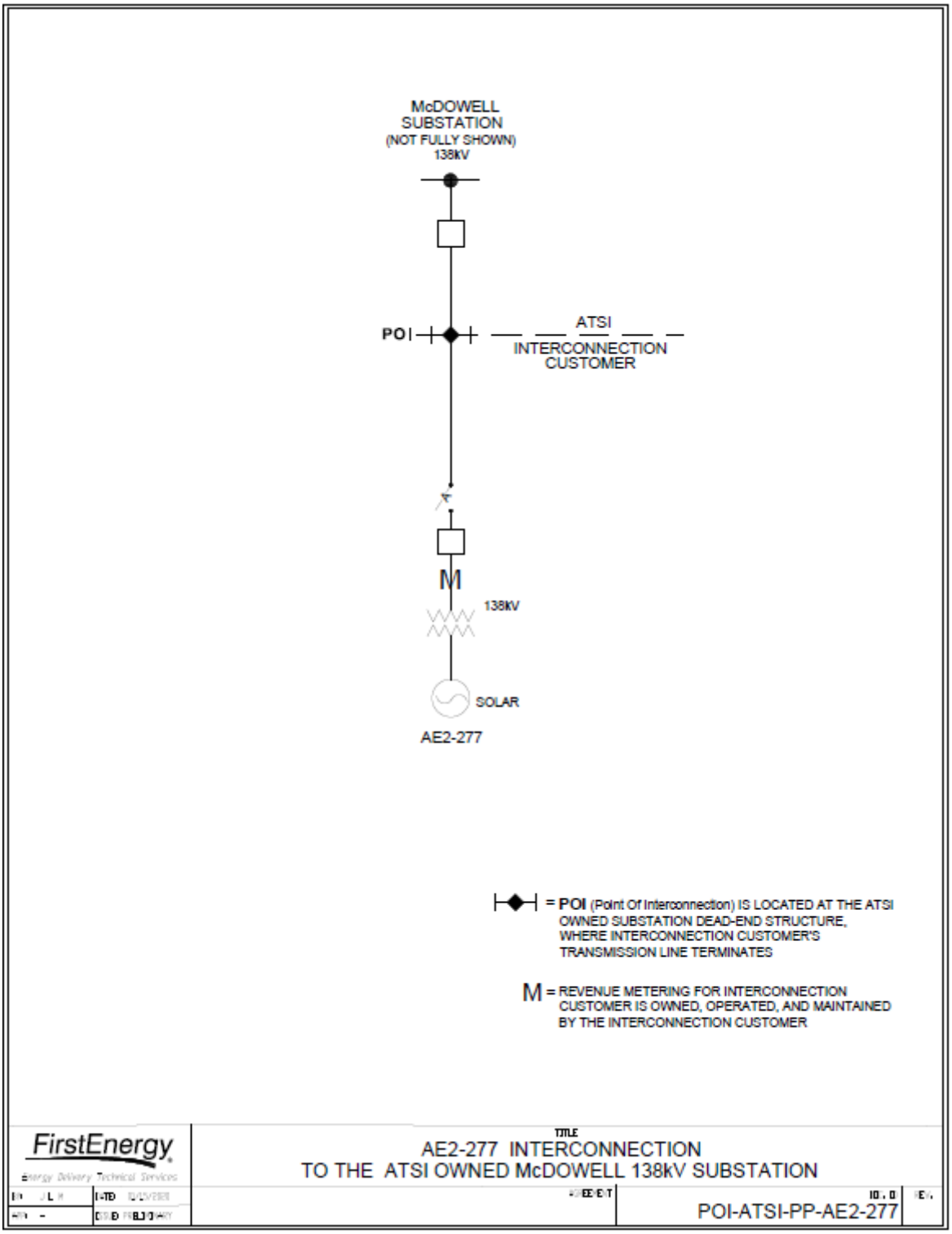
To be finalized in Facilities Study phase.

Light Load

22 Light Load Analysis

No impacts.

23 Attachment One: One Line Diagram



24 Attachment Two: Project Location