



**Generation Interconnection
System Impact Study Report
for
Queue Project AF2-134
REYNOLDS-OLIVE #2 345 KV
60 MW Capacity / 100 MW Energy**

February 2021

Table of Contents

| | | |
|------|---|----|
| 1 | Introduction..... | 3 |
| 2 | Preface..... | 3 |
| 3 | General | 4 |
| 4 | Point of Interconnection..... | 5 |
| 5 | Cost Summary | 5 |
| 6 | Transmission Owner Scope of Work | 7 |
| 6.1 | Attachment Facilities..... | 7 |
| 6.2 | Direct Connection Cost Estimate..... | 7 |
| 6.3 | Non-Direct Connection Cost Estimate..... | 7 |
| 7 | Schedule..... | 8 |
| 8 | Interconnection Customer Requirements..... | 8 |
| 9 | Revenue Metering and SCADA Requirements | 9 |
| 9.1 | PJM Requirements | 9 |
| 9.2 | Meteorological Data Reporting Requirements | 9 |
| 9.3 | Interconnected Transmission Owner Requirements..... | 9 |
| 10 | Summer Peak Analysis | 10 |
| 10.1 | Generation Deliverability | 10 |
| 10.2 | Multiple Facility Contingency | 10 |
| 10.3 | Contribution to Previously Identified Overloads..... | 10 |
| 10.4 | Steady-State Voltage Requirements..... | 10 |
| 10.5 | Potential Congestion due to Local Energy Deliverability..... | 10 |
| 10.6 | System Reinforcements..... | 11 |
| 11 | Light Load Analysis..... | 12 |
| 12 | Short Circuit Analysis..... | 12 |
| 13 | Stability and Reactive Power | 12 |
| 14 | Affected Systems | 13 |
| 14.1 | TVA..... | 13 |
| 14.2 | Duke Energy Progress..... | 13 |
| 14.3 | MISO | 13 |
| 14.4 | LG&E..... | 13 |
| 15 | Attachment 1: One Line Diagram and Project Site Location..... | 14 |

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 the Interconnection Customer (IC), and PJM Interconnection, LLC (PJM), Transmission Provider (TP). The Interconnected Transmission Owner (ITO) is AEP.

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.

An Interconnection Customer 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.

3 General

The Interconnection Customer (IC) has proposed an uprate to a planned/existing Solar generating facility located in Starke, Indiana. This project is an increase to the Interconnection Customer's AF1-215 project, which will share the same point of interconnection. The AF2-134 queue position is a 100 MW uprate (60 MW Capacity uprate) to the previous project. The total installed facilities will have a capability of 400 MW with 240 MW of this output being recognized by PJM as Capacity.

The proposed in-service date for this uprate project is May 31, 2021. This study does not imply a TO commitment to this in-service date.

| | |
|----------------------------|--------------------------|
| Queue Number | AF2-134 |
| Project Name | REYNOLDS-OLIVE #2 345 KV |
| State | Indiana |
| County | Starke |
| Transmission Owner | AEP |
| MFO | 400 |
| MWE | 100 |
| MWC | 60 |
| Fuel | Solar |
| Basecase Study Year | 2023 |

Any new service customers who can feasibly be commercially operable prior to June 1st of the basecase study year are required to request interim deliverability analysis.

4 Point of Interconnection

AF2-134 will interconnect with the AEP transmission system via the proposed AF1-215 switching station cut into Olive (AEP) – Reynolds (NIPSCO) circuit#2 as an uprate to AF1-215.

Note: It is assumed that the existing 345 kV revenue metering system, generation lead and Protection & Control Equipment that will be installed for AF1-215 will be adequate for the increased generation of AF2-134. Depending on the timing of the completion of the AF1-215 interconnection construction relative to the AF2-134 completion, there may (or may not) be a need to review and revise the relay settings for the increased generation of AF2-134.

5 Cost Summary

The AF2-134 project will be responsible for the following costs:

| Description | Total Cost |
|---|-----------------|
| Total Physical Interconnection Costs | \$45,000 |
| Allocation towards System Network Upgrade Costs* | \$0 |
| Total Costs | \$45,000 |

*As your project progresses through the study process and other projects modify their request or withdraw, then your cost allocation could change.

The estimates provided in this report 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. In addition, Stability analysis will be completed during the Facilities Study stage. It is possible that a need for additional upgrades could be identified by these studies.

This cost excludes a Federal Income Tax Gross Up charges. This tax may or may not be charged based on whether this project meets the eligibility requirements of IRS Notice 2016-36, 2016-25 I.R.B. (6/20/2016). If at a future date it is determined that the Federal Income Tax Gross charge is required, the Transmission Owner shall be reimbursed by the Interconnection Customer for such taxes.

Note 1: 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.

Note 2: For customers with System Reinforcements listed: If your present cost allocation to a System Reinforcement indicates \$0, then please be aware that as changes to the interconnection process occur, such as prior queued projects withdrawing from the queue, reducing in size, etc, the cost responsibilities can change and a cost allocation may be assigned to your project. In addition, although your present cost allocation to a System Reinforcement is presently \$0, your project may need this system reinforcement completed to be deliverable to the PJM system. If your project comes into service prior to completion of the system reinforcement, an interim deliverability study for your project will be required.

6 Transmission Owner Scope of Work

The total physical interconnection costs is given in the table below:

6.1 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 |
|--|------------|
| None | \$0 |
| Total Attachment Facility Costs | \$0 |

6.2 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 |
|---|------------|
| None | \$0 |
| Total Direct Connection Facility Costs | \$0 |

6.3 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 |
|--|-----------------|
| Review line protection and control settings at the AF1-215 proposed 345 kV station | \$45,000 |
| Total Non-Direct Connection Facility Costs | \$45,000 |

7 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 generally be between 24 to 36 months after Agreement execution.

8 Interconnection Customer Requirements

It is understood that the Interconnection Customer (IC) is responsible for all costs associated with this interconnection. The costs above are reimbursable to the Transmission Owner. The cost of the IC's generating plant and the costs for the line connecting the generating plant to the Point of Interconnection are not included in this report; these are assumed to be the IC's responsibility.

The Generation Interconnection Agreement does not in or by itself establish a requirement for the Transmission Owner 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.

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.

9 Revenue Metering and SCADA Requirements

9.1 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.

9.2 Meteorological Data Reporting Requirements

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

- Back Panel temperature (Fahrenheit) - (Required for plants with Maximum Facility Output of 3 MW or higher)
- Irradiance (Watts/meter²) - (Required for plants with Maximum Facility Output of 3 MW or higher)
- Ambient air temperature (Fahrenheit) - (Accepted, not required)
- Wind speed (meters/second) - (Accepted, not required)
- Wind direction (decimal degrees from true north) - (Accepted, not required)

9.3 Interconnected Transmission Owner Requirements

The IC will be required to comply with all Interconnected Transmission Owner's revenue metering requirements for generation interconnection customers located at the following link:

<http://www.pjm.com/planning/design-engineering/to-tech-standards/>

10 Summer Peak Analysis

The Queue Project AF2-134 was evaluated as a 100.0 MW (Capacity 60.0 MW) injection as an uprate to AF1-215 tapping the Reynolds to Olive 345kV line, ckt. 2 in the AEP area. Project AF2-134 was evaluated for compliance with applicable reliability planning criteria (PJM, NERC, NERC Regional Reliability Councils, and Transmission Owners). Project AF2-134 was studied with a commercial probability of 100.0 %. Potential network impacts were as follows:

10.1 Generation Deliverability

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

None

10.2 Multiple Facility Contingency

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

None

10.3 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

10.4 Steady-State Voltage Requirements

To be determined

10.5 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

10.6 System Reinforcements

| ID | Idx | Facility | Upgrade Description | Cost | Cost Allocated to AF2-134 | Upgrade Number |
|----|-----|----------|---------------------|------------|---------------------------|----------------|
| | | | TOTAL COST | \$0 | \$0 | |

Note : For customers with System Reinforcements listed: If your present cost allocation to a System Reinforcement indicates \$0, then please be aware that as changes to the interconnection process occur, such as prior queued projects withdrawing from the queue, reducing in size, etc, the cost responsibilities can change and a cost allocation may be assigned to your project. In addition, although your present cost allocation to a System Reinforcement is presently \$0, your project may need this system reinforcement completed to be deliverable to the PJM system. If your project comes into service prior to completion of the system reinforcement, an interim deliverability study for your project will be required.

11 Light Load Analysis

Not applicable.

12 Short Circuit Analysis

The following Breakers are overdutied:

None.

13 Stability and Reactive Power

(Summary of the VAR requirements based upon the results of the dynamic studies)

To be determined in the Facilities Study Phase.

14 Affected Systems

14.1 TVA

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

14.2 Duke Energy Progress

Duke Energy Progress Impacts to be determined during later study phases (as applicable).

14.3 MISO

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

14.4 LG&E

LG&E Impacts to be determined during later study phases (as applicable).

15 Attachment 1: One Line Diagram and Project Site Location

