

**IISA superseded by AF1-130**



PJM Interconnection, L.L.C.  
2750 Monroe Blvd  
Audubon, PA 19403-2497

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February 8, 2022

The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1A  
Washington, D.C. 20426-0001

*Re: PJM Interconnection, L.L.C. Docket No. ER22-1002-000  
Original Service Agreement No. 6327; Queue Nos. AF1-130/AF1-162*

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act,<sup>1</sup> Part 35 of the rules and regulations of the Federal Energy Regulatory Commission (“Commission”),<sup>2</sup> and PJM Open Access Transmission Tariff (“Tariff”), Part VI, PJM Interconnection, L.L.C. (“PJM”) submits for filing an executed Interim Interconnection Service Agreement (“IISA”) among PJM, Martin County Solar Project, LLC (“Interconnection Customer”), and Kentucky Power Company (“Interconnected Transmission Owner”) (collectively, the “Parties”) (the “Martin County IISA”). PJM requests an effective date of January 10, 2022 for the Martin County IISA, designated as Service Agreement No. 6327.

PJM is submitting the Martin County IISA for filing because, as described in more detail below, and shown in redlined format in Attachment C to this transmittal letter, it contains provisions that do not conform to the form of IISA set forth in Tariff, Attachment O-1 (“IISA Form”).<sup>3</sup>

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<sup>1</sup> 16 U.S.C. § 824d (2016).

<sup>2</sup> 18 C.F.R. Part 35 (2019).

<sup>3</sup> Because the Martin County IISA electronically filed with this transmittal letter contains electronic signatures and not the original signatures of the Parties, a copy of the sheet containing the original signatures is included as Attachment B to this transmittal letter.

## **I. DESCRIPTION OF THE MARTIN COUNTY IISA**

The Martin County IISA facilitates the interconnection to the PJM Transmission System of 300 MW (Maximum Facility Output) at the Martin County Solar Project Customer Facility located in Martin County, Kentucky. *See* Martin County IISA, Specifications, section 1.0. The Martin County IISA specifies that Interconnection Customer shall obtain Capacity Interconnection Rights (“CIRs”) in accordance with Subpart C of Part IV of the Tariff at the Point of Interconnection identified in the Martin County IISA upon the execution of the final Interconnection Service Agreement. *See* Martin County IISA, Specifications, section 2.0. The Martin County IISA has an associated Attachment Facilities Charge in the amount of \$601,853 and Network Upgrades Charge in the amount of \$959,900 for a total of \$1,561,753 consisting of \$621,678 in direct labor costs, \$740,744 in direct material cost, \$92,307 in indirect labor costs, and \$107,024 in indirect material costs. *See* Martin County IISA, Specifications, sections 4.1 through 4.4.

## **II. DESCRIPTION OF THE NONCONFORMING PROVISIONS OF THE MARTIN COUNTY IISA**

As indicated above, the Martin County IISA contains nonconforming provisions to accommodate this interconnection.<sup>4</sup> First, section 9.0 of the Martin County IISA has been modified to reflect the fact that the activities performed under the Martin County IISA relate to preliminary engineering and design rather than the actual construction of any facilities.

Second, section 10.0 of the Martin County IISA has been modified with a nonmaterial change by adding the word “the” before “acquisition, design, construction and/or installation of the facilities described in Section 3.0 of the Specifications....”

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<sup>4</sup> Redline pages showing the nonconforming provisions are contained in Attachment C to this transmittal letter.

Lastly, Schedule E of the Martin County IISA contains non-standard billing and payment provisions to better define and clarify the Parties' obligations under the Martin County IISA. The Commission has accepted IISAs and other agreements containing similar provisions.<sup>5</sup>

The nonconforming provisions referenced herein are reasonable, as they accommodate this interconnection and will not adversely impact the reliability of the PJM system. The remainder of the Martin County IISA is conforming.

### **III. WAIVER AND EFFECTIVE DATE**

PJM requests that the Commission grant any and all waivers of the Commission's rules and regulations that are necessary for acceptance of this filing and the enclosed Martin County IISA. Additionally, PJM requests a waiver of the Commission's 60-day prior notice requirement to allow an effective date of January 10, 2022 for the Martin County IISA. Waiver is appropriate because the Martin County IISA is being filed within thirty (30) days of its requested effective date. *See Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at 61,983-84 (1993).

### **IV. DOCUMENTS ENCLOSED**

PJM encloses the following:

1. Transmittal Letter;
2. Attachment A - Service Agreement No. 6327 (Clean Format);
3. Attachment B - Copy of the sheets containing the original signatures; and

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<sup>5</sup> See *PJM Interconnection L.L.C.*, Letter Order, Interim ISA, SA No. 6216, Docket No. ER22-256-000 (Dec. 22, 2021); *PJM Interconnection L.L.C.*, Letter Order, Interim ISA, SA No. 6215, Docket No. ER22-229-000 (Dec. 17, 2021); *PJM Interconnection L.L.C.*, Letter Order, Interim ISA, SA No. 6124, Docket No. ER21-2617-000 (Sept. 21, 2021); *PJM Interconnection, L.L.C.*, Letter Order, Interim ISA, SA No. 6061, Docket No. ER21-1865-000 (July 1, 2021); *PJM Interconnection, L.L.C.*, Letter Order, Interim ISA, SA No. 6014, Docket No. ER21-1764-000 (June 23, 2021).

4. Attachment C - Redlines showing the nonconforming provisions.

## **V. CORRESPONDENCE AND COMMUNICATIONS**

All notices, communications, or correspondences addressed to PJM regarding this matter should be directed to, and PJM requests that the Secretary include on the Commission's official service list,<sup>6</sup> the following:

Craig Glazer  
Vice President–Federal Government Policy  
PJM Interconnection, L.L.C.  
1200 G Street, N.W, Suite 600  
Washington, D.C. 20005  
(202) 423-4743  
[craig.glazer@pjm.com](mailto:craig.glazer@pjm.com)

Christopher Holt  
Assistant General Counsel  
PJM Interconnection, L.L.C.  
2750 Monroe Blvd  
Audubon, PA 19403-2497  
(610) 666-2368  
[Christopher.Holt@pjm.com](mailto:Christopher.Holt@pjm.com)

## **VI. SERVICE**

PJM has served a copy of this filing on the Interconnection Customer, Interconnected Transmission Owner, and the state utility regulatory commissions within the PJM Region.

Respectfully submitted,

Craig Glazer  
Vice President–Federal Government Policy  
PJM Interconnection, L.L.C.  
1200 G Street, N.W, Suite 600  
Washington, D.C. 20005  
(202) 423-4743  
[craig.glazer@pjm.com](mailto:craig.glazer@pjm.com)

By: /s/ Christopher Holt  
Christopher Holt  
Assistant General Counsel  
PJM Interconnection, L.L.C.  
2750 Monroe Blvd  
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(610) 666-2368  
[Christopher.Holt@pjm.com](mailto:Christopher.Holt@pjm.com)

**Counsel for  
PJM Interconnection, L.L.C.**

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<sup>6</sup> PJM requests a waiver of Commission Rule 203(b)(3) (18 C.F.R. § 385.203(b)(3)) so that each named person may be included on the official service list.

Kimberly D. Bose, Secretary  
February 8, 2022  
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Cc via email:

Derek Sunderman – [dsunderman@savionenergy.com](mailto:dsunderman@savionenergy.com)

Edrissa Cham – [echam@savionenergy.com](mailto:echam@savionenergy.com)

Robert Pennybaker - [rlpennybaker@aep.com](mailto:rlpennybaker@aep.com)

John W. Seidensticker - [jwseidensticker@aep.com](mailto:jwseidensticker@aep.com)

All state utility regulatory Commissions within the PJM Region

# **ATTACHMENT A**

**Service Agreement No. 6327  
(Clean Format)**

**INTERIM INTERCONNECTION SERVICE AGREEMENT**

**By and Among  
PJM Interconnection, L.L.C.  
and  
Martin County Solar Project, LLC  
and  
Kentucky Power Company  
(PJM Queue Position #AF1-130/AF1-162)**

- 1.0 This Interim Interconnection Service Agreement (“Interim ISA”), including the Specifications attached hereto and incorporated herein, is entered into by and among PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”), Martin County Solar Project, LLC (“Interconnection Customer”), and Kentucky Power Company (“Interconnected Transmission Owner”).
- 2.0 Attached are Specifications for the Customer Facility that Interconnection Customer proposes to interconnect to the Transmission Provider’s Transmission System. Interconnection Customer represents and warrants that, upon completion of their construction, it will own or control the facilities identified in the Specifications attached hereto and made a part hereof. In the event that Interconnection Customer will not own the facilities, Interconnection Customer represents and warrants that it is authorized by the owners of such facilities to enter into this Interim ISA and to represent such control.
- 3.0 In order to advance the completion of its interconnection under the PJM Open Access Transmission Tariff (“Tariff”), Interconnection Customer has requested an Interim ISA and Transmission Provider has determined that Interconnection Customer is eligible under the Tariff to obtain this Interim ISA.
- 4.0 (a) In accord with Section 211 of the Tariff, Interconnection Customer, on or before the effective date of this Interim ISA, shall provide Transmission Provider (for the benefit of the Interconnected Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to Transmission Provider in the amount of \$1,561,753, which amount equals the estimated costs, determined in accordance with Section 217 of the Tariff, of acquiring, designing, constructing and/or installing the facilities described in section 3.0 of the Attached Specifications. Should Interconnection Customer fail to provide such security in the amount or form required, this Interim ISA shall be terminated. Interconnection Customer acknowledges (1) that it will be responsible for the actual costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section, and (2) that the payment security under this section does not include any additional amounts that it will owe in the event that it executes a final Interconnection Service Agreement, as described in section 7.0(a) below.  
  
(b) Interconnection Customer acknowledges (1) that the purpose of this Interim ISA is to expedite, at Interconnection Customer’s request, the acquisition, design, construction



and/or installation of certain materials and equipment, as described in the Specifications, necessary to interconnect its proposed facilities with Transmission Provider's Transmission System; and (2) that Transmission Provider's Interconnection Studies related to such facilities have not been completed, but that the AF1-130/AF1-162 System Impact Study, dated August 2018 that included Interconnection Customer's project sufficiently demonstrated, in Interconnection Customer's sole opinion, the necessity of facilities additions to the Transmission System to accommodate Interconnection Customer's project to warrant, in Interconnection Customer's sole judgment, its request that the Interconnected Transmission Owner acquire, design, construct and/or install the equipment indicated in the Specifications for use in interconnecting Interconnection Customer's project with the Transmission System.

- 5.0 This Interim ISA shall be effective on the date it is executed by all Interconnection Parties and shall terminate upon the execution and delivery by Interconnection Customer and Transmission Provider of the final Interconnection Service Agreement described in section 7.0(a) below, or on such other date as mutually agreed upon by the parties, unless earlier terminated in accordance with the Tariff.
- 6.0 In addition to the milestones stated in Section 212.5 of the Tariff, during the term of this Interim ISA, Interconnection Customer shall ensure that its generation project meets each of the following development milestones:

NOT APPLICABLE FOR THIS INTERIM ISA

- 7.0 (a) Transmission Provider and the Interconnected Transmission Owner agree to provide for the acquisition, design, construction and/or installation of the facilities identified, and to the extent described, in Section 3.0 of the Specifications in accordance with Part IV of the Tariff, as amended from time to time, and this Interim ISA. Except to the extent for which the Specifications provide for interim interconnection rights for the Interconnection Customer, the parties agree that (1) this Interim ISA shall not provide for or authorize Interconnection Service for the Interconnection Customer, and (2) Interconnection Service will commence only after Interconnection Customer has entered into a final Interconnection Service Agreement with Transmission Provider and the Interconnection Transmission Owner (or, alternatively, has exercised its right to initiate dispute resolution or to have the final Interconnection Service Agreement filed with the FERC unexecuted) after completion of the Facilities Study related to Interconnection Customer's Interconnection Request and otherwise in accordance with the Tariff. The final Interconnection Service Agreement may further provide for construction of, and payment for, transmission facilities additional to those identified in the attached Specifications. Should Interconnection Customer fail to enter into such final Interconnection Service Agreement (or, alternatively, to initiate dispute resolution or request that the agreement be filed with the FERC unexecuted) within the time prescribed by the Tariff, Transmission Provider shall have the right, upon providing written notice to Interconnection Customer, to terminate this Interim ISA.
- (b) In the event that Interconnection Customer decides not to interconnect its proposed facilities, as described in Section 1.0 of the Specifications to the Transmission

System, it shall immediately give Transmission Provider written notice of its determination. Interconnection Customer shall be responsible for the Costs incurred pursuant to this Interim ISA by Transmission Provider and/or by the Interconnected Transmission Owner (1) on or before the date of such notice, and (2) after the date of such notice, if the costs could not reasonably be avoided despite, or were incurred by reason of, Interconnection Customer's determination not to interconnect. Interconnection Customer's liability under the preceding sentence shall include all Cancellation Costs in connection with the acquisition, design, construction and/or installation of the facilities described in section 3.0 of the Specifications. In the event the Interconnected Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the Interconnection Customer, with a written demand for payment and with reasonable documentation of such Cancellation Costs. Within 60 days after the date of Interconnection Customer's notice, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (i) Interconnection Customer's cost responsibility under this Interim ISA and the Tariff for Costs, including Cancellation Costs, of the facilities described in section 3.0 of the Specifications and (ii) Interconnection Customer's previous payments under this Interim ISA. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence. This Interim ISA shall be deemed to be terminated upon completion of all payments required under this paragraph (b).

(c) Disposition of the facilities related to this Interim ISA after receipt of Interconnection Customer's notice of its determination not to interconnect shall be decided in accordance with Section 211.1 of the Tariff.

- 8.0 Interconnection Customer agrees to abide by all rules and procedures pertaining to generation in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation set forth in the Operating Agreement and the PJM Manuals.
- 9.0 In analyzing and preparing the Facilities Study or the System Impact Study if no Facilities Study is required, and in designing and constructing the Attachment Facilities, Local Upgrades and/or Network Upgrades described in the Specifications attached to this Interim ISA, Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE INTERCONNECTED TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR INTERCONNECTED TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR

OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF NO FACILITIES STUDY IS REQUIRED OR OF THE ATTACHMENT FACILITIES, LOCAL UPGRADES AND/OR NETWORK UPGRADES OR THE WORK PERFORMED UNDER THIS INTERIM ISA. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

- 10.0 Within 120 days after the Interconnected Transmission Owner completes the acquisition, design, construction and/or installation of the facilities described in Section 3.0 of the Specifications, Transmission Provider shall provide Interconnection Customer with an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's responsibility under this Interim ISA and the Tariff for the actual cost of such equipment, and (b) Interconnection Customer's previous aggregate payments to Transmission Provider and the Interconnected Transmission Owner hereunder. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence.
- 11.0 No third party beneficiary rights are created under this Interim ISA, provided, however, that payment obligations imposed on Interconnection Customer hereunder are agreed and acknowledged to be for the benefit of the Interconnected Transmission Owner actually performing the services associated with the interconnection of the Generating Facilities and any associated upgrades of other facilities.
- 12.0 No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Interim ISA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 13.0 This Interim ISA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties hereto.
- 14.0 This Interim ISA shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
- 15.0 This Interim ISA shall not be construed as an application for service under Part II or Part III of the Tariff.
- 16.0 Any notice or request made to or by either Party regarding this Interim ISA shall be made to the representative of the other Party as indicated below.

**Transmission Provider**

PJM Interconnection, L.L.C.  
2750 Monroe Blvd.  
Audubon, PA 19403

**Interconnection Customer**

Martin County Solar Project, LLC  
c/o Savion LLC  
Attn: Derek Sunderman  
422 Admiral Blvd.  
Kansas City, MO 64106  
dsunderman@savionenergy.com

Martin County Solar Project, LLC  
c/o Savion LLC  
Attn: Edrissa Cham  
422 Admiral Blvd.  
Kansas City, MO 64106  
echam@savionenergy.com

**Interconnected Transmission Owner**

Kentucky Power Company  
c/o Robert Pennybaker, Director – System Interconnections  
American Electric Power Service Corporation  
212 E 6th St. – 4th Floor  
Tulsa, OK 74119  
rlpennybaker@aep.com

Cc: John W. Seidensticker, Senior Counsel  
American Electric Power Service Corporation  
1 Riverside Plaza – 29th Floor  
Columbus, OH 43215  
jwseidensticker@aep.com

- 17.0 All portions of the Tariff and the Operating Agreement pertinent to the subject of this Interim ISA are incorporated herein and made a part hereof.
- 18.0 This Interim ISA is entered into pursuant to Part IV of the Tariff.
- 19.0 Neither party shall be liable for consequential, incidental, special, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise with respect to any claim, controversy or dispute arising under this Interim ISA.
- 20.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section

20.1, Schedule A to this Interim ISA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.

## 20.1 Tax Liability

### 20.1.1 Safe Harbor Provisions:

This Section 20.1.1 is applicable only to Generation Interconnection Customers. Provided that Interconnection Customer agrees to conform to all requirements of the Internal Revenue Service ("IRS") (e.g., the "safe harbor" provisions of IRS Notices 2001-82 and 88-129) that would confer nontaxable status on some or all of the transfer of property, including money, by Interconnection Customer to the Interconnected Transmission Owner for payment of the Costs of construction of the Transmission Owner Interconnection Facilities, the Interconnected Transmission Owner, based on such agreement and on current law, shall treat such transfer of property to it as nontaxable income and, except as provided in Section 20.1.2 below, shall not include income taxes in the Costs of Transmission Owner Interconnection Facilities that are payable by Interconnection Customer under the Interim Interconnection Service Agreement, the Interconnection Service Agreement or the Interconnection Construction Service Agreement. Interconnection Customer shall document its agreement to conform to IRS requirements for such non-taxable status in the Interconnection Service Agreement, the Interconnection Construction Service Agreement, and/or the Interim Interconnection Service Agreement.

### 20.1.2 Tax Indemnity:

Interconnection Customer shall indemnify the Interconnected Transmission Owner for any costs that Interconnected Transmission Owner incurs in the event that the IRS and/or a state department of revenue (State) determines that the property, including money, transferred by Interconnection Customer to the Interconnected Transmission Owner with respect to the construction of the Transmission Owner Interconnection Facilities is taxable income to the Interconnected Transmission Owner. Interconnection Customer shall pay to the Interconnected Transmission Owner, on demand, the amount of any income taxes that the IRS or a State assesses to the Interconnected Transmission Owner in connection with such transfer of property and/or money, plus any applicable interest and/or penalty charged to the Interconnected Transmission Owner. In the event that the Interconnected Transmission Owner chooses to contest such assessment, either at the request of Interconnection Customer or on its own behalf, and prevails in reducing or eliminating the tax, interest and/or penalty assessed against it, the Interconnected Transmission Owner shall refund to Interconnection Customer the excess of its demand payment made to the Interconnected Transmission Owner over the amount of the tax, interest and penalty for which the Interconnected Transmission Owner is finally determined to be liable. Interconnection Customer's tax indemnification obligation under this section shall survive any termination of the Interim Interconnection Service Agreement or Interconnection Construction Service Agreement.

### 20.1.3 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, the Interconnected Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Interconnected Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Interim Interconnection Service Agreement or Part VI of the Tariff. Interconnection Customer shall pay to the Interconnected Transmission Owner on a periodic basis, as invoiced by the Interconnected Transmission Owner, the Interconnected Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and the Interconnected Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to the Interconnected Transmission Owner for such contested taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Interconnected Transmission Owner.

#### 20.1.4 Income Tax Gross-Up

##### 20.1.4.1 Additional Security:

In the event that Interconnection Customer does not provide the safe harbor documentation required under Section 20.1.1 prior to execution of this Interim Interconnection Service Agreement, within 15 days after such execution, Transmission Provider shall notify Interconnection Customer in writing of the amount of additional Security that Interconnection Customer must provide. The amount of Security that a Transmission Interconnection Customer must provide initially pursuant to this Interim Interconnection Service Agreement shall include any amounts described as additional Security under this Section 20.1.4 regarding income tax gross-up.

##### 20.1.4.2 Amount:

The required additional Security shall be in an amount equal to the amount necessary to gross up fully for currently applicable federal and state income taxes the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer previously provided Security. Accordingly, the additional Security shall equal the amount necessary to increase the total Security provided to the amount that would be sufficient to permit the Interconnected Transmission Owner to receive and retain, after the payment of all applicable income taxes ("Current Taxes") and taking into account the present value of future tax deductions for depreciation that would be available as a result of the anticipated payments or property transfers (the "Present Value Depreciation Amount"), an amount equal to the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer is responsible under the Interconnection Service Agreement. For this purpose, Current Taxes shall be computed based on the composite federal and state income tax rates applicable to the Interconnected Transmission Owner at the time the additional Security is received, determined using the highest marginal

rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Interconnected Transmission Owner's anticipated tax depreciation deductions associated with such payments or property transfers by its current weighted average cost of capital.

#### 20.1.4.3 Time for Payment:

Interconnection Customer must provide the additional Security, in a form and with terms as required by Sections 212.4 of the Tariff, within 15 days after its receipt of Transmission Provider's notice under this section. The requirement for additional Security under this section shall be treated as a milestone included in the Interconnection Service Agreement pursuant to Section 212.5 of the Tariff.

#### 20.1.5 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Interim Interconnection Service Agreement or the Tariff is intended to adversely affect any Interconnected Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

21.0 Addendum of Interconnection Requirement for all Wind or Non-synchronous Generation Facilities. To the extent required, Schedule B to this Interim ISA sets forth interconnection requirements for all wind or non-synchronous generation facilities and is hereby incorporated by reference and made a part of this Interim ISA.

22.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, Transmission Provider, Interconnection Customer and Interconnected Transmission Owner have caused this Interim ISA to be executed by their respective authorized officials.

(PJM Queue Position #AF1-130/AF1-162)

Transmission Provider: **PJM Interconnection, L.L.C.**

By: <u>/s/ Jason Shoemaker</u>	<u>Manager, Interconnection Projects</u>	<u>1/10/2022</u>
Name	Title	Date

Printed name of signer: Jason Shoemaker

Interconnection Customer: **Martin County Solar Project, LLC**

By: <u>/s/ Derek Sunderman</u>	<u>Authorized Agent</u>	<u>12/22/2021</u>
Name	Title	Date

Printed name of signer: Derek Sunderman

Interconnected Transmission Owner: **Kentucky Power Company**

By: <u>/s/ Robert W. Bradish</u>	<u>Vice President</u>	<u>1/9/2022</u>
Name	Title	Date

Printed name of signer: Robert W. Bradish



**SPECIFICATIONS FOR  
INTERIM INTERCONNECTION SERVICE AGREEMENT**

**By and Among  
PJM INTERCONNECTION, L.L.C.**

**And  
Martin County Solar Project, LLC**

**And  
Kentucky Power Company**

**(PJM Queue Position #AF1-130/AF1-162)**

1.0 Description of Customer Facility to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility:

Martin County Solar Project

b. Location of Customer Facility:

Martin County, Kentucky

GPS Coordinates: 37.7670000, -82.4740000

c. Size in megawatts of Customer Facility:

For Generation Interconnection Customer:

Maximum Facility Output of 300 MW

2.0 Interconnection Rights: Interconnection Customer shall obtain Capacity Interconnection Rights in accordance with Subpart C of Part VI of the Tariff at the location specified in section 1.0b upon its execution of the final Interconnection Service Agreement described in section 7.0(a) of this Interim ISA.

3.0 Facilities to be acquired, designed, constructed and/or installed by the Interconnected Transmission Owner under this Interim ISA:

Perform preliminary engineering and design activities and commence procurement of equipment as Interconnected Transmission Owner deems necessary and appropriate for the following components of the AF1-130/AF1-162 project:

**Attachment Facilities:**

- a) One (1) 138 kV generator lead transmission line span from the Inez 138 kV Station to the Point of Interconnection, including the first structure outside the Inez 138 kV Station, 138 kV revenue meter, and dual fiber-optic from the

Point of Interconnection to the Inez 138 kV Station control house **(PJM Network Upgrade n7492)**.

**Non-Direct Connection Network Upgrades:**

- a) Expand Inez 138 kV Station, including the addition of one (1) 138 kV circuit breaker, installation of associated protection and control equipment, 138 kV line risers, and supervisory control and data acquisition (SCADA) equipment. **(PJM Network Upgrade n7493)**

3.0.B Facilities to be acquired, designed, constructed and/or installed by the Interconnection Customer under this Interim ISA:  
None.

4.0 Interconnection Customer shall be subject to the charges detailed below:

4.1 Attachment Facilities Charge: \$601,853

4.2 Local Upgrades Charge: \$0

4.3 Network Upgrades Charge: \$959,900

4.4 Cost Breakdown:

\$621,678	Direct Labor
\$740,744	Direct Material
\$92,307	Indirect Labor
\$107,024	Indirect Material
\$1,561,753	Total

**SCHEDULES:**

**SCHEDULE A – INTERCONNECTION CUSTOMER’S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**

**SCHEDULE B - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

**SCHEDULE C - CUSTOMER FACILITY LOCATION/SITE PLAN**

**SCHEDULE D - SINGLE-LINE DIAGRAM**

**SCHEDULE E – NON-STANDARD TERMS AND CONDITIONS**

## **SCHEDULE A**

### **INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**

As provided in Section 20.1 of this Interim ISA and subject to the requirements thereof, Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 2016-36, 2016-25 I.R.B. (6/20/2016) (the "IRS Notice"). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notice, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities specified in this Interim ISA.

Nothing in Interconnection Customer's agreement pursuant to this Schedule A shall change Interconnection Customer's indemnification obligations under Section 20.1 of this Interim ISA.

## **SCHEDULE B**

### **INTERCONNECTION REQUIREMENTS FOR ALL WIND AND NON-SYNCHRONOUS GENERATION FACILITIES**

#### **A. Voltage Ride Through Requirements**

The Customer Facility shall be designed to remain in service (not trip) for voltages and times as specified for the Eastern Interconnection in Attachment 1 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low voltage conditions, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).

#### **B. Frequency Ride Through Requirements**

The Customer Facility shall be designed to remain in service (not trip) for frequencies and times as specified in Attachment 2 of NERC Reliability Standard PRC-024-1, and successor Reliability Standards, for both high and low frequency condition, irrespective of generator size, subject to the permissive trip exceptions established in PRC-024-1 (and successor Reliability Standards).

#### **C. Supervisory Control and Data Acquisition (SCADA) Capability**

The wind or non-synchronous generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind or non-synchronous generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind or non-synchronous generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

#### **D. Meteorological Data Reporting Requirement (Applicable to wind generation facilities only)**

The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Wind speed (meters/second)
- Wind direction (degrees from True North)
- Atmosphere pressure (hectopascals)
- Forced outage data (wind turbine and MW unavailability)

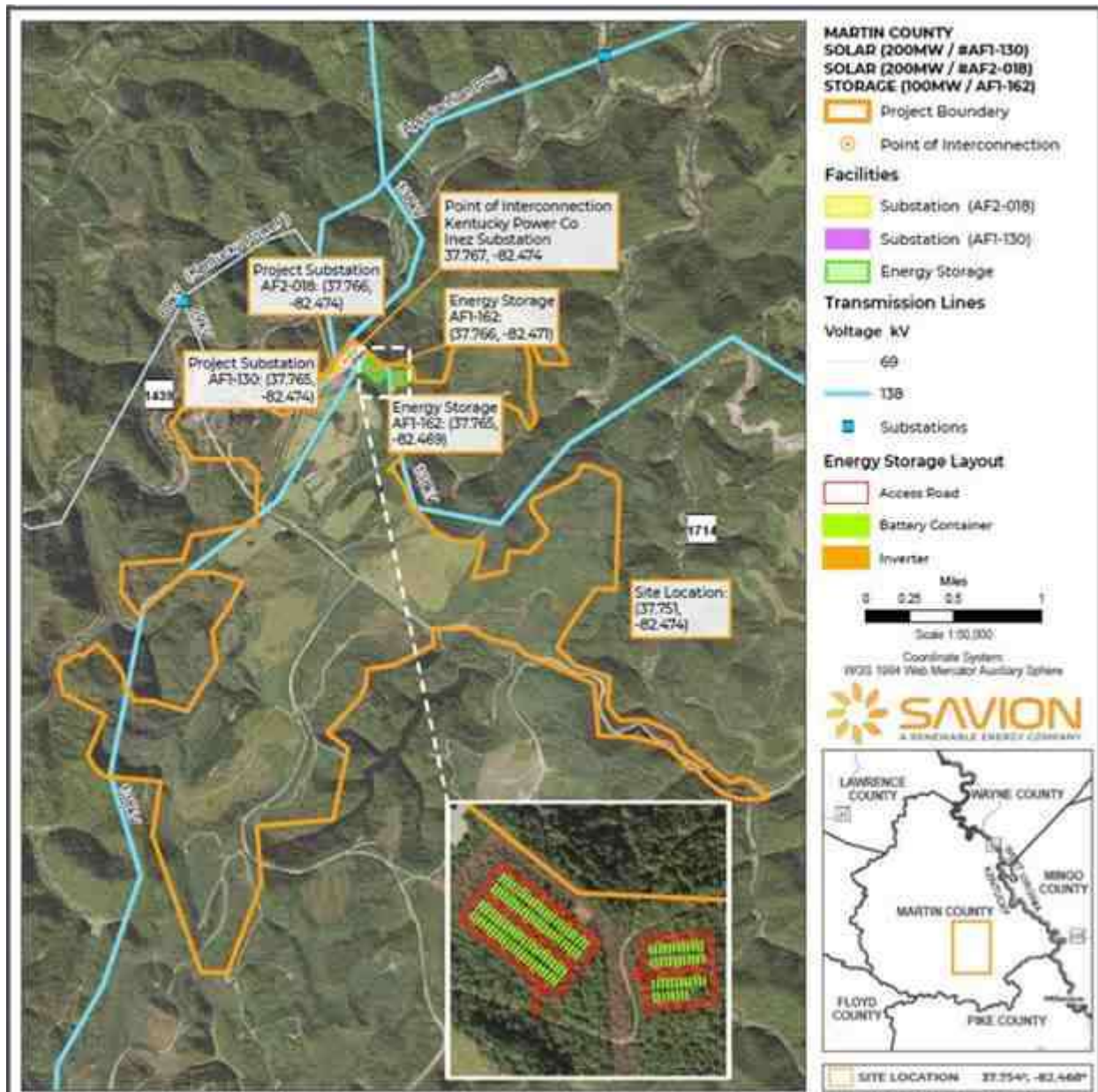
The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the

Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:

NOT APPLICABLE FOR THIS INTERIM ISA

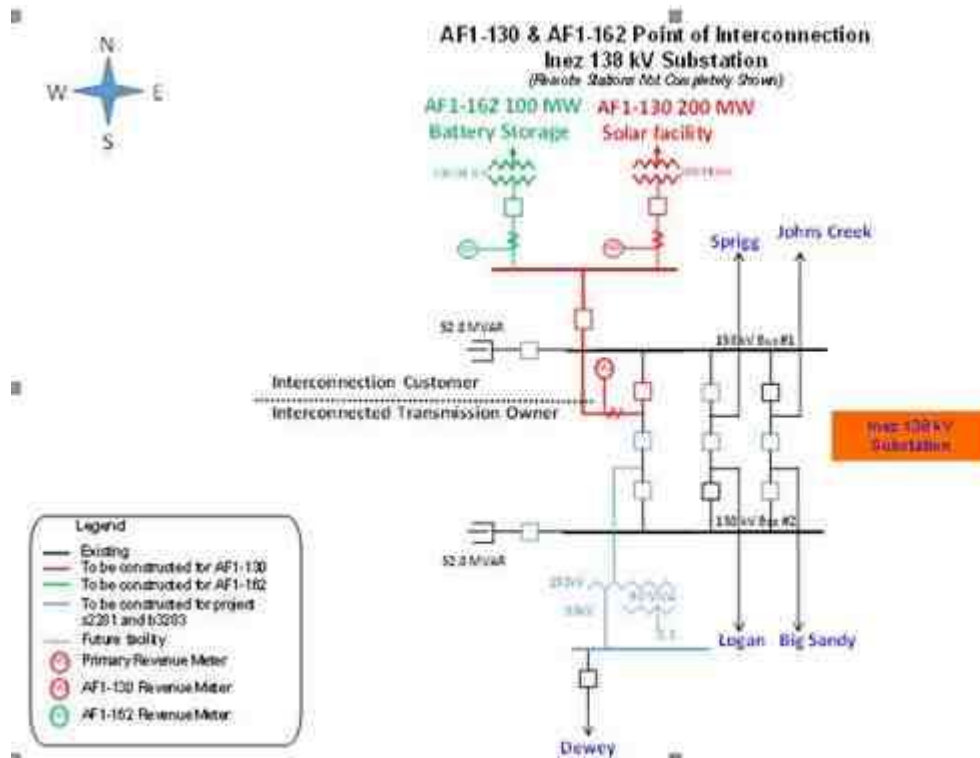
## SCHEDULE C

### CUSTOMER FACILITY LOCATION/SITE PLAN



# SCHEDULE D

## SINGLE-LINE DIAGRAM





## **SCHEDULE E**

### **NON-STANDARD TERMS AND CONDITIONS**

#### **Additional Provisions for Billings and Payments**

The following provisions shall apply with respect to charges for the Costs of the Interconnected Transmission Owner for which the Interconnection Customer is responsible.

Transmission Provider shall invoice Interconnection Customer on behalf of the Interconnected Transmission Owner, for the Interconnected Transmission Owner's expected Costs during the next three months. Upon receipt of each of Interconnection Customer's payments of such invoices, Transmission Provider shall reimburse the Interconnected Transmission Owner. Interconnection Customer shall pay each invoice received from Transmission Provider within twenty (20) days after receipt thereof. Interest on any unpaid, delinquent amounts shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. Section 35.19a(a)(2)(iii) and shall apply from the due date of the bill to the date of payment. If Interconnection Customer fails to pay any invoice when and as due, Transmission Provider or Interconnected Transmission Owner can provide notice of such failure to Interconnection Customer and the other party, and Interconnection Customer shall pay the amounts due within five (5) days from the receipt of such notice. Subject to obtaining any necessary authorizations from FERC, if Interconnection Customer fails to make payment within five (5) days from the receipt of such notice, Transmission Provider and Interconnected Transmission Owner shall each have the right to suspend performance hereunder. If Interconnection Customer fails to make payment within fifteen (15) days from the receipt of such notice, Transmission Provider and Interconnected Transmission Owner shall each have the right to terminate this Agreement, or exercise such other rights and remedies, as each may have in equity or at law.

# **ATTACHMENT B**

**Service Agreement No. 6327**  
**Copy of Original Signatures**

IN WITNESS WHEREOF, Transmission Provider, Interconnection Customer and Interconnected Transmission Owner have caused this Interim ISA to be executed by their respective authorized officials.

(PJM Queue Position #AF1-130/AF1-162)

Transmission Provider: PJM Interconnection, L.L.C.

By: Jason Shoemaker Manager, Interconnection Projects 1/10/2022  
Name Title Date

Printed name of signer: Jason Shoemaker

Interconnection Customer: **Martin County Solar Project, LLC**

By: Derek Sunderman Authorized Agent 12/22/2021  
Name Title Date

Printed name of signer: Derek Sunderman

Interconnected Transmission Owner: **Kentucky Power Company**

By: Robert W. Bradish Vice President 1/9/2022  
Name Title Date

Printed name of signer: Robert W. Bradish

# **ATTACHMENT C**

**Redline Pages Showing Nonconforming Provisions**

System, it shall immediately give Transmission Provider written notice of its determination. Interconnection Customer shall be responsible for the Costs incurred pursuant to this Interim ISA by Transmission Provider and/or by the Interconnected Transmission Owner (1) on or before the date of such notice, and (2) after the date of such notice, if the costs could not reasonably be avoided despite, or were incurred by reason of, Interconnection Customer's determination not to interconnect. Interconnection Customer's liability under the preceding sentence shall include all Cancellation Costs in connection with the acquisition, design, construction and/or installation of the facilities described in section 3.0 of the Specifications. In the event the Interconnected Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the Interconnection Customer, with a written demand for payment and with reasonable documentation of such Cancellation Costs. Within 60 days after the date of Interconnection Customer's notice, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (i) Interconnection Customer's cost responsibility under this Interim ISA and the Tariff for Costs, including Cancellation Costs, of the facilities described in section 3.0 of the Specifications and (ii) Interconnection Customer's previous payments under this Interim ISA. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence. This Interim ISA shall be deemed to be terminated upon completion of all payments required under this paragraph (b).

(c) Disposition of the facilities related to this Interim ISA after receipt of Interconnection Customer's notice of its determination not to interconnect shall be decided in accordance with Section 211.1 of the Tariff.

- 8.0 Interconnection Customer agrees to abide by all rules and procedures pertaining to generation in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation set forth in the Operating Agreement and the PJM Manuals.
- 9.0 In analyzing and preparing the Facilities Study or the System Impact Study if no Facilities Study is required, and in designing and constructing the Attachment Facilities, Local Upgrades and/or Network Upgrades described in the Specifications attached to this Interim ISA, Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE INTERCONNECTED TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR INTERCONNECTED TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING

WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF NO FACILITIES STUDY IS REQUIRED OR OF THE ATTACHMENT ATTACHMENT FACILITIES, LOCAL UPGRADES AND/OR NETWORK UPGRADES, ~~PROVIDED, HOWEVER, that Transmission Provider warrants that the transmission facilities described in Section 3.0 of the Specifications will be designed, constructed and operated in accordance with Good Utility Practice, as such term is defined in the Operating Agreement~~ OR THE WORK PERFORMED UNDER THIS INTERIM ISA. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

- 10.0 Within 120 days after the Interconnected Transmission Owner completes the acquisition, design, construction and/or installation of the facilities described in Section 3.0 of the Specifications, Transmission Provider shall provide Interconnection Customer with an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's responsibility under this Interim ISA and the Tariff for the actual cost of such equipment, and (b) Interconnection Customer's previous aggregate payments to Transmission Provider and the Interconnected Transmission Owner hereunder. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence.
- 11.0 No third party beneficiary rights are created under this Interim ISA, provided, however, that payment obligations imposed on Interconnection Customer hereunder are agreed and acknowledged to be for the benefit of the Interconnected Transmission Owner actually performing the services associated with the interconnection of the Generating Facilities and any associated upgrades of other facilities.
- 12.0 No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Interim ISA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 13.0 This Interim ISA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties hereto.
- 14.0 This Interim ISA shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
- 15.0 This Interim ISA shall not be construed as an application for service under Part II or Part III of the Tariff.

## SCHEDULE E

### NON-STANDARD TERMS AND CONDITIONS

#### Additional Provisions for Billings and Payments

The following provisions shall apply with respect to charges for the Costs of the Interconnected Transmission Owner for which the Interconnection Customer is responsible.

Transmission Provider shall invoice Interconnection Customer on behalf of the Interconnected Transmission Owner, for the Interconnected Transmission Owner's expected Costs during the next three months. Upon receipt of each of Interconnection Customer's payments of such invoices, Transmission Provider shall reimburse the Interconnected Transmission Owner. Interconnection Customer shall pay each invoice received from Transmission Provider within twenty (20) days after receipt thereof. Interest on any unpaid, delinquent amounts shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. Section 35.19a(a)(2)(iii) and shall apply from the due date of the bill to the date of payment. If Interconnection Customer fails to pay any invoice when and as due, Transmission Provider or Interconnected Transmission Owner can provide notice of such failure to Interconnection Customer and the other party, and Interconnection Customer shall pay the amounts due within five (5) days from the receipt of such notice. Subject to obtaining any necessary authorizations from FERC, if Interconnection Customer fails to make payment within five (5) days from the receipt of such notice, Transmission Provider and Interconnected Transmission Owner shall each have the right to suspend performance hereunder. If Interconnection Customer fails to make payment within fifteen (15) days from the receipt of such notice, Transmission Provider and Interconnected Transmission Owner shall each have the right to terminate this Agreement, or exercise such other rights and remedies, as each may have in equity or at law.