

**BEFORE
THE OHIO POWER SITING BOARD**

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| In the Matter of the Application of |) | |
| American Municipal Power-Ohio, Inc. for a |) | |
| Certificate of Environmental Compatibility |) | Case No. 06-1357-EL-BTX |
| And Public Need for an Electric Power |) | |
| Transmission Line and Related Facilities. |) | |

**MOTION TO ALIGN THE DURATION OF AMERICAN MUNICIPAL POWER, INC.'S
CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED
FOR THE TRANSMISSION LINE WITH THAT OF THE ELECTRIC
GENERATION STATION**

Now comes American Municipal Power, Inc., ("AMP") and respectfully moves the Ohio Power Siting Board ("Board") to align the duration of the authority granted in its Certificate of Environmental Compatibility and Public Need with that of the authority granted in the related electric generation station in Case No. 06-1358-EL-BGN through March 3, 2016 for the reasons set forth in the attached Memorandum in Support, which is incorporated herein by reference.

Respectfully submitted,

/s/ Lisa G. McAlister
American Municipal Power, Inc.
John W. Bentine, Senior VP and General Counsel
Lisa G. McAlister, Deputy General Counsel
1111 Schrock Road, Suite 100
Columbus, Ohio 43229
Telephone: 614-540-6400
Fax: 614-540-6397
Email: jbentine@amppartners.org
lmcalister@amppartners.org

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| Transmission Line and Related Facilities. |) | |

**MEMORANDUM IN SUPPORT OF ALIGNING AMERICAN MUNICIPAL POWER,
INC.'S CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED
FOR THE TRANSMISSION LINE WITH THAT OF THE ELECTRIC
GENERATION STATION**

I. INTRODUCTION

On November 24, 2008, the Board issued a Certificate of Environmental Compatibility and Public Need to AMP, a nonprofit Ohio corporation, for the construction, operation and maintenance of an approximately 5-mile long, double circuit 345 kilovolt ("kV") transmission line in southern Meigs County along the preferred route in order to transmit the electricity generated by the proposed for its proposed American Municipal Power Generating Station ("AMPGS") (hereinafter, "Transmission Certificate"). Opinion, Order and Certificate ("Order") at 31 (November 24, 2008). On September 30, 2013, the Board granted an eighteen (18) month extension of the Transmission Certificate to May 24, 2015 in order to facilitate further consideration of conversion of the AMPGS to a different technology at the Meigs County site.

Similarly, on March 3, 2008, the Board issued a Certificate of Environmental Compatibility and Public Need for the AMPGS generation project (hereinafter, "Generation Certificate"). See *In the Matter of the Application of American Municipal*

Power-Ohio, Inc. for a Certificate of Environmental Compatibility and Public Need for an Electric Power Generating Station and Related Facilities, Case No. 06-1358-EL-BGN, Entry at 2 (August 25, 2014) (hereinafter “AMPGS Generation Case”). For the same reasons supporting the extension of the Transmission Certificate – to facilitate AMP’s continued consideration of generation options at the site – on August 25, 2014, the Board extended the Generation Certificate authority until March 3, 2016. *Id.*

Pursuant to the Order issued on November 24, 2008, AMP respectfully requests that the Board issue an Order aligning the Transmission Certificate authority with the Generation Certificate authority, until March 3, 2016.

II. ARGUMENT

In support of its request, AMP represents as follows:

1. AMP is a nonprofit Ohio corporation organized in 1971. The members of AMP are all municipalities that own and operate electric utility systems, some of which also operate electric generating and transmission facilities. AMP is a full or partial requirements supplier for most of its 132 members. AMP’s primary purpose is to assist its member communities in meeting their electric and energy needs in a reliable and economic fashion. This purpose is served in a number of ways, including through the ownership of electric generating facilities, scheduling and dispatch of member-owned generation, and through power supply and transmission arrangements that AMP makes with third-parties at the request of and on behalf of its members.
2. As the Board is aware, AMP’s initial applications for Certificates of Environmental Compatibility and Public Need were for the construction of a 960 megawatt

("MW") electric generation facility consisting of two (2) 480 MW electric generating units and an approximately five-mile long, 345 kV transmission line and related facilities in Meigs County, Ohio. See *AMPGS Case*, Motion to Extend the Duration of American Municipal Power's Certificate of Environmental Compatibility and Public Need (November 16, 2012).

3. However, AMP experienced delays in the development of the AMPGS project as a result of an unexpected increase of approximately thirty-seven (37) percent in the engineer-procure-construct ("EPC") contractor's indicative capital costs for the AMPGS project, among other reasons. Accordingly, on November 16, 2012, AMP requested an eighteen (18) month extension of the Generation Certificate for good cause. *AMPGS Generation Case*, Motion to Extend the Duration of American Municipal Power's Certificate of Environmental Compatibility and Public Need (November 16, 2012). The Board granted an extension of the AMPGS Generation Certificate on December 17, 2012. *AMPGS Generation Case*, Entry (December 17, 2012).
4. Pursuant to Section 4906.03(D), Revised Code, the Board has the authority to modify and approve applications for certificates.
5. For good cause and in order to prevent further delays in this project, AMP respectfully requests that the Board grant an extension of the Transmission Certificate to align it with the authority granted in the Generation Certificate.
6. The delay experienced to date in the development of the Transmission Project is a direct result of the delays in the development of the AMPGS project, which are described in full in AMP's certificate extension request. See *AMPGS Generation*

Case, Motion to Extend the Duration of American Municipal Power's Certificate of Environmental Compatibility and Public Need (November 16, 2012). Specifically, the new, significantly increased EPC contractor's indicative cost resulted in AMPGS becoming economically infeasible. As a result of the unexpected, substantial increase to the capital costs of the project, the AMP Board of Trustees and AMPGS Participants determined it was in the best interest of the member participants to give termination notices to the EPC contractor, emission control and other equipment vendors on EPC construction and equipment.

7. Nonetheless, AMP has projected that its members can potentially utilize additional PJM capacity of approximately 1200 MW, as well as potentially up to 1000 MW of peaking energy to be delivered into PJM. Accordingly, notwithstanding the unexpected capital cost increase projection, AMP has, in good faith and with due diligence, actively maintained and prudently pursued continuous development of potential electric generation at the Meigs County site. Because the Transmission Project is dependent on electric generation at the site, AMP's efforts to pursue continuous development of potential generation at the site advances the continuous development of the Transmission Project as well.
8. In addition to the evidence of AMP's good faith efforts to actively and prudently pursue continuous development of potential electric generation at the AMPGS site presented in the *AMPGS Generation Case*, AMP also notes that, on July 19, 2013, AMP issued a Request of Interest ("ROI") for peaking capacity and/or energy supply proposals from selected companies in order to allow AMP the opportunity to review options that may be able to address all or a portion of

AMP's potential future peaking capacity and/or energy needs. In the ROI, AMP specifically noted that it is interested in evaluating various options to fill the capacity and energy needs, including potentially an AMP self-build option.

9. It is important to note that the need for the Transmission Project is unaffected by the fuel source of potential electric generation at the Meigs County site.
10. AMP believes that there is value in maintaining the continuity of the existing process, including an amendment of the existing Certificate, rather than submitting a new application. In particular, the amendment process will provide the Board the opportunity to review and approve material changes to the Transmission Project without having to reconsider elements of the project that will not change. Additionally, the amendment process will avoid the disruption of discussions with potential partners on this project and other project development tasks and financing necessary to move forward with this project.
11. AMP has been consistent and diligent in its continuing development of this project, while adapting to the changing financial conditions and opportunities that were presented. AMP has also complied with all of the conditions of the Board's Order, including the provision of informal status updates to the Board's staff. AMP represents that it will continue to comply with all of the conditions of its existing Certificate for the period of the extension. AMP will also continue to provide Staff with semi-annual updates on the project's development during the extension period to facilitate the Board's regulatory oversight during the extension.

12. AMP believes that the limited period requested to align the Certificate dates is reasonable and appropriate under the circumstances and that AMP has demonstrated good cause for its Motion.

III. CONCLUSION

For the good cause demonstrated and to make positive progress towards bringing a project at the Meigs County site to fruition, AMP respectfully requests that the Board align the Transmission Certificate with the Generation Certificate until March 3, 2016.

Respectfully submitted,

/s/ Lisa G. McAlister

American Municipal Power, Inc.
John W. Bentine, Senior VP and General Counsel
Lisa G. McAlister, Deputy General Counsel
1111 Schrock Road, Suite 100
Columbus, Ohio 43229
Telephone: 614-540-6400
Fax: 614-540-6397
Email: jbentine@ampppartners.org
lmcalister@ampppartners.org

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion to Extend and Memorandum in Support was served upon the following parties of record as a courtesy, via electronic delivery and/or postage prepaid U.S. Mail, on April 24, 2015.

/s/ Lisa G. McAlister
Lisa G. McAlister

William L. Wright
John H. Jones
Assistant Attorneys General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, OH 43215
john.jones@puc.state.oh.us
william.wright@puc.state.oh.us

Patrick Donlon, Executive Director
Jon Pawley
Jim O'Dell
Ohio Power Siting Board
180 East Broad Street, 6th Floor
Columbus, Ohio 43215
Jonathan.Pawley@puc.state.oh.us

STAFF OF THE OHIO POWER SITING BOARD

Margaret A. Malone
Assistant Attorney General
Environmental Enforcement Section
30 East Broad Street, 25th Floor
Columbus, OH 43215
mmalone@af.state.oh.us

ON BEHALF OF THE OHIO POWER SITING BOARD

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/24/2015 12:10:04 PM

in

Case No(s). 06-1357-EL-BTX

Summary: Motion to Align the Duration of American Municipal Power, Inc.'s Certificate of Environmental Compatibility and Public Need for the Transmission Line with that of the Electric Generation Station and Memorandum in Support electronically filed by Errin C Harris on behalf of American Municipal Power, Inc.