

BEFORE THE POWER SITING BOARD OF THE STATE OF OHIO

**In the Matter of the Letter of Notification Application by)
American Transmission Systems, Incorporated for a)
Certificate of Environmental Compatibility and Public) Case No. 20-1176-EL-BLN
Need for the Highland-GM 138 kV Transmission Line)
Loop to Magellan Substation Project)**

Members of the Board:

Chairman, Public Utilities Commission	Ohio House of Representatives
Director, Development Services Agency	Ohio Senate
Director, Department of Health	
Director, Department of Agriculture	
Director, Environmental Protection Agency	
Director, Department of Natural Resources	
Public Member	

To the Honorable Power Siting Board:

Please review the attached Staff Report of Investigation, which has been filed in accordance with Ohio Power Siting Board (Board) rules. The accelerated certificate application in this case is subject to an automatic approval process as required by Ohio Revised Code (R.C.) 4906.03 and Ohio Administrative Code 4906-6.

Staff recommends the application for automatic approval on October 9, 2020, unless suspended by the Board, an administrative law judge, or the chairperson or executive director of the Board for good cause shown. If suspended, the Board must render a decision on the application within 90 days from the date of suspension.

Please present any concerns you or your designee may have with this case to my office at least four business days prior to October 9, 2020, which is the recommended automatic approval date.

Sincerely,



Theresa White
Executive Director
Ohio Power Siting Board

OPSB STAFF REPORT OF INVESTIGATION

Case Number: 20-1176-EL-BLN
Project Name: Highland-GM 138 kV Transmission Line
Loop to Magellan Substation Project
Project Location: Trumbull County
Applicant: American Transmission Systems, Incorporated
Application Filing Date: July 10, 2020
Filing Type: Letter of Notification
Inspection Date: July 20, 2020
Report Date: October 1, 2020
**Recommended Automatic
Approval Date:** October 9, 2020
Applicant's Waiver Requests: none
Staff Assigned: J. O'Dell, J. Cross and G. Zeto

Summary of Staff Recommendations (see discussion below):

Application: ☐ Approval ☐ Disapproval ☒ Approval with Conditions
Waiver: ☐ Approval ☐ Disapproval ☒ Not Applicable

Project Description and Need

American Transmission Systems, Incorporated (ATSI or Applicant) proposes to construct a new 138 kilovolt (kV) transmission line and substation (together, the project). This new substation would be identified as the Magellan Substation and would be approximately 106,250 square feet in size. The Magellan Substation would be connected to the Highland-GM 138 kV Transmission Line. The new 138 kV transmission line loop to the substation would be approximately 0.5 miles in length.

The purpose of the project is to provide a new node of interconnection for the Applicant to add operational flexibility in the Trumbull County area and to supply dedicated power to a new battery production facility, Ultium Cells LLC (Ultium).¹ Specifically, upon the addition of the load for the new battery production facility to the ATSI transmission system, there will be resulting voltage and thermal violations on the transmission system. These voltage and thermal issues impact reliability for all customers in the area, as well as the transmission system as a whole. Therefore, pursuant to FirstEnergy's Transmission Planning Criteria (Planning Criteria) and North American

1. Ultium will play a major role in General Motor's all-electric future through the production of lithium ion batteries for its vehicles. The project has recently been granted by the Ohio Tax Credit Authority a 1.95%, 15-year job creation tax credit based on the creation of 1,000 jobs by December 2026 and \$45 million in new payroll. (See Ultium gets \$13.8M tax credit from state, Tribune Chronicle, September 29, 2020, <https://www.tribtoday.com/news/local-news/2020/09/ultium-gets-13-8m-tax-credit-from-state/>).

Electric Reliability Corporation reliability standards, ATSI proposes the project to maintain a reliable transmission system for all customers.²

This project need and solution was presented and reviewed with PJM Interconnection, LLC (PJM) stakeholders on April 20, 2020 and May 22, 2020.³ Transmission owners plan supplemental projects in accordance with PJM's Open Access Transmission Tariff (OATT), Attachment M-3 process. The project has recently been issued supplemental PJM upgrade ID s2264, whereby the project status can be tracked on PJM's website.⁴

The transmission facilities were not included in the Applicant's most recent Long-Term Forecast Report (LTFR) filing. The Applicant had not received a firm comment from Ultium at the time of the 2020 LTFR.

The Applicant anticipates that construction of this project would begin in the third quarter of 2020, and that the facility would be placed in service by April 2021. The cost of the overall project is estimated at \$19.6m.⁵

Nature of Impacts

Land Use

The project would be located Trumbull County. Land use in the project vicinity is entirely comprised of heavy industrial purposes.

Cultural Resources

ATSI conducted a cultural resource survey to ascertain potential impacts to historic properties and archaeological sites. The survey determined that adverse impacts to historic properties and archaeological sites are not expected. Staff concurs with the survey results.

2. Transmission Planning Criteria, First Energy Planning and Protection, <https://www.firstenergycorp.com/content/dam/feconnect/files/wholesale/FEC-Planning-Criteria.pdf>.

3. PJM Interconnection, "Subregional RTEP Committee - Western," April 20, 2020, FirstEnergy (ATSI) Supplemental Projects, Need No. (ATSI-2020-03), available at: <https://www.pjm.com/-/media/committees-groups/committees/srrtep-w/2020/20200420/20200420-atsi-supplemental.ashx> (Accessed September 10, 2020). PJM Interconnection, "Subregional RTEP Committee - Western," May 22, 2020, FirstEnergy Supplemental Projects, Need No. (ATSI-2020-03), available at: <https://www.pjm.com/-/media/committees-groups/committees/srrtep-w/2020/20200522/20200522-atsi-supplemental-projects.ashx> (Accessed September 10, 2020).

4. PJM Interconnection, "Transmission Construction Status," September 10, 2020, <https://pjm.com/planning/project-construction.aspx>.

A Supplemental Project is defined in the PJM Operating Agreement as a transmission expansion or enhancement that is not required for compliance with the following PJM criteria: system reliability, operational performance or economic criteria, pursuant to a determination by the Office of the Interconnection and is not a state public policy project pursuant to Operating Agreement, Schedule 6, section 1.5.9(a)(ii). See also, PJM Manual 14B: PJM Region Transmission Planning Process, Revision 46, effective August 28, 2019, available at: <https://www.pjm.com/-/media/documents/manuals/m14b.ashx>.

5. Applicant indicates that approximately \$16,770,870 of the total \$19,613,170 will be included in the Applicant's formula rate (i.e. the annual transmission revenue applicable under PJM Open Access Transmission Tariff, Attachment H-21) and would be assessed on all transmission customers within ATSI. Of the remaining costs, \$2,755,200 will be borne by Ultium Cells LLC and \$87,100 will be recovered by Ohio Edison distribution customers.

Surface Waters

No surface water resources are present within the vicinity of the project. The Applicant would submit a Notice of Intent for coverage under the Ohio Environmental Protection Agency National Pollutant Discharge Elimination System General Permit. Staff does not anticipate issues with the Applicant's procurement of this permit. The project does not cross a 100-year floodplain and therefore no floodplain permit would be required.

Threatened and Endangered Species

A mist net survey was conducted in the project area by a separate developer in 2018 to determine the presence of listed bat species. The survey resulted in no captures of federal or state listed bat species. These results have been coordinated with the U.S. Fish and Wildlife Service and the agency has permitted year-round tree clearing in the project area until March 31, 2024. Therefore, the proposed project would not impact any bat hibernacula.

Impacts to other state and federal listed species are not anticipated, due to no proposed in-water work and a lack of suitable habitats.

Conclusion

Staff's review of the application included consideration of the requirements listed in Ohio Revised Code Section 4906.10. Based on Staff's review, the application meets the necessary criteria for granting a certificate. Staff recommends automatic approval of this application on October 9, 2020. Staff notes that its recommendation for approval of this application should not be construed as a recommendation for approval of cost recovery in any ratemaking proceeding.

Conditions:

- (1) The certificate authority provided in this case shall not exempt the facility from any other applicable and lawful local, state, or federal rules or regulations nor be used to affect the exercise of discretion of any other local, state, or federal permitting or licensing authority with regard to areas subject to their supervision or control.
- (2) Prior to the commencement of construction activities in areas that require permits or authorizations by federal or state laws and regulations, the Applicant shall obtain and comply with such permits or authorizations. The Applicant shall provide copies of permits and authorizations, including all supporting documentation, on the case docket prior to commencement of construction.

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 20-1176-EL-BLN

Summary: Staff Report of Investigation electronically filed by Mr. Matt Butler on behalf of Staff of OPSB