

**BEFORE  
THE OHIO POWER SITING BOARD**

In the Matter of the Application of	)	
American Municipal Power-Ohio, Inc. for a	)	
Certificate of Environmental Compatibility	)	Case No. 06-1358-EL-BGN
And Public Need for an Electric Power	)	
Generating Station and Related Facilities.	)	

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**MOTION TO EXTEND THE DURATION OF AMERICAN MUNICIPAL POWER'S  
CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED**

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Now comes American Municipal Power, Inc., ("AMP") and respectfully moves the Ohio Power Siting Board ("Board") for an extension of the authority granted in its Certificate of Environmental Compatibility and Public Need for a period of eighteen (18) months for the reasons set forth in the attached Memorandum in Support, which is incorporated herein by reference.

Respectfully submitted,



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**MEMORANDUM IN SUPPORT OF AMERICAN MUNICIPAL POWER’S MOTION  
TO EXTEND THE DURATION OF CERTIFICATE OF ENVIRONMENTAL  
COMPATIBILITY AND PUBLIC NEED**

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**I. INTRODUCTION**

AMP, a nonprofit Ohio corporation, was issued a Certificate of Environmental Compatibility and Public Need (“Certificate”) for its proposed pulverized coal generating facility near LeTart Falls, in Meigs County, Ohio, on March 3, 2008. On December 17, 2012, the Board granted AMP’s motion to extend its initial Certificate for an eighteen (18) month period as AMP considered shifting the project from a coal fired facility as initially proposed, to a natural gas facility. Pursuant to the Board’s March 3, 2008 Opinion, Order and Certificate (“Order”) and the December 17, 2012 Entry, and for good cause, AMP respectfully requests that the Board issue an Order extending the Certificate for eighteen (18) months, 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 129 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. At present, eighty-two of Ohio's eighty-six municipal electric systems are AMP members, as are two municipal electric systems in West Virginia, thirty in Pennsylvania, six in Michigan, five in Virginia and three in Kentucky. AMP's membership also includes a joint action agency headquartered in Delaware comprised of nine Delaware municipal electric systems.

2. On May 4, 2007, AMP filed an application for a certificate of environmental compatibility and public need to construct the American Municipal Power Generating Station ("AMPGS"), which was proposed to be a 960 megawatt ("MW") electric generation facility consisting of two 480 MW electric generating units in Meigs County, Ohio. A total of 81 AMP member communities in Ohio, Michigan, Virginia and West Virginia are participants in the project, which was under development as a pulverized coal ("PC") facility with ammonia scrubbing emission control technology.
3. On March 3, 2008, the Board issued its Order finding that all criteria established in Section 4906.10(A), Revised Code, are satisfied for the construction,

operation, and maintenance of the proposed AMPGS project, subject to thirty-four (34) conditions set forth in the Order. Accordingly, the Board issued a certificate to AMP for the construction, operation and maintenance of the AMPGS as proposed in AMP's May 4, 2007 application, as supplemented on June 11, 2007 and June 19, 2007 and subject to the aforementioned conditions.

4. Pursuant to Paragraph IV(33) of the March 3, 2008 Order, at 39, the Certificate shall become invalid if AMP has not commenced a continuous course of construction of the proposed facility within five years of the date of journalization of the Certificate.
5. Pursuant to Section 4906.03(D), Revised Code, the Board has the authority to modify and approve applications for certificates.
6. For good cause and in order to prevent further delays in this project, AMP respectfully requests that the Board grant an eighteen (18) month extension of the Certificate.
7. The initial delay experienced in the development of the AMPGS project was the result of an unexpected significant increase in the engineer-procure-construct ("EPC") contractor's indicative capital costs for the project. The history associated with the fallout from this increase is described fully in AMP's November 16, 2012 Motion for Extension and will not be repeated here. Suffice it to say, the new, significantly increased EPC contractor's indicative cost resulted in AMPGS becoming economically infeasible and the AMP Board of Trustees and AMPGS Participants determined it was in the best interest of the member participants to give termination notice to the EPC contractor, emission

control and other equipment vendors on EPC construction and equipment. The 37 percent increase over the indicated capital cost estimated in May 2009 made pursuing alternatives, including conversion to natural gas combined cycle at the site, the best economic alternative for AMP and the AMPGS Participants at that time.

8. Notwithstanding the unexpected capital cost increase projection, in good faith and with due diligence, AMP actively maintained and prudently pursued continuous development of potential electrical generation at the site, although as intermediate natural gas combined cycle generation or other technology rather than a base load coal fired project.
9. On November 25, 2009, AMP announced the possibility of conversion to a natural gas combined cycle facility at the site, supplemented with market purchases, and pursuit of future enhancements for the project, such as biomass or another advanced energy technology. The conversion would allow AMP and its members the option of utilizing the current project site to fulfill a different generation need and benefitting from the development work performed thus far.
10. Shortly after AMP's announcements regarding progress on AMPGS, AMP seized the opportunity to purchase a different natural gas combined cycle generating unit, the Fremont Energy Center, a 707 MW (fired) NGCC generation plant then under construction by FE and located predominantly in the City of Fremont, Ohio.
11. However, even with the addition of Fremont, Prairie State, and other generating assets, AMP members continue to have significant needs for peaking capacity and energy and AMP still is considering generation options for the site.

12. In fact, despite the delays that have occurred, a continuous course of construction has continued on the AMPGS project. The following updated information provides a description of AMP's continuous course of construction.

- a. Electric Grid Interconnection**

On October 28, 2010, AMP submitted to PJM Interconnection, Inc. ("PJM") a request to interconnect a 790 MW natural-gas fired combined cycle gas turbine generating project to the American Electric Power 345-kV transmission system at a previously evaluated site in Meigs County, Ohio. AMP executed the Generation Interconnection Feasibility Study Agreement on October 28, 2010 and submitted the required deposit to PJM shortly thereafter. PJM then countersigned the Feasibility Study Agreement on November 11, 2011. After several delay notices, PJM provided the Feasibility Study Report to AMP on January 11, 2012.

In order to proceed with the PJM interconnection process, AMP made a deposit to PJM of \$287,000 for the PJM System Impact Study. On August 3, 2012, AMP and PJM entered into a System Impact Study Agreement on a combined cycle natural gas facility. AMP received the results of the System Impact Study on January 23, 2013. AMP signed a PJM Facility Study Agreement on January 15, 2013, and made the associated \$100,000 deposit. AMP is still awaiting the results of the Facilities Study Agreement.

- b. Mitigation 2012 - 2014**

Paragraph 17 of the March 8, 2008 Order required AMP to submit an Eastern Spadefoot mitigation plan for Staff review and approval. On April 9,

2008 a contract was executed with URS to design and construct mitigation habitat for the Eastern Spadefoot. Specifically, during 2013 and 2014, AMP has continued to monitor the mitigation pools and document use of the pools for adult reproduction. However, future corrective actions remain contingent upon future development of the AMPGS site.

**c. Ongoing Evaluation**

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.

Specifically, on July 19, 2013, AMP issued a Request of Interest for peaking capacity and/or energy supply proposals from selected companies ("ROI"). The purpose of the ROI is 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*.

Since receiving responses to the ROI, AMP has undertaken a comprehensive process to evaluate the results. Additionally, AMP has been conducting long-term modeling for each AMP member to determine the best

technology and the most favorable locations for those technologies to meet members' needs.

AMP has also had confidential discussions with independent power producers ("IPPs") regarding undertaking a joint venture at the Meigs County site. Although those discussions have not yet resulted in any firm agreements, such discussions have been serious and demonstrate AMP's firm and continuous commitment to developing the site.

Additionally, on January 6, 2014, AMP issued a request for proposals to provide up to 75 MW of photovoltaic modules over a three year term. Purchases are dependent upon AMP member interest in building and owning solar installations; however, the total capacity indicated, 75 MW DC, is representative of various indications of interest in recent years. AMP is continuing to gather member interest and to evaluate site locations, including the Meigs County site.

13. AMP appreciates that a natural gas plant, solar generating project or other technology is significantly different from the project initially proposed by AMP and upon which the Certificate was conditioned and authorized by the Board. AMP is aware that in order to move forward with a different technology, additional and significant amendments to the Certificate that are similar in scope to a new application will be necessary.
14. AMP believes, however, 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 avoid the

disruption of discussions with potential partners on this project and other project development tasks and financing necessary to move forward at this site.

15. 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 March 3, 2008 Order, as applicable, 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 as applicable for the period of the extension. AMP will also continue to provide Staff information semi-annual updates on the project's development during the extension period to facilitate the Board's regulatory oversight during the extension.
16. AMP believes that the limited period requested for an extension is reasonable and appropriate under the circumstances and that AMP has demonstrated good cause for the extension.

### III. CONCLUSION

For the good cause demonstrated, to facilitate further discussion with potential partners, and to make positive progress towards bringing a generation project to fruition, AMP respectfully requests that the Board extend the Certificate for a period of eighteen (18) months until March 3, 2016.

Respectfully submitted,



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## **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 or as a courtesy, via electronic deliver and/or postage prepaid U.S. Mail, on June 13, 2014.



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### **STAFF OF THE OPSB**

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Summary: Motion Motion to Extend the Duration of American Municipal Power's Certificate of Environmental Compatibility and Public Need, and Memorandum in Support electronically filed by Errin C Harris on behalf of American Municipal Power, Inc.