

THE OHIO POWER SITING BOARD

IN THE MATTER OF THE APPLICATION
OF GUERNSEY POWER STATION, LLC
FOR A CAPACITY INCREASE IN ITS
CERTIFICATE TO INSTALL AND OPERATE
AN ELECTRIC GENERATING FACILITY IN
GUERNSEY COUNTY, OHIO.

CASE NO. 18-90-EL-BGA

ORDER ON CERTIFICATE

Entered in the Journal on March 15, 2018

I. SUMMARY

{¶ 1} The Ohio Power Siting Board approves the application of Guernsey Power Station, LLC to amend its certificate.

II. DISCUSSION

A. *Procedural History*

{¶ 2} On October 5, 2017, the Ohio Power Siting Board (Board) granted the application of Guernsey Power Station, LLC (GPS or Applicant) for a certificate to construct an electric power generating facility in Guernsey County, Ohio. *In re Application of Guernsey Power Station, LLC*, Case No. 16-2442-EL-BGN (*Certificate Case*), Opinion, Order, and Certificate (October 5, 2017.) Only 1,100 megawatts (MW) of the proposed facility's maximum achievable electric generating output of 1,650 MW was reflected in the System Impact Study (SIS) provided with the application in the *Certificate Case*; therefore, the Certificate granted was restricted to 1,100 MW of output. An additional 550 MW of capacity was contemplated at the time of the filing of the application in the *Certificate Case*, but could not be applied for until PJM¹ issued a SIS which addressed this additional 550 MW of capacity. On January 10, 2018, PJM issued such a SIS and accepted

¹ PJM Interconnection, LLC (PJM) is the regional independent transmission organization that coordinates the movement of wholesale electricity in all or part of 13 states (including Ohio) and the District of Columbia.

GPS' uprating of its involved facility, by 550 MW, to a maximum achievable output of 1,650 MW.

{¶ 3} On January 11, 2018, GPS filed the present application (*First Amendment Application*) seeking a first amendment to the certificate of environmental compatibility and public need granted in the *Certificate Case*. The *First Amendment Application* seeks to have GPS' certificate amended in such a way as to allow the involved facility's authorized electric generating output to increase from 1,100 MW to 1,650 MW. GPS represents that the additional capacity has been reviewed and accepted by PJM. GPS further indicates that the capacity increase does not require a design change or modification, will require no new or additional equipment, and will result in no expansion to the facility or increase in land use.

{¶ 4} As required by Ohio Adm.Code 4906-3-11, the Applicant served copies of its *First Amendment Application* upon local officials and filed proof of service with the Board on January 12, 2018. Additionally, by proof of publication filed January 30, 2018, GPS notified the Board that the Notice of First Amendment to Proposed Major Utility Facility was published on January 17, 2018, in the *Daily Jeffersonian*, a newspaper of general circulation in Guernsey and Noble counties, Ohio.

{¶ 5} On February 2, 2018, the Board's Staff (Staff) filed its Report of Investigation.

B. Applicable Law

{¶ 6} All proceedings before the Board are conducted according to the provisions of R.C. Chapter 4906 and Ohio Adm.Code Chapter 4906.

{¶ 7} R.C. 4906.10 provides that the Board's authority applies to major utility facilities and requires any proposed facility to be certified by the Board before the start of construction. In accordance with R.C. Chapter 4906, the Board promulgated the rules set

forth in Ohio Adm.Code Chapter 4906-3 regarding the procedural requirements for filing applications for major utility facilities and amendments to certificates.

{¶ 8} Pursuant to R.C. 4906.07, when considering an application for an amendment of a certificate, the Board “shall hold a hearing * * * if the proposed change in the facility would result in any material increase in any environmental impact of the facility or a substantial change in the location of all or a portion of such facility * * *.” R.C. 4906.06(B) and (C), as well as Ohio Adm.Code 4906-3-11, 4906-3-06, and 4906-3-09, require the applicant to provide notice of its application for amendment to interested parties and potentially effected members of the public.

{¶ 9} GPS is a corporation and, therefore, a person under R.C. 4906.01(A). Additionally, pursuant to the Board’s Order in the *Certificate Case*, GPS is certificated to construct, operate, and maintain a major utility facility under R.C. 4906.10. As indicated above, the Applicant provided the required notices in this proceeding, its proposed first amendment to its certificate.

C. *Summary of Staff Report*

{¶ 10} Initially, Staff explains that, as it stated in its report in the *Certificate Case*, the facility was designed to have a maximum achievable output of 1,650 MW, but GPS had intended to limit actual operation to a maximum output of 1,100 MW to comply with interconnection authority approval limitations. In the *Certificate Case*, Staff stated that any proposed increase in the approved 1,100 MW output would need to be submitted to the Board in a future, separate application. This proceeding is that anticipated future application.

{¶ 11} Staff explains that the facility, as proposed by the Applicant and approved by the Board in the *Certificate Case*, would have three combustion steam turbine generators, each of which would be capable of generating 550 megawatts (MW). Staff confirms that the change in total MW output proposed in the *First Amendment Application*

would not require any physical change to the facility as approved in the *Certificate Case*. As a result, the proposed change would not increase any ecological, cultural, or socioeconomic impacts. Therefore, Staff determined that its review of the requirements listed in R.C. 4906.10 conducted in the *Certificate Case* is sufficient and should continue to apply to the present application.

{¶ 12} The Staff Report contains additional commentary regarding the electric grid interconnection. Specifically, the proposed facility would interconnect to the electric grid with AEP Ohio Transmission Company's existing Kammer-Vassell 765 kilovolt (kV) transmission line. On August 31, 2016, GPS submitted a generation interconnection request to PJM, which assigned it queue position AC1-044. The request would increase the approved energy output of interconnection queue AB2-067 by 550 MW. PJM released the SIS in January 2018. Between its former application (queue AB2-067) and queue AC1-044, the total combined interconnection request would be 1,650 MW, of which all 1,650 MW could be available in the PJM capacity market. This means electricity would be available to the system during times of high demand.

{¶ 13} According to the Staff Report, PJM used a 2020 summer peak flow model to evaluate the regional reliability impacts. The PJM SIS results did not indicate reliability issues with the requested 550 MW increase. As of the date of issuance of the Staff Report, GPS had not yet executed an Interconnection Service Agreement with PJM.

{¶ 14} Upon its review, which included consideration of all statutory requirements, Staff states that the *First Amendment Application* meets the necessary criteria for granting an amended certificate. Accordingly, Staff recommends that the Board approve the proposed amendment to the certificate, provided that the following two conditions are satisfied:

- (1) The Applicant shall not commence any construction of the facility until it has signed an Interconnection Service Agreement with PJM which includes construction, operation, and maintenance of system upgrades necessary to integrate the proposed generating facility into the regional transmission system reliably and safely. The Applicant shall docket in the case record either a letter stating that the Agreement has been signed or a copy of the signed Interconnection Service Agreement.
- (2) The Applicant shall continued to adhere to all conditions of the Opinion, Order, and Certificate issued in the *Certificate Case*, except Condition No. 7 which would be modified to say that the Applicant shall not operate the facility above 1,100 MW until it has a signed Interconnection Service Agreement with PJM for the additional 550 MW.

D. Board's Conclusion

{¶ 15} After considering the application and the Staff Report, the Board finds that the proposed change in the facility presented in *First Amendment Application* does not result in any material increase in any environmental impact or a substantial change in the location of all or a portion of the facility. Therefore, pursuant to R.C. 4906.07, the Board finds that a hearing on the application is not necessary under the circumstances presented in this case. Furthermore, the Board concludes that GPS' certificate should be amended as described in the *First Amendment Application*, subject to the two conditions set out in Paragraph 14 of this Order on Certificate.

E. Findings of Fact and Conclusions of Law

{¶ 16} GPS is a corporation and a person under R.C. 4906.01(A).

{¶ 17} GPS' proposed electric generation facility is a major utility facility under R.C. 4906.01(B)(1).

{¶ 18} GPS filed the *First Amendment Application* on January 11, 2018.

{¶ 19} On February 2, 2018, Staff filed its Report of Investigation containing its evaluation of the *First Amendment Application*.

{¶ 20} The proposed amendment to the certificated facility does not result in a substantial change in the location of the facility or any material increase in any environmental impact; therefore, in accordance with R.C. 4906.07, an evidentiary hearing is not necessary.

{¶ 21} Based on the record, in accordance with R.C. Chapter 4906, the certificate of environmental compatibility and public need issued in the *Certificate Case* should be amended to increase output capacity from 1,100 MW to 1,650 MW, as described in the application and subject to all conditions set forth herein.


III. ORDER

{¶ 22} It is, therefore,

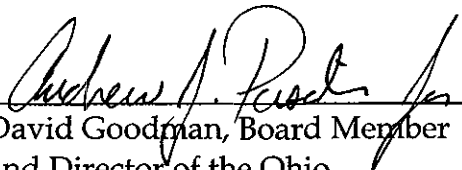
{¶ 23} ORDERED, That GPS' *First Amendment Application* be approved, subject to the conditions set forth in the *Certificate Case*, as well as the two conditions set forth in Paragraph 14 of this Order on Certificate. It is, further,

{¶ 24} ORDERED, That a copy of this Order on Certificate be served upon all parties and interested persons of record.

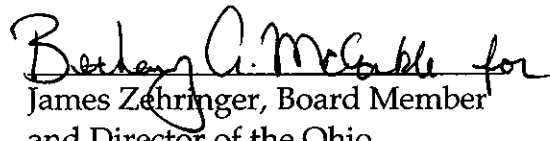
THE OHIO POWER SITING BOARD



Asim Z. Haque, Chairman
Public Utilities Commission of Ohio



David Goodman, Board Member
and Director of the Ohio
Development Services Agency



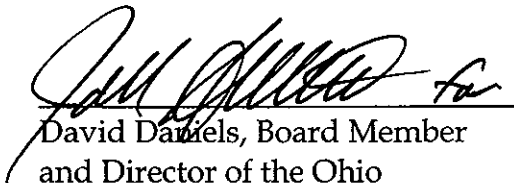
James Zehringer, Board Member
and Director of the Ohio
Department of Natural Resources



Lance Himes, Board Member
and Director of the Ohio
Department of Health



Craig Butler, Board Member
and Director of the Ohio
Environmental Protection Agency



David Daniels, Board Member
and Director of the Ohio
Department of Agriculture

Board Member
and Public Member

DEF/sc

Entered in the Journal

MAR 15 2018



Barcy F. McNeal
Secretary