

BEFORE THE POWER SITING BOARD OF THE STATE OF OHIO

In the Matter of the Letter of Notification Application)
of AEP Ohio Transmission Company for a Certificate) **Case No. 21-1084-EL-BLN**
of Environmental Compatibility and Public Need for)
the Arboles 138 kV Station Project)

Members of the Board:

Chair, Public Utilities Commission	Ohio House of Representatives
Director, Department of Development	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 (Ohio Adm.Code) 4906-6.

Staff recommends the application for automatic approval March 14, 2022, 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 objections you or your designee may have with this case to my office at least four business days prior to March 14, 2022, which is the recommended automatic approval date.

Sincerely,



Theresa White
Executive Director
Ohio Power Siting Board

OPSB STAFF REPORT OF INVESTIGATION

Case Number: 21-1084-EL-BLN
Project Name: Arboles 138 kV Station Project
Project Location: Pike County
Applicant: AEP Ohio Transmission Company, Inc.
Application Filing Date: December 13, 2022
Filing Type: Letter of Notification
Inspection Date: March 4, 2022
Report Date: March 7, 2022
Recommended Automatic Approval Date: March 14, 2022
Applicant's Waiver Requests: None
Staff Assigned: M. Bellamy, T. Crawford, G. Zeto

Summary of Staff Recommendations (see discussion below):

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

Project Description and Need

The AEP Ohio Transmission Company, Inc. (Applicant) proposes the construction of a new 138 kilovolt (kV) switching station in Pike County, Ohio. The new Arboles Station would be built on a 2.6-acre site near the existing AEP Don Marquis 345/765 kV Substation. The project would be located on property owned by a governmental agency (Customer) in Pike County, and no additional easements would be necessary for the construction of the project or the operation of the station. The Customer plans to retire an existing substation in favor of a new station with more favorable positioning and additional circuits. The existing substations of Don Marquis, Waverly, and South Lucasville via Wakefield would provide service to the new Arboles Station. The new station will provide the service needed for the Customer's 138/12 kV delivery points.

The Applicant states that the construction of the new substation is needed in order for the Customer to have 138 kV service from three independent sources which would provide reliability and flexibility of operation for the Customer to meet the needs of its two on-site stations. The existing Wakefield delivery point is exposed to any sort of fault along the Don Marquis-South Lucasville circuit, from which it is served. Applicant further claims that the Arboles Station would provide a through-path, thus benefiting existing customers, and the addition of breakers at Arboles would reduce the exposure of potential outages inherent in the Don Marquis-South Lucasville line.

Upgrades to the transmission system are part of the PJM Regional Transmission Planning Process (RTEP).¹ The Applicant submitted the statement of need to the PJM Subregional RTEP Committee – Western on October 26, 2018 and submitted the solution on March 10, 2020. The project was assigned the supplemental ID number s2213². Supplemental projects or upgrades refer to transmission expansion or enhancements not needed to comply with PJM reliability, operational performance, FERC Form No. 715, economic criteria or State Agreement Approach projects.³ The Applicant states the project was inadvertently omitted from the 2021 Long–Term Forecast Report (LTFR), but it will be included in the Planned Transmission Lines portion of the 2022 LTFR.⁴

The Applicant proposes to begin construction in March 2022 with an in-service date of December 2022. The estimated capital cost for the project is \$13,200,000.⁵

Nature of Impacts

Land Use

The project would be located in Scioto Township within Pike County. The land use in the project area is a vacant grassy lot with a few trees. The land use around the project area is forest and industrial. The Portsmouth Gaseous Diffusion Plant is adjacent to the proposed project location to the east. No residences, churches, cemeteries, parks, nature preserves, or wildlife management areas are located within 1000 feet of the project.

The project would take place on the customer’s land, thereby reducing impacts to residential and other land uses. The project would not cross over any agricultural district parcels, according to correspondence with the Pike County Auditor’s Office dated June 2021.

Cultural Resources

The Applicant’s cultural resources consultant performed a cultural resource assessment for the project. The consultant determined that the project would not involve or impact any significant cultural resources or landmarks, and that no further cultural resource management work was considered to be necessary. The findings were submitted to the Ohio Historic Preservation Office (OHPO). The OHPO responded to the consultant in concurrence that this project would not affect historic properties, and that no additional cultural resources studies are needed. Staff agrees with these findings.

1. PJM is the regional transmission organization charged with planning for upgrades to the regional transmission system in Ohio. Significant alterations to the transmission system located in the PJM control area are required to submit planned projects for review of system impacts.

2. <https://www.pjm.com/-/media/committees-groups/committees/teac/2020/2020031020200310-item-03-aep-supplemental.ashx> (Accessed December 23, 2021).

3. PJM Manual 14B: PJM Region Transmission Planning Process, Revision 50, Effective Date: July 1, 2021.

4. Staff notes that Ohio Revised Code (R.C.) requires an LTFR to include “A description of proposed changes in the transmission system planned for the next five years.” Since this Project is a change to the transmission system, Staff recommends the Applicant include future changes to the transmission system within its LTFR.

5. Applicant indicates that the projected costs, composed of applicable tangible and capital costs were obtained using a Class 4 estimate. The costs will be recovered in the Applicant’s FERC Formula Rate (i.e. the annual transmission revenue applicable under PJM Open Access Transmission Tariff, Attachment H-20), and would be assessed on all users of the AEP Zone.

Surface Waters

No wetlands or streams were identified within the project area. A notice of Intent would be filed with the Ohio Environmental Protection Agency for coverage under a General Permit OHC000005 and a Stormwater Pollution Prevention Plan (SWPPP) would be prepared prior to the start of construction. The project is not within a 100-year floodplain and therefore no floodplain permitting would be required.

Listed Species⁶

Clearing of several individual trees would be required for this project. The project area is within the range of state and federally endangered Indiana bat (*Myotis sodalis*), the federally threatened northern long-eared bat (*Myotis septentrionalis*), the state endangered little brown bat (*Myotis lucifugus*), and the state endangered tricolored bat (*Perimyotis subflavus*). As tree roosting species in the summer months, the habitat of these species would be impacted by the project. In order to avoid impacts to listed bat species, the Ohio Department of Natural Resources and the U.S. Fish and Wildlife Service (USFWS) recommend seasonal tree cutting dates of October 1 through March 31 for all trees that are three inches or greater in diameter. The Applicant has committed to following these seasonal tree clearing guidelines. During the winter months, bats hibernate in caves and abandoned mines, also known as hibernacula. Construction of the project is not expected to impact any bat hibernacula.

Impacts to state and federal listed species would not occur due to no proposed in-stream work, tree clearing, or impacts to habitats of listed wildlife within the range of the project.

Conclusion

Staff's review of the application included consideration of the requirements listed in R.C. 4906.10. Based on Staff's review, the application meets the necessary criteria for granting a certificate. Staff recommends approval of this application on March 14, 2022 subject to the following conditions. 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.

6. Based on agency coordination with the USFWS and ODNR, identified listed species of concern are generally defined as including those species that are protected under the federal Endangered Species Act of 1973, as amended (16 U.S.C. §§ 1531-1544), and/or according to the Conservation of Natural Resources within RC Title XV (§ 1518.01-1518.99; 1531.25, 1531.99, etc.).

One of the missions of the ODNR is to "conserve and improve the fish and wildlife resources and their habitats, and promote their use and appreciation by the public so that these resources continue to enhance the quality of life for all Ohioans." In carrying out this mission, the ODNR considers the "status of native wildlife species [to be] very important" and therefore lists wildlife species needing protection. (ODNR, State Listed Species, <https://ohiodnr.gov/wps/portal/gov/odnr/discover-and-learn/safety-conservation/about-ODNR/wildlife/state-listed-species>). In addition to endangered species, those species classified as "threatened" are considered during OPSB project planning and approval because these species are those "whose survival in Ohio is not in immediate jeopardy, but to which a threat exists. Continued or increased stress will result in it becoming endangered."

- (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.
- (3) The Applicant shall adhere to seasonal cutting dates of October 1 through March 31 for removal of any trees greater than or equal to three inches in diameter unless coordination efforts with the ODNR and the USFWS allows a different course of action. If coordination with these agencies allows clearing between April 1 and September 30, the Applicant shall docket proof of completed coordination on the case docket prior to clearing trees.

**This foregoing document was electronically filed with the Public Utilities
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Summary: Staff Report of Investigation electronically filed by Mr. Matt Butler on
behalf of Staff of OPSB