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September 23, 2013

Via eTariff

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

**Re: PJM Interconnection, L.L.C., Docket No. ER13- _____ -000
Original Service Agreement No. 3645 - Queue Position Y1-001**

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act,¹ part 35 of the rules and regulations of the Federal Energy Regulatory Commission's ("Commission"),² and Part VI of the PJM Interconnection, L.L.C. ("PJM") Open Access Transmission Tariff ("PJM Tariff"), PJM submits for filing an executed interconnection service agreement among PJM, RC Cape May Holdings, LLC ("Interconnection Customer" or "RC Cape May"), and Atlantic City Electric Company ("Interconnected Transmission Owner" or "ACE") ("RC Cape May ISA")³ and a notice of

¹ 16 U.S.C. § 824d (2002).

² 18 C.F.R. part 35 (2011).

³ Interconnection Service Agreement among PJM Interconnection, L.L.C., RC Cape May Holdings, LLC, and Atlantic City Electric Company ("RC Cape May ISA"). Because the RC Cape May ISA being electronically filed with this transmittal letter contains electronic signatures and not the original signatures of the Parties, a copy of the sheet containing the original signatures is included as Attachment A to this transmittal letter. The RC Cape May ISA contains Appendices 1 and 2. Appendix 1 contains all of the definitions from section 1 of the PJM Tariff. Appendix 2 contains all of the standard terms and conditions that are set forth in the ISA Form in Attachment O of the PJM Tariff ("ISA Form"). The Appendices attached to the RC Cape May ISA were compiled from a version of the PJM Tariff in effect as of the effective date of the RC Cape May ISA.

cancellation for an ISA that is being superseded.⁴ PJM requests an effective date of August 22, 2013 for the RC Cape May ISA, designated as Original Service Agreement No. 3645.

PJM is submitting the RC Cape May ISA for filing because it contains non-standard terms and conditions not included in the ISA Form, as well as charges in Schedule E, to accommodate the interconnection. The variations from the ISA Form are described in more detail below and shown in redline in Attachment B to this transmittal letter.

I. Description of RC Cape May ISA

The RC Cape May ISA, designated as Original Service Agreement No. 3645, facilitates the interconnection of the B.L. England Station, to the PJM transmission system of 452 MW at a generating facility located in Cape May County, New Jersey. *See* RC Cape May ISA, Specifications at § 1.0. The generating facility consists of three units: (i) *existing* Unit 2 is a steam driven generator supplied by Unit 4 steam (164 MW); (ii) *existing* Unit 3 is a steam turbine-driven generator with natural gas fueled boiler (39 MW); and (iii) *new* Unit 4 is a natural gas fueled combustion turbine/generator (249 MW). *Id.* The RC Cape May ISA indicates that RC Cape May shall have Capacity Interconnection Rights in the amount of 447 MW. *Id.* at §2.1. The Attachment Facilities Charge associated with the RC Cape May ISA is \$310,748, which consists of \$215,711 in direct labor cost, \$72,438 in direct material costs, \$20,513 in indirect labor costs, and \$2,086 in indirect material costs. *Id.*, at § 4.1 - 4.6. There is no Network Upgrades Charge or Local Upgrade Charge. *Id.*, Specifications at § 4.2 and 4.3.

⁴ The RC Cape May ISA, designated as Original Service Agreement No. 3645, supersedes an ISA among the same parties designated as Original Service Agreement No. 1567, with an effective date of December 1, 2006, which was filed with and accepted by the Commission in Docket No. ER07-204-000. *See PJM Interconnection, L.L.C.*, Docket No. ER07-204-000 (unpublished letter order issued Dec. 14, 2006). (December 14 Letter Order).

As indicated above, the RC Cape May ISA contains non-standard terms and conditions to accommodate the unique nature of this interconnection. First, Section 12.0 contains non-conforming language regarding power factor requirements for the separate units that comprise the B.L. England Station. *Id.*, § 12.0. Units 2 and 3 are existing units, which were designed and constructed prior to the parties entering into the RC Cape ISA. The B.L. England Station therefore has existing reactive power capability parameters that may differ from the design requirements set forth in the PJM Tariff. To accommodate the interconnection of the Customer Facility, while also ensuring the reliability of the PJM transmission system, the Parties have agreed to the following reactive power requirements for grandfathered Units 2 and 3. Specifically, Interconnection Customer may maintain the reactive power capability at each of the units tested range as indicated by the results of previous reactive power capability testing. However, RC Cape May will be required to maintain the units range between 0.95 leading and 0.90 lagging and 1.0 (unity) to 0.95 lagging measured at the generator's terminals.⁵ For *new* Unit 4, Interconnection Customer shall design the Facility consistent with Appendix 2, section 4.7 of this RC Cape May ISA. While the provisions for Units 2 and 3 are non-conforming, the power factor ranges specified therein are sufficient to ensure the reliability of the PJM transmission system and/or are consistent with the ranges previously approved by the Commission for Units 2 and 3.⁶

Specifications, section 1.0c of the RC Cape May ISA indicates that the 450 MW Maximum Facility Output ("MFO") remains the same as the existing Customer Facility. However, the equipment configuration of the existing Customer Facility that included seven

⁵ Filing Letter, *See PJM Interconnection, L.L.C.*, Docket No. ER07-204-000 at 3 and 4 (Nov. 13, 2006).

⁶ December 14 Letter Order.

units consisting of three steam turbine generators with coal-fired boilers (Units 1, 2 and 3) and four 2 MW diesel engine driven generators (DS1, DS2, DS3 and DS4) has been changed.⁷ As a result of this Interconnection Request, Unit 1 and the DS1 through DS4 units have been replaced with a new Unit 4 consisting of 249 MW. While arguably the breakdown of the equipment configuration is conforming, using an abundance of caution, PJM has included that detail to clarify which units comprise this ISA.

Schedule C has been revised to reflect the adaptation of existing telemetry equipment or the addition of new telemetry equipment to provide for replacement of Unit 1 with Unit 4, as well as the ownership, operation and maintenance of the revenue meters for Units 2, 3 and 4.⁸ Schedule C also references Schedule F drawings F-1 and F-2 which depict the placement of the Unit 4 revenue meter and the relocation or replacement of the Unit 1 revenue meter for use by Unit 4.⁹ The Parties believe that such detail is necessary in order to describe the unique nature of this interconnection.

Schedule E of the ISA contains a Schedule of Charges. Because PJM does not independently possess some of the information necessary to make this filing, PJM obtained certain relevant information from ACE. Accordingly, ACE provides the following explanation regarding the Schedule E charges. Schedule E contains a description regarding Administrative, Metering, Telemetry and Operating and Maintenance Charges, if any, that RC Cape May will pay ACE for operation, maintenance and repair relative to the interconnection. In addition, Schedule E specifically provides that under Operations and Maintenance Charges, ACE reserves

⁷ Filing Letter, *PJM Interconnection, L.L.C.*, Docket No. ER07-204-000 at Attachment A, § 1.0d (Nov. 13, 2006).

⁸ See RC Cape May ISA, Schedule C.

⁹ *Id.*

the right to charge RC Cape May for Operation and Maintenance expenses to maintain the RC Cape May's Attachment Facilities including metering equipment owned by ACE. The charges are not recurring but will be charged to RC Cape May on an "as-needed" basis and determined by the time and materials required for the activity.

Finally, Schedule F contains non-standard terms and conditions. Other than the addition of subsections 1.0 and 2.0, all other subsections 3.0, 4.0, 5.0 and 6.0 were included in the existing Service Agreement No. 1567 previously accepted by the Commission.¹⁰ Subsection 1.0 reflects a change in responsibility commencing September 30, 2015 from the ACE to RC Cape May regarding the transmission of generation telemetry data to PJM. Subsection 2.0 clarifies the ownership, operation and maintenance of telemetry systems located at the Customer Facility. Additionally, Drawings F-1 and F-2 were modified to account for Unit 4 and the description of the telemetry equipment in Attachment F-3 was modified to reflect the change in the equipment configuration as a result of this interconnection. Accordingly, the remainder of the RC Cape May ISA is conforming.

II. Notice of Cancellation

RC Cape May ISA, designated as Original Service Agreement No. 3645, supersedes an ISA among PJM, RC Cape May and ACE, designated as Original Service Agreement No. 1567.¹¹ *See* RC Cape May ISA § 1.0. Therefore, PJM files this notice of cancellation of Original Service Agreement No. 1567, effective August 22, 2013, the same effective date as the RC Cape May ISA filed herein.

¹⁰ *Id.*, at Schedule F.

¹¹ Original Service Agreement No. 1567 was accepted for filing by the Commission in Docket No. ER07-204-000. PJM Interconnection, L.L.C., Letter Order, Docket No. ER07-204-000 (November 13, 2006).

III. Waiver and Effective Date

PJM requests a waiver of the Commission's sixty-day prior notice requirement to allow an effective date of August 22, 2013 for the RC Cape May ISA. *See* RC Cape May ISA § 4.0. Waiver is appropriate because the RC Cape May ISA is being filed within thirty (30) days of its requested effective date.¹²

IV. Documents Enclosed:

PJM encloses the following:

1. Transmittal Letter;
2. RC Cape May ISA, Original Service Agreement No. 3645;
3. Attachment A: Copy of sheets containing original signatures; and
4. Attachment B: Redline pages of non-standard terms and conditions in the RC Cape May ISA, Original Service Agreement No. 3645.

V. Correspondence and Communications

Correspondence and communications with respect to this filing should be sent to, and PJM requests the Secretary to include on the official service list, the following:

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¹² *See Prior Notice and Filing Requirement Under Part II of the Federal Power Act*, 64 FEC ¶ 61,139 at 61,983-84 (1993).

VI. Service

PJM has served a copy of this filing on RC Cape May Holdings, LLC and Atlantic City Electric Company, and the relevant state regulatory commission within the PJM region.

Respectfully submitted,

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