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January 22, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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Harrisburg, PA 17120

Re: Amended Application of Transource Pennsylvania, LLC for approval of the Siting and Construction of the 230 kV Transmission Line Associated with the Independence Energy Connection - East and West Projects in portions of York and Franklin Counties, Pennsylvania.
Docket Nos. A-2017-2640195 and A-2017-2640200

Amended Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Rice Substation in Franklin County, Pennsylvania is reasonably necessary for the convenience or welfare of the public.
Docket No. P-2018-3001878

Amended Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Furnace Run Substation in York County, Pennsylvania is reasonably necessary for the convenience or welfare of the public.
Docket No. P-2018-3001883

Amended Application of Transource Pennsylvania, LLC for approval to acquire a certain portion of the lands of various landowners in York and Franklin Counties, Pennsylvania for the siting and construction of the 230 kV Transmission Line associated with the Independence Energy Connection – East and West Projects as necessary or proper for the service, accommodation, convenience or safety of the public.
Docket No. A-2018-3001881, et al.

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Reply Exceptions in the above-referenced proceedings.

Rosemary Chiavetta, Secretary

January 22, 2021

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Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Amended Application of Transource :
Pennsylvania, LLC for Approval of the :
Siting and Construction of the 230 kV : Docket Nos. A-2017-2640195
Transmission Line Associated with the : A-2017-2640200
Independence Energy Connection – East and :
West Projects in portions of York and :
Franklin Counties, Pennsylvania :

Amended Petition of Transource :
Pennsylvania, LLC for a finding that a :
building to shelter control equipment at the : Docket No. P-2018-3001878
Rice Substation in Franklin County, :
Pennsylvania is reasonably necessary for the :
convenience or welfare of the public :

Amended Petition of Transource, :
Pennsylvania, LLC for a finding that a :
building to shelter control equipment at the : Docket No. P-2018-3001883
Furnace Run Substation in York County, :
Pennsylvania is reasonably necessary for the :
convenience or welfare of the public :

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Pennsylvania, LLC for approval to acquire a :
certain portion of the lands of various :
landowners in York and Franklin Counties, :
Pennsylvania for the siting and construction : Docket Nos. A-2018-3001881
of the 230 kV Transmission Line associated : et al.
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East and West Projects as necessary or :
proper for the service, accommodation, :
convenience or safety of the public :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Reply Exceptions, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Amended Application of Transource Pennsylvania, :
LLC for approval of the Siting and Construction of :
the 230 kV Transmission Line Associated with the : Docket No. A-2017-2640195
Independence Energy Connection - East and West : Docket No. A-2017-2640200
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construction of the 230 kV Transmission Line : Docket Nos. A-2018-3001881, *et al.*
associated with the Independence Energy Connection :
– East and West Projects as necessary or proper for :
the service, accommodation, convenience or safety of :
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**REPLY EXCEPTIONS
OF THE
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I. INTRODUCTION

On December 23, 2020, the Office of Administrative Law Judge issued the Recommended Decision (R.D.) of Administrative Law Judge Elizabeth H. Barnes (ALJ Barnes) in the above-captioned proceedings. In the R.D., ALJ Barnes recommends that the Commission deny all Siting Applications, Petitions, and Eminent Domain Applications docketed at A-2017-2640195, *et al.* R.D. at 2. ALJ Barnes held that Transource Pennsylvania, LLC (Transource or the Company) did not meet its burden of proof in this proceeding, failing to demonstrate, *inter alia*, that the Independence Energy Connection Project (IEC Project or Project), inclusive of the Alternative Configuration of the IEC East Portion, is needed pursuant to Section 57.76(a)(1) of the Commission's regulations. R.D. at 80, 103, 124. The R.D. also recommends that the Commission issue a rule to show cause directing Transource to show cause why the utility's Certificate of Public Convenience should not be rescinded as the need for the project for which it was granted has not been proven. R.D. at 2.

On January 12, 2020, in accordance with the Secretarial Letter, the Company and PPL Electric Utilities Corporation (PPL) jointly filed Exceptions to the R.D.¹ The OCA submits these Reply Exceptions responding to the Company's Exceptions. The OCA has provided extensive discussions of the issues in its Main Brief and Reply Brief in this proceeding. The OCA submits that ALJ Barnes has reached the right conclusion recommending that the Commission deny the Siting Applications, Shelter Petitions, and Eminent Domain Applications consolidated at the above-captioned proceedings.

¹ PPL is a joint applicant regarding the Amended Application for the East Portion of the IEC Project. It is not a joint applicant for the other filings that have been consolidated in this proceeding. Given the history of this proceeding and in an effort to streamline these Reply Exceptions, the OCA will only refer to Transource as the proponent of the IEC Project. This should not, however, be interpreted to exclude PPL where its inclusion is appropriate.

II. REPLY EXCEPTIONS

- A. OCA Reply to Transource Exc. No. 1: The R.D.'s Finding That The Company Did Not Prove Need For The IEC Project, Inclusive Of Settlement 9A, Is Reasonable, Based On Substantial Evidence, And Supported By Law. (Transource Exc. at 7-31; R.D. at 65-103; OCA M.B. at 29-71; OCA R.B. at 15-39).

Transource's first exception asserts that the R.D. erred in concluding that the IEC Project is not needed. Transource Exc. at 7. The Company's first exception contains within it several arguments, which can broadly be summarized as follows: (1) that the R.D. did not understand the scope of the Commission's review in this proceeding, confusing federal and state roles related to transmission planning, (2) that the R.D. relies on evidence that is unsupported by credible evidence, (3) that it was inappropriate to critique PJM's market efficiency process, (4) that it inappropriately determined that economic congestion is not rate discrimination, (5) that it misunderstands the interstate electric transmission system by focusing solely on historic AP South congestion, (6) that it inappropriately dismisses evidence of potential future reliability violations, and (7) that the Company is not creating new reasons for the IEC Project as suggested by the R.D. See Transource Exc. at 7-31.

The OCA submits that the Commission should deny the Company's first exception. The R.D. relies on facts that are not in dispute and all conclusions reasonably follow based on those facts. Moreover, the R.D. is supported by law, including the Pennsylvania Constitution and Pennsylvania's statutory and regulatory standards. The OCA will deal with each of the Company's arguments in turn.

1. The R.D. Does Not Misinterpret The Commission's Role In This Proceeding. It Must Determine Whether The Company Has Met Its Burden Of Proof In Demonstrating Need For The IEC Project. (Transource Exc. at 9-15; R.D. at 85-86; OCA R.B. at 15-18).

The Company asserts that the R.D. fails to understand the Commission's role in this proceeding. Transource Exc. at 9-15. The Company asserts that the R.D. ignores FERC's

exclusive jurisdiction over the elimination of discriminatory wholesale power rates and the authority it delegated to PJM to address congestion through regional transmission planning. Transource Exc. at 11-15 (citing New York v. FERC, 535 U.S. 1, 18-19 (2002)). The Company then argues that need from a PJM regional planning perspective is consistent with the need standard under Pennsylvania law. Transource Exc. at 10-11. Lastly, the Company asserts that the R.D. inappropriately examined the IEC Project from a Pennsylvania-only perspective, which is contrary to regional transmission planning as required by FERC. Id., at 9-10.

The Company's arguments misconstrue the R.D. and implicitly attempt to limit the Commission's role in reviewing transmission siting applications and should be rejected by this Commission. The R.D. properly clarifies federal and state agency roles in transmission planning.

As provided in the R.D.:

Moreover, while the Federal Power Act (FPA) does grant FERC exclusive jurisdiction over the interstate transmission of electric energy and electric wholesale rates, the FPA limits FERC authority, including its designee, PJM, to 'those matters which are not subject to regulation by the States.'

R.D. at 85 (citations omitted). The R.D. then cites to FERC Order 1000, where FERC recognizes the limits of its authority over approval of new transmission assets:

We acknowledge that there is longstanding state authority over certain matters that are relevant to transmission planning and expansion, such as matters relevant to siting, permitting, and construction. However, nothing in this Final Rule involves an exercise of siting, permitting, and construction authority. The transmission planning and cost allocation requirements of this Final Rule, like those of Order No. 890, are associated with the processes used to identify and evaluate transmission system needs and potential solutions to those needs. In establishing these reforms, the Commission is simply requiring that certain processes be instituted. This in no way involves an exercise of authority over those specific substantive matters traditionally reserved to the states, including integrated resource planning, or authority over such transmission facilities. For this reason, we see no reason why this Final Rule should create conflicts between state and federal requirements.

R.D. At 85 (citing Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, 76 Fed. Reg. ¶ 49,842, 49,861 (Aug. 11, 2011)) (FERC Order No. 1000). Accordingly, contrary to the Company's claims, FERC in no way has any authority to determine what needs to be built, where it needs to be built, and who needs to build it. See R.D. at 85, fn. 13. As noted by the D.C. Circuit Court of Appeals when reviewing FERC Order No. 1000:

The substance of a regional transmission plan and any subsequent formation of agreements to construct or operate regional transmission facilities remain within the discretion of the decision-makers in each planning region.

S.C. Pub. Serv. Auth. v. FERC, 762 F.3d 41, 57-58 (D.C. Cir. 2014).

In addition, the Company's argument that PJM's determination of need from a regional planning perspective is consistent with Pennsylvania's need standard should be rejected by this Commission. It is this Commission that is charged with protecting the interests of Pennsylvania ratepayers and the natural resources of the Commonwealth in transmission siting, not FERC or PJM. See 66 Pa. C.S. § 1501, 52 Pa. Code §§ 57.75(e), 57.76(a).² Thus, the Commission must make its own independent determination of necessity for the IEC Project. This was likewise acknowledged by Company witness Cawley when cross-examined by OCA counsel, noting that

² See also Application of Pennsylvania Electric Company Seeking Approval to Locate, Construct, Operate and Maintain a High-Voltage Transmission Line Referred to as the Bedford North-Central City West 115 kV HV Transmission Line Project, Docket No. A-2016-2565296, et al., Opinion and Order (Pa. PUC Mar. 8, 2018) (Bedford North-Central City West 115 kV). As stated by the Commission:

The Commission's regulatory scheme for high-voltage line transmission siting cases, therefore, provides for a robust, evidence-based deliberative process that provides due process for all interested parties. The Commission, consistent with our role as a fiduciary responsible for the preservation of the Commonwealth's natural resources, and consistent with *PEDF*, acts with prudence, loyalty and impartiality when adhering to these regulations. In this manner, we fulfill our responsibility to protect the public's natural resources from depletion or degradation, while also allowing legitimate development that improves the lot of Pennsylvania's citizenry, as the Pennsylvania Supreme Court recognized in *Robinson Township v. Com. of Pa.*, 623 Pa. 564, 658, 83 A.3d 901, 958 (2013)

Id., at 14.

necessity must be evaluated by this Commission pursuant to Section 57.76 of the Commission's regulations. See Tr. at 2455-2456.

Furthermore, the R.D. appropriately points out that PJM's market efficiency process is a narrowly tailored process that does not involve consideration of the many factors that must be considered by this Commission:

PJM's market efficiency process is narrowly focused on whether the proposed project meets the requirements set forth in PJM's Operating Agreement and manuals. PJM does not consider, nor is it required to consider, the public policy and environmental concerns that are required by this Commission under the Pennsylvania Constitution and the statutory and regulatory laws of this Commonwealth.

R.D. at 98-99 (citations omitted). The Commission made similar statements in a recent transmission siting proceeding:

We note that the Commission's full siting regulations contain different standards and criteria for transmission line project review than those set forth in PJM's tariff and operating agreements. The relevant Commission regulations precede the opening of wholesale electric markets, and the FERC's requirements for transmission planning, coordination, and cost allocation. Additionally, Commission and PJM review of these types of projects are independent of one another.

See Application of PPL Electric Utilities Corporation, for Approval to Rebuild Approximately Six Miles of the Breinigsville-Alburtis 500 kV Transmission Line in Lower Macungie and Upper Macungie Townships, Lehigh County, Pennsylvania, et. al., Docket No. A-2019-3007945, Order at 19 (Pa. PUC Aug. 14, 2019).

Lastly, the R.D. does not examine the impacts of the IEC project from a 'Pennsylvania-only' perspective, but rather from a regional perspective. Throughout this proceeding, the Company has expressed the erroneous view that consideration of wholesale power price increases to Pennsylvania resulting from the IEC Project equates to a 'Pennsylvania-only' decision-making

approach.³ Transource Exc. at 9-10. The Company's claims, however, attempt to prevent this Commission from reviewing the very real costs to Pennsylvania and other states in the PJM region that will result from construction of the IEC Project. As provided by the R.D., the Commission's determination of need is broad and includes consideration of many factors:

The scope of inquiry for determining 'need' is broad and includes consideration of many factors. More specifically, the "inquiry to determine whether a public need for a transmission project exists depends on the specific facts presented regarding each project and upon the future impacts or consequences within a broad context."

Thus, the Commission's inquiry into 'need' is broad and must give weight to the impacts incurred by Pennsylvania, both economic and environmental.

R.D. at 80-82 (citations omitted).⁴ This is also consistent with the Commission's constitutional obligations derived from the Environmental Rights Amendment (ERA). R.D. at 82; see also OCA M.B. at 15-22.

³ As the OCA noted in its brief, Pennsylvania is not the only state to be harmed by the IEC Project. Other states, such as New Jersey, Delaware, portions of Maryland, Kentucky, Ohio, and Illinois are all expected to experience increased wholesale power prices if this Project is constructed. OCA M.B. at 11, see also OCA Hearing Exh. 3, Transource Response to OCA-XLIII-4, OCA Cross Exh. 10, OCA Cross Exh. 11. Moreover, transmission zones that were once expected to benefit, but are no longer expected to, would still be required to pay for the cost to construct the IEC Project as the allocation factors were determined in 2016. OCA R.B. at 36-37.

⁴ It is not unusual for the Commission to consider wholesale power price impacts to Pennsylvania when deciding whether to approve or deny proposed transmission projects. For example, the Commission approved the Susquehanna-Roseland transmission project, in part, because the Commission recognized that it would reduce wholesale power prices for Pennsylvania ratepayers. Approval of the Siting and Construction of the Pennsylvania Portion of The Proposed Susquehanna-Roseland 500 kV Transmission Line in Portions of Lackawanna, Luzerne, Monroe, Pike and Wayne Counties, Pennsylvania, et al., Docket No. A-2009-2082652, et al., 2010 Pa. PUC LEXIS 434 at *64-68 (Pa. PUC Feb. 12, 2010) (Susquehanna-Roseland); see also OCA R.B. at 11. The Commission also raised concerns regarding the Trans-Allegheny Interstate Line's (TrAIL) impact on wholesale power prices in Pennsylvania, but ultimately dismissed them because the impact in Pennsylvania would be less than those in other states. In Re: Application of Trans-Allegheny Interstate Line Company (TrAILCo) For approval: 1) for a certificate of public convenience to offer, render, furnish or supply transmission service in the Commonwealth of Pennsylvania; 2) authorization and to locate, construct, operate and maintain certain high-voltage electric substation facilities; 3) authority to exercise the power of eminent domain for the construction and installation of aerial electric transmission facilities along the proposed transmission line routes in Pennsylvania; 4) approval of an exemption from municipal zoning regulation with respect to the construction of buildings; and 5) approval of certain related affiliated interest arrangements, Docket No. A-110172, 2008 Pa. PUC LEXIS 35 at *68 (Pa. PUC Dec. 12, 2008) (TrAILCo Order); see also OCA R.B. at 11.

As the OCA will discuss in more detail below, when assessing the need for the IEC Project from a regional perspective, which includes consideration of the impacts to Pennsylvania, it is clear that the Company has not demonstrated that the IEC Project is needed.⁵ As provided in the R.D., the IEC Project would decrease wholesale power prices by approximately \$845 million for transmission zones south of the AP South constraint, while at the same time increasing wholesale power prices in transmission zones located in Pennsylvania, New Jersey, and Delaware, among others, by approximately \$812 million over a period of 15 years. See R.D. at 97; see also OCA Hearing Exh. 3, Transource Response to OCA-XLIII-4. That is a net benefit of \$32.5 million to the PJM region over 15 years at a cost of at least \$509 million over that same period of time. R.D. at 97. Accordingly, ALJ Barnes does not examine the impacts of the IEC Project from a ‘Pennsylvania-only’ perspective, but rather gives real consideration to the impacts to Pennsylvania and other states in the PJM region, properly weighing those detriments against the alleged benefits.

In conclusion, the R.D. does not misinterpret the role of the Commission in this proceeding. It accurately applies a body of law to the specific facts present in this proceeding. That is, the “Commission has a duty to review the evidence in its entirety, assess whether that evidence is sufficient under Pennsylvania law, and render a decision to that effect.” R.D. at 99. Based on those facts and the evidence present in this proceeding, the Company has not demonstrated need for the IEC Project, consistent with the constitutional, statutory, and regulatory laws of this Commonwealth.

⁵ The OCA would also note that, in contrast to their position on wholesale power prices, the Company is asking this Commission to consider the economic benefits realized to Franklin and York Counties if this Project is constructed. See e.g. Transource Exc. at 37. Accordingly, it would be improper to consider those benefits, but ignore the very real detriments and costs to Pennsylvania as a result of the IEC Project.

2. The R.D. Is Supported By Substantial Evidence And Based Upon Indisputable Facts Demonstrating That The Company Has Failed To Meet Its Burden In This Proceeding. (Transource Exc. 15; R.D. at 12-49; OCA M.B., App. B).

The Company asserts that the R.D. gives no weight to PJM's extensive expertise in transmission planning, but rather relies on criticisms from witnesses that have never designed a transmission project. Transource Exc. at 15. The Company argues that mere bald assertions, personal opinions or perceptions, when not substantiated by facts, do not constitute evidence. Id.

The OCA submits that the Commission should disregard the Company's argument. The R.D. is supported by credible evidence and is not based on speculation or opinion. This proceeding, which has now taken over three years to complete, includes an evidentiary record that spans thousands of pages, required extensive discovery and investigation, includes written expert testimony from various parties, and involved a dozen public input hearings and site visits.

Based upon this evidence, the R.D. includes over 200 findings of fact, which ALJ Barnes relied upon to render her decision. Several of these findings of fact were materially important to the R.D. and its conclusion that Transource failed to meet its burden of proof in this proceeding. This includes facts demonstrating a substantial decrease in congestion on the AP South Interface since 2016, minor net benefits to the PJM region in contrast to the cost of the Project and significant increases in wholesale power prices to Pennsylvania and other states, and the lack of a cap on the cost to construct the IEC Project. See e.g., R.D. at 21-22, 32-33. These are facts that are borne out by the PJM State of the Market Reports published by the Independent Market Monitor of PJM, Monitoring Analytics, LLC, as well as PJM's own market efficiency models and verified discovery responses from the Company, among other sources. See e.g., OCA Hearing Exh. 6 at 559, OCA Hearing Exh. 3, Transource Response to OCA XLIII-4, Tr. at 2110. Indeed, the Company has not

disputed these facts in its Exceptions, but rather submits that the Commission should ignore them. This is inappropriate and the Commission should reject the Company's claims.

3. The R.D. Properly Held That The Company's Evidence Is Not Sufficient Under Pennsylvania Law. (Transource Exc. 16-18; R.D. at 97-102; OCA M.B. at 40-63, OCA R.B. at 30-39).

The Company focuses next on the R.D.'s criticisms of the PJM market efficiency process and asserts that these criticisms should not be accepted. Transource Exc. at 16-18. The Company argues that the Commission cannot order PJM to modify its market efficiency process, PJM's benefit-cost methodology is appropriate, and that PJM's model does consider non-transmission alternatives, but that these resources have not relieved the congestion problem. Transource Exc. at 16-18.

In response to Transource's first contention, the OCA submits that the R.D. is not recommending that PJM modify or change its market efficiency process. Rather, as discussed in the R.D., ALJ Barnes notes that the Commission must make an independent determination of the sufficiency of the evidence before it. R.D. at 99. In so doing, when reviewing all the evidence in the record, it is clear that the Company has not met its burden of proof.⁶

Moreover, contrary to the Company's claims, the R.D. rightfully considered increased wholesale power prices resulting from construction of the IEC Project, as this must be taken into consideration by this Commission. As stated by the R.D.:

[T]he purpose of a benefit-cost analysis is to attempt to capture the likely consequences of an activity and to express those consequences in the same units so that they can be compared. All costs directly related to the construction of the IEC Project should be taken into consideration, regardless of whether that impact is beneficial or detrimental. Contrary to the Company's claims, PJM previously

⁶ The R.D.'s conclusions are specific to the evidence before it in this proceeding. That is, there may be some instances where PJM's market efficiency process identifies a transmission-based solution that may be economical and meets the statutory and regulatory standards of Pennsylvania. The IEC Project, however, does not meet those standards.

considered increased wholesale power prices resulting from higher-voltage regional market efficiency projects. Ignoring the more than \$400 million in increased wholesale power prices attributed to Pennsylvania as a result of the IEC Project does not satisfy that obligation. Accordingly, increased wholesale power prices are real costs to customers that show there is no need for the project.

R.D. At 100-101; see also OCA St. 1 at 23-25.⁷ As the R.D. noted, the Independent Market Monitor similarly agrees that all costs are relevant to an evaluation of the costs and benefits of a market efficiency project. R.D. at 101; see also OCA Cross Exh. No. 12 at 7-8. Simply put, ignoring increased wholesale power prices makes the IEC Project appear economic, when in fact PJM's own forward-looking model demonstrates that this Project will have net benefits of \$32.5 million across the entire PJM region at a cost of at least \$476 million to those transmission zones that benefit.⁸ See also Tr. at 2504. This is insufficient under Pennsylvania law.

Moreover, regarding non-transmission alternatives, it is uncontroverted that the Company's evidence is insufficient in several respects. As noted by the R.D., the Company's evidence demonstrates that, as a result of PJM's sponsorship model, it did not and could not consider non-wires solutions to the congestion on the AP South Reactive Interface. R.D. at 47, see also Tr. at 2272-73. Moreover, when modeling the bulk electric grid to estimate the benefits of the IEC Project, it is clear that PJM's model made unrealistic assumptions about future generation on the system by removing all generation with an executed Facilities-Study Agreement (FSA-generation). See OCA M.B. at 54-59, see also Tr. at 2334-35. This is expressly at odds with

⁷ As the R.D. notes, PJM used to take into consideration increased wholesale power prices when calculating the benefit of a regional market efficiency project. OCA M.B. at 50-51. It only later removed consideration of these costs because it would facilitate approval of regional market efficiency projects, not because these costs constituted rate discrimination. See OCA Cross Exh. 4 at 8.

⁸ Additionally, as the OCA made clear in briefs, while the zones that do benefit pay for the revenue requirement associated with the IEC Project, the allocations factors were determined in 2016. See OCA Hearing Exh. 3, Transource Response to OCA-XLIII-19. Since that time, which zones and the extent those zones benefit has changed repeatedly. OCA M.B. at 59-62. For that reason, the costs of the IEC Project placed upon certain transmission zones, no longer aligns with the benefits received, as outlined in PJM's models.

PJM's own statement that thirty-six percent (36%) of all FSA-generation reach commercial operation.⁹ R.D. at 25, see also Transource Hearing Exh. 19 at 3. Lastly, there are several initiatives, having the force and effect of law, taking place in the constrained states, including Virginia, the District of Columbia, and Maryland, that will dramatically increase their renewable energy and demand response portfolios, which will serve to reduce economic congestion in the constrained region.¹⁰ See OCA M.B. at 85-95. The impacts of these initiatives were not considered by PJM in its market efficiency process. R.D. at 47-48; see also OCA St. 3 at 19.

For these reasons, while PJM's market efficiency process may be approved by FERC, whether or not the evidence produced by this process is sufficient for Pennsylvania transmission siting law is not a pre-determined conclusion. Where the proponent of a transmission siting application fails to demonstrate that a Project is needed based upon the facts specific to each case, the Commission cannot approve the application. The R.D. correctly notes several ways in which the evidence fails to meet Pennsylvania's constitutional, statutory, and regulatory standards. Accordingly, the PUC should accept the well-reasoned findings of the R.D.

4. Economic Congestion Is An Appropriate Market-Based Response To Reasonable Differences In The Cost to Serve. (Transource Exc. 19-20; R.D. at 91-95; OCA R.B. at 25-27).

The Company next takes issue with the R.D.'s conclusion that economic congestion is the wholesale power market working as intended, arguing that this statement is directly contrary to FERC directives in Order 1000. Transource Exc. at 19. The Company also argues that the R.D.'s reliance on Section 1304 of the Public Utility Code is misplaced because Section 1304 concerns

⁹ The effect of this change, which occurred during this proceeding, increased the benefits of the IEC Project. R.D. at 25-26.

¹⁰ Grid Transformation and Security Act, 2018 Va. Acts 296, CLEANENERGY DC OMNIBUS AMENDMENT ACT OF 2018, D.C. Act 22-583 (D.C. 2018), H.D. 514, 437th Gen. Assemb., Reg. Sess. (MD. 2017).

retail rates, not transmission rates. Id. In summation, Transource concludes that the effect of the R.D. would prevent any market efficiency projects from being approved by this Commission. Transource Exc. at 20. The Company's arguments should be rejected.

In response to the Company's first argument, economic congestion is a market-based response to the competitive wholesale power market. Simply put, congestion is dynamic and dependent upon a multitude of market factors, including the price of generation, the location of resources, and where the load is that needs to be served, thus making it difficult to predict where and the extent to which congestion may arise in any given year. See R.D. at 89-91.¹¹ Company witnesses have testified as such, stating that congestion can shift frequently among interfaces. Tr. at 2386, Transource St. 3AA-RJ at 8. Moreover, one of the reasons economic congestion exists is to send a price signal to transmission zones in the constrained region to develop lower-cost resources, making the market as a whole more competitive. R.D. at 94; see also OCA Hearing Exh. 6 at 72-73.

FERC Order 1000 merely requires that RTOs create a process for competitive transmission solutions to economic congestion, where appropriate and as decided by state decision-makers. See pg. 3-4, supra. In this instance, the OCA submits that it is not appropriate for Pennsylvania to approve a market efficiency project to eliminate future, simulated congestion that in reality has precipitously declined since 2014.¹² Doing so, at a cost of at least \$476 million for a net benefit

¹¹ For this reason, congestion can shift often and frequently, making it difficult to predict what transmission zones and load-serving entities will experience congestion at any given time. In one year, under the right circumstances, congestion can affect the price of generation for customers in one transmission zone and completely change the following year. R.D. at 89-91.

¹² Likewise, the Department of Energy typically conducts a study of electric transmission congestion every three years to determine and designate any areas of congestion that adversely affects consumers as a national interest electric transmission corridor (NIETC). 16 U.S.C. 824p(a). Notably, the Department of Energy's most recent study in 2015 did not designate any NIETCs, noting that the northeast, which includes the Eastern Portion of PJM, had significantly lower levels of congestion. U.S. DEPARTMENT OF ENERGY, NATIONAL ELECTRIC

to the PJM region of \$32.5 million over a period of 15 years is not cost-effective or prudent. The reality is that the market has responded to these price signals, which is clear from the decline in congestion on the AP South Reactive Interface.¹³ OCA M.B. at 35-40, see also OCA St. 3 at 12.

Lastly, the R.D. understands the appropriate scope of Section 1304 of the Public Utility Code. As stated in the R.D., “[e]conomic congestion is not a form of rate discrimination implicated by Section 1304 of the Public Utility Code,” noting that economic congestion is a market-based response to the competitive wholesale power market. R.D. at 94. However, the R.D. goes on to state that, even if the Commission’s rate discrimination authority under Section 1304 were implicated here, differences in rates are permissible when that difference is not unreasonable or undue. R.D. at 94. In this instance, the R.D. found that the actual, historic congestion on the AP South Reactive Interface over these past several years is not unreasonable or undue, but rather a reasonable difference in the cost to serve customers in the constrained region as opposed to customers in the unconstrained region. R.D. at 94-95.

For these reasons, the R.D. appropriately determined that the economic congestion at issue in this proceeding is not discriminatory rates that need to be rectified by constructing a transmission project that would have detrimental impacts to Pennsylvania, both economic and environmental, while barely benefitting the PJM region. Any remaining economic congestion on the AP South Reactive Interface serves as a reasonable difference in the cost to serve customers above and below the constraint, as well as serving as a market-based response incenting customers in the constrained region to take economic actions.

TRANSMISSION CONGESTION STUDY, Executive Summary at xix, <https://www.energy.gov/oe/downloads/2015-national-electric-transmission-congestion-study> (2015).

¹³ For example, the AP South Reactive Interface continues to have low levels of congestion, failing to make the Top 25 most congested constraints in the PJM region through the first quarter of 2020. See OCA Hearing Exh. 6 at 559.

5. The IEC Project Was Solicited, Developed, And Approved To Address What Was Believed To Be Persistent, Economic Congestion On The AP South Reactive Interface. (Transource Exc. 20-22; R.D. at 86-91; OCA M.B. 35-40, OCA R.B. at 18-25).

The Company asserts that the R.D. erred by stating that the IEC Project is no longer needed for the purpose for which it was intended. Transource Exc. at 20. The Company argues that PJM evaluates market efficiency projects on a system-wide basis and does not examine how a project affects congestion on a single interface and that the IEC Project alleviates congestion on multiple constraints. Id. As support for its contention, the Company argues that PJM documents, such as the TEAC Market Efficiency Update in March and April 2016, demonstrate that the Project benefits the AP South Reactive Interface and Related constraints. Transource Exc. at 22. The Company further argues that it correctly modelled economic congestion in 2015 that would occur in 2019, when combining AP South and the related constraints. Id., at 22. The Company concluded that the IEC Project has passed the benefit-cost ratio of 1.25 every time the Project was tested. Id.

The OCA submits that the R.D. appropriately determined that the IEC Project was solicited, designed, and approved to mitigate congestion on the AP South Reactive Interface. The record is replete with evidence demonstrating that the AP South Interface was problematic, incurring over \$800 million in congestion costs over a period of four years, from 2012 to 2016. R.D. at 21. To that end, PJM initiated its 2014/2015 Long-Term Proposal Window to specifically address this congestion on the AP South Reactive Interface. Transource St. 2 at 7. In direct testimony, Company witness Ali explicitly stated that, “the IEC-West Project was intended to directly address the congestion on the AP South Reactive Interface.” Transource St. 2 at 11. While the IEC-East Project was included to prevent shifting of congestion to other constraints, the evidence demonstrates that the IEC Project was a transmission solution specifically tailored to

address congestion on the AP South Interface. As stated by PJM in a whitepaper, the “Transource [P]roject was approved by the PJM Board in 2016 as the more efficient, cost-effective project *to address persistent congestion identified in forward-looking economic studies on the AP-South Interface.*” Transource St. 8-R, Exh. TH-5R at 4 (emphasis added).

As concluded by the R.D.

Only recently did PJM add the phrase “related constraints” to the AP South Reactive Interface. Throughout the majority of the proceedings, the exclusive reason for the project was to alleviate congestion on the AP South Interface and now Transource ignores much of the drastically reduced congestion data after 2016 to support its argument because this data undermines the main reason for the project. Actual congestion costs were significantly less at \$56.2 million in 2015 and \$14.5 million in 2019.

R.D. At 83 (citations omitted). The Company cannot now attempt to bootstrap the need for this Project on the basis of related constraints that were not the reason for which this Project was solicited, designed and approved by PJM. Moreover, as Company witness Ali indicated, these economic transmission solutions are unique. Tr. at 2387-88. Therefore, it would be inappropriate to approve this Project on the assumption that it solves economic congestion that may potentially exist on other constraints in PJM’s forward-looking models, especially considering that PJM considered 41 proposals to address persistent congestion on the AP South Interface, not other constraints.

In addition, the R.D. addresses the Company’s claims that it appropriately modeled economic congestion on the AP South Reactive Interface and related constraints in 2019. As the OCA noted in its Reply Brief:

In the simulation that PJM performed in 2015, the ProMod model simulated a congestion cost of \$110 million occurring on the AP South Reactive Interface in 2019. Tr. at 2936. According to the simulation, the AP South Reactive Interface had the highest congestion cost simulated in 2019 when compared to the Safe Harbor-Graceton, Conastone-Peach Bottom, and AEP-DOM constraints. *Id.* In reality, Congestion on the AP South Reactive Interface cost approximately \$14.5

million in 2019, substantially lower than predicted by PJM's forward-looking models. Tr. at 2921. This indicates the erroneous assumptions that were used to calculate the benefit-cost ratio that PJM relied upon when selecting the IEC Project for approval. Moreover, it is disingenuous for Transource to assert that PJM correctly forecasted congestion in its model.

OCA R.B. at 20, fn. 14. In response to this, the R.D. agreed stating that, "Transource misstates the accuracy of PJM's forecasted congestion as it combines the congestion of the APSRI interface with purported "related constraints" and ignores any inaccuracies of PJM's forecasted congestion." R.D. at 83.

Lastly, for the reasons stated above, there are serious and substantive omissions from the calculation of PJM's benefit-cost ratio, which make it appear as if the IEC Project is more economic than it really is. When comparing the net benefit of \$32.5 million in decreased wholesale power prices across the PJM region, with the cost to construct the Project, the benefit-cost ratio of the IEC Project is approximately 0.06, or six cents in benefits for every dollar spent. R.D. at 23. This Project is not economical and the Commission should accept the Recommended Decision and its reasonable findings.

6. The R.D. Does Not Conclude That The Hunterstown-Lincoln Project And Project 5E Will Alleviate AP South Congestion, Only That The Company Failed To Demonstrate The IEC Project Is Still Needed With the Construction of Those Two Projects. (Transource Exc. at 23; R.D. at 89; OCA M.B. 106-107, OCA R.B. at 21-22).

The Company argues that the R.D.'s conclusion that the Hunterstown-Lincoln Project and Project 5E may eliminate the need for the IEC Project is speculation and unsupported by evidence, that it is unreasonable to conclude that relatively small upgrades and projects such as these will resolve significant reliability and congestion issues on their own, and asserts that these projects, in combination with the IEC Project, work effectively to resolve broader congestion issues. *Id.*

The R.D. provides as follows:

Moreover, there are two ongoing transmission projects that may alleviate these related constraints without the need for constructing the IEC Project: (1) the Hunterstown-Lincoln Re-build and (2) Project 5E. These two additional market efficiency projects appear to be designed to enhance several of the facilities associated with the Conastone-Peach Bottom congestion constraint. *PJM, however, has not performed an analysis to determine if the Hunterstown-Lincoln Re-build and Project 5E would sufficiently alleviate these related constraints without the need for the IEC Project.*

R.D. at 89 (citations omitted). The Company has the burden of proof to demonstrate its claims that the Hunterstown-Lincoln Project and Project 5E will not sufficiently address what little congestion presently remains on the AP South Reactive Interface. When asked if the Company performed an analysis demonstrating that the IEC Project remains cost-effective assuming the Hunterstown-Lincoln Project and Project 5E are constructed, the Company said it did not perform such an analysis. OCA Hearing Exh. 3, Transource Response to OCA XLIII-12, Tr. at 2930.

Moreover, the R.D.'s conclusion that the Hunterstown-Lincoln Project and Project 5E may further alleviate the remaining congestion on the AP South Reactive Interface is not without support. For example, PJM's own analysis demonstrates that the Hunterstown-Lincoln Project, another market efficiency project placed in a similar geographic area as the IEC Project, has a cost-benefit ratio of approximately 76.41. OCA M.B. at 106, see also Transource St. AA-2, Exh. SRH-AA2 at 16. Accordingly, there is sufficient evidence demonstrating that the Hunterstown-Lincoln Project may have a measurable impact on any remaining congestion on the AP South Reactive Interface.

7. The R.D. Appropriately Dismissed The Company's Evidence Of Reliability Violations, As The Evidence Is Outdated, Insufficient, And Unsupported. (Transource Exc. 24-28; R.D. at 1, 84; OCA M.B. at 100-109, OCA R.B. at 48-51).

The Company takes issue with the R.D.'s conclusions regarding the potential future reliability violations that may occur in the absence of the IEC project. Transource Exc. at 24-28. The Company makes several arguments in support of its position, namely that the R.D. erred by (1)

concluding that PJM did not conduct its full suite of reliability tests, (2) concluding that these potential future reliability violations may be resolved by upgrades to existing facilities as this is speculative evidence, (3) classifying the identified reliability violations as ‘potential’ reliability violations, (4) concluding that PJM can utilize its normal reliability planning processes to address these potential future reliability violations, and (4) failing to consider the reliability benefits provided by the IEC Project. Id.

First, the R.D. correctly determined that PJM did not conduct its full suite of reliability tests normally done for its reliability projects. As discussed by OCA witness Lanzalotta:

Q. Do you have additional concerns as to the current testing that PJM has done in this case as it relates to the potential reliability violations that have been identified?

A. Yes I do. As the Company and PJM have repeatedly stated, this Project is not being put forth as a reliability project. As such, the more detailed and varied testing methods that would normally be used by PJM in a pure reliability matter are not being done as part of the current market efficiency case. PJM characterizes its study of the potential reliability violations that might occur in the absence of Project 9A as “Preliminary”. PJM only performed analysis on a 2023 RTEP power flow case.

OCA St. 2-SSR at 16-17 (footnotes omitted). The Company admitted as such, stating on several occasions that PJM did not conduct the full suite of reliability tests and has not conducted them since the initial generation deliverability test was performed in 2018. See OCA Hearing Exh. 3, Transource Response to OCA-XXXIII-1(a), Transource Response to OCA-XLIII-10(a); see also Transource St. 7-RJ-SUPP at 3. Accordingly, the R.D. is correct to conclude that “[t]he applicant’s claims of potential reliability violations occurring in 2023 in the absence of the Independence Energy Connection (IEC) Project are unpersuasive as this assertion is not based upon sufficient testing...” R.D. at 1.

Moreover, there is a basis in the record for the R.D.’s conclusion that “facilities that may experience these potential violations are due for upgrades and some are currently undergoing

rebuilt that may increase capacity.” R.D. at 1. Mid-Atlantic Interstate Transmission, LLC (MAIT), the transmission owner of one of the facilities in question, stated in discovery that “If they are replaced with larger transformers, they may no longer overload under the specified contingency conditions.” OCA M.B. at 104-105; see also OCA Hearing Exh. 5, MAIT Response to OCA-XXXVII-1. Similarly, PECO Energy Company (PECO) stated its facility, the Peach Bottom-Conastone 500 kV Line, was 52 years old. OCA M.B. at 105; see also OCA St. 2-SSR at 10. The OCA’s expert witness, Peter Lanzalotta, who has participated in many regulatory transmission line proceedings before this Commission, provided an additional example:

By way of comparison, Virginia Electric and Power Company (“VEPCO”) applied to the Virginia State Corporation Commission (SCC”) in 2011 for approval of its plans to rebuild the 500 kV transmission line from Mt. Storm substation to Doubs substation...VEPCO states that the existing transmission line towers were constructed in 1966 and were in need, in 2011, of replacement due to deterioration. The VEPCO application states that rebuilding the existing 500 kV line from Mt. Storm to Doubs with modern facilities would increase the capacity of the line by about 66%. Given the virtually identical age of the Peach Bottom – Conastone 500 kV line to that of the Mt. Storm – Doubs 500 kV line before its rebuild starting around 2011, there exists a reasonable likelihood that the Peach Bottom – Conastone 500 kV line will require a rebuild in the near future, regardless of Project 9A, and that such rebuild will very likely result in a substantial capacity increase from the line’s current capabilities.

OCA M.B. at 105, see also OCA St. 2-SSR at 10. Lastly, the Hunterstown-Lincoln Project is an upgrade of the very transmission line that PJM preliminarily expects will overload in 2023 and has been approved by PJM. OCA M.B. at 105-106; see also OCA Hearing Exh. 5, MAIT Response to OCA-XLVI-6, Transource St. AA-2, Exh. SRH-AA2 at 15. This will likely improve capacity so that the reliability violation is no longer present. When asked for an updated generation deliverability test to determine if this is the case, the Company could not provide one as the test had not been performed since the initial one in 2018. OCA M.B. at 106; see also OCA Hearing Exh. 3, Transource Response to OCA-XLIII-10. Accordingly, there is sufficient support in the record for the statement made in the R.D.

Moreover, the R.D. did not err by classifying the reliability violations as ‘potential’ violations. The Company’s own analysis classifies these reliability violations as ‘preliminary,’ noting that they will not occur until 2023 at the earliest. See OCA St. 2-SSR at 17. As the R.D. points out, “[i]t is undisputed that none of the projected reliability violations have occurred as of July 9, 2020 (the last day of evidentiary hearings).” R.D. at 84. Accordingly, the R.D. is not ignoring these potential reliability violations, but making a point that without more recent testing from PJM using its full suite of reliability tests, it is unknown the extent to which these violations continue to present a problem in the future, if at all.

The Commission also should reject the Company’s argument that another Project cannot be placed into service before any of these potential future reliability violations occur. As stated in the OCA’s Reply Brief, PJM has not attempted to identify any alternative solutions to these potential future reliability violations. OCA R.B. at 50. As such, the Company does not know how long it would take to place an alternative solution into service.¹⁴

For these reasons, the OCA submits that the Commission should dismiss the Company’s arguments. The Company cannot have it both ways. They refuse to classify the IEC Project as a reliability project to prevent it from having to undergo more of the rigorous testing required by such projects and to consider potential alternatives, but attempt to use evidence of these potential benefits as support for this Project. As the R.D. concluded, the IEC Project “is not intended to be the best or most economical solution to resolve any potential reliability violations.” R.D. at 84. If this Project is rejected by the Commission, PJM has in place the processes to identify any remaining reliability violations on its system and seeks solutions specifically tailored to those

¹⁴ For comparison, Transource witness Weber indicated that Transource could construct the original configuration of the IEC Project, including two new substations and two brand new 230 kV Transmission lines, within 12 months. Transource St. 1 at 14-15.

issues. They should not be used as a means to prop up support for the uneconomic and inefficient IEC Project. Thus, the Commission should accept the Recommended Decisions conclusions.

8. The R.D. Correctly Determined That The IEC Project Should Not Be Approved On The Basis That It Provides Potential Future Reliability Benefits And Alleviates Congestion On Related Constraints. (Transource Exc. 28-30; R.D. at 75, 86; OCA M.B. 100-109, OCA R.B. at 18-25).

Transource asserts that the IEC Project was approved based on the benefits it provides to the PJM system as a whole and was not originally intended to benefit just the AP South Interface. Transource Exc. at 28-29. Transource then asserts that the R.D. ignores a past Commission decision where the Commission stated that it is difficult to distinguish between transmission efficiency projects and reliability projects and that there is no basis to treat congestion relief and reliability benefits as mutually exclusive. Transource Exc. at 29, see also TrAILCo Order at *53. The Company then concludes that the IEC Project has been approved by the Maryland Public Service Commission. Transource Exc. at 30.

The Company, as in many other instances, misconstrues the original intent of the IEC Project. As the OCA discussed above and in great detail in its briefs, there is substantial evidence specifically noting that economic congestion on the AP South Reactive Interface was the principal driver of the IEC Project. OCA R.B. at 18-21. The IEC Project and 41 other proposals were designed and considered by PJM to address this significant congestion, not these other vague ‘related’ constraints. OCA M.B. at 36-37. Approving the IEC Project on the basis that it resolves ill-defined related constraints, or these potential future reliability violations, is inappropriate and does not satisfy Pennsylvania’s statutory and regulatory standards, which require, *inter alia*, “that it will have minimum adverse environmental impact, considering the electric power needs of the public, the state of available technology and the available alternatives.” 52 Pa. Code § 57.76(a)(4). It is incumbent upon PJM to reconsider alternatives that specifically address any remaining

concerns, not require this Commission to approve an inefficient market efficiency project that will harm Pennsylvania and other states.

Moreover, the R.D. is correct to conclude “[r]eliability projects and market efficiency projects are different.” R.D. at 84. PJM’s planning processes set forth different criteria and procedures for transmission infrastructure that is designed to resolve reliability violations and infrastructure that is designed to resolve economic congestion. See OCA St. 2-SSR at 16-17, Transource St. 7R, Exh. SRH-3R at 7-14; see also Transource St. 7-RJ-Supp at 5-6 (“the IEC Project was approved as a market efficiency project, not as a reliability project.”). Accordingly, it is clear that the IEC Project is a market efficiency project that was not intended to address reliability concerns, but created for a unique purpose that no longer exists.

Lastly, the Maryland Public Service Commission’s approval of the IEC Project is not dispositive of whether this Project is needed. The R.D. did note, however, that:

I heard no complaints from any individuals that rates were too high or prices discriminatory in Washington D.C. or in Maryland compared to Pennsylvania, or that they did not have reliable electric service in those areas.

R.D at 92. The OCA also is aware of several landowners in Maryland that were opposed to construction of the IEC Project and testified at the Public Input Hearings. See e.g. Tr. at 265-266, 505-510, 516-519, 579-582.

9. Conclusion

For all the reasons set forth above, the Commission should deny the Company’s first exception.

- B. OCA Reply to Transource Exc. No. 2 and 3: The R.D. Used The Proper Standard To Determine That The Company Did Not Minimize Environmental And Economic Impacts. (Transource Exc. at 31-37; R.D. at 116-124; OCA M.B. at 71-77, 98-99; OCA R.B. at 39-40, 47).

With respect to environmental impacts, the Company argues that (1) the R.D. applied a ‘no impact’ standard when determining that the IEC Project did not minimize environmental impacts, (2) improperly considered Proposal 18H as an alternative route to the West Portion of the IEC Project, and (3) the R.D. did not consider Transource’s siting studies and mitigation measures. Transource Exc. at 31-34. With respect to economic impacts, the Company argues that the R.D. inappropriately applied a ‘no impact’ standard and that it failed to recognize the economic benefits to Franklin County that will result from construction of the IEC Project. Transource Exc. at 34-37.

The Company’s arguments, however, ignore portions of the R.D.’s well-reasoned conclusions, which are based upon a proper understanding of the law and substantial evidence. In summarizing the legal standard, the R.D. refers specifically to Energy Conservation Council of Pa. v. Pa. Pub. Util. Comm’n, noting that the Commonwealth Court has stated that a utility’s route for a proposed high voltage transmission line should be approved where the record evidence shows that the selection process was reasonable and properly considered factors relevant to transmission siting. R.D. at 116-117 (citing Energy Conservation Council of Pa. v. Pa. Pub. Util. Comm’n, 25 A.3d 440, 449 (Pa. Commw. Ct. 2011)). The R.D. goes on to note that an applicant is not required to choose a route that has no adverse impacts. R.D. at 117. Thus, the R.D. specifically rejects a ‘no impact’ standard, as suggested by the Company. Rather, the R.D. acknowledges that while Company has committed to taking measures to mitigate environmental impacts in York County, because there is no need for this Project and a potential alternative may exist utilizing existing

rights-of-way in Franklin County that was not explored further by the Company, the environmental impact has not been minimized.¹⁵ R.D. at 117-119.

Moreover, with respect to the economic impacts, the R.D. provides that:

Jobs in Pennsylvania and tax revenues are a benefit to a transmission construction project, but any benefits concerning additional employment, increased tax revenues, and economic activity are temporary in nature due to the temporary nature of the construction of the lines. Additionally, Transource will use AEP knowledge/employees to build the transmission towers, so it is unclear how many or what type of construction jobs will be generated for Pennsylvanians. Once this Project is constructed, there will be long-lasting, permanent consequences to the landscape of Pennsylvania, increased wholesale power prices in Pennsylvania, and costs borne by the transmission zones that are purported to benefit.

R.D. at 96. The R.D. also spends considerable time noting the long-lasting economic impacts that will be incurred by property owners, farmers, wildlife, and a school district. R.D. at 119-124. Upon weighing the evidence, the R.D. concluded that Transource has not minimized economic impact in Franklin County. R.D. at 124.

C. OCA Reply to Transource Exc. Nos. 5-8: The Commission Should Deny The Company Exceptions 5-8 As The R.D. Properly Determined That The IEC Project Is Not Needed. (Transource Exc. at 38-39; R.D. at 124).

Transource argues that the Commission should: (1) not rescind the company's Certificate of Public Convenience, (2) grant the Company's Eminent Domain Applications, (3) grant the Company's Zoning Petitions, and (4) not adopt the R.D.'s findings of fact. Transource Exc. at 38-

¹⁵ During the final stages of its selection process, PJM evaluated four alternatives to address congestion on the AP South Reactive Interface. Transource St. 1 at 26-27. One of those alternatives was a modified version of Proposal 18H submitted by MAIT, which was an upgrade to existing facilities, in combination with the original East Portion of the IEC Project. OCA St. 2 at 21. Proposal 18H, in combination with the original East Portion of the IEC Project, had either the first or second highest B/C ratio of the four alternatives considered by PJM, before it ultimately selected Transource's Project 9A. *Id.*, at 21-22, see also Transource St. 8, Exh. TH-3R at 21-23. That is, while Proposal 18H, in combination with the original East Portion of the IEC Project, may have produced smaller benefits, it would have eliminated the need for 29 miles of new ROW and new transmission towers created by Transource's West Portion of the IEC Project. OCA St. 2 at 22. Accordingly, the Recommended Decision could not find minimum adverse environmental impact. R.D. at 119.

39. Transource argues that the R.D.'s conclusions are based on the presumption that the IEC Project is not needed and that it should be overturned based upon the Company's first exception.

As stated above, the OCA submits that the Commission should dismiss the Company's first exception as the R.D. correctly concluded that there is no need for the IEC Project. Accordingly, the Commission should dismiss Company exceptions 5-8 and accept the well-reasoned conclusions of the R.D.

III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate respectfully requests that this Commission deny the Exceptions of Transource Pennsylvania, LLC, and PPL Electric Utilities. Accordingly, the Commission should deny the consolidated Siting Applications as amended, deny the Zoning Petitions associated with the Furnace Run Substation in York County, Docket No. P-2018-3001883, and the Rice Substation in Franklin County, Docket No. P-2018-3001878, deny the Eminent Domain Applications associated at Docket Nos. A-2018-3001881, *et al*, and issue a rule to show cause why Transource's Certificate of Public Convenience should not be rescinded.

Respectfully submitted,

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