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Overview of Transource PA, Bramah Substation, PaPUC Application

Who is Transource PA? Transource PA is a subsidiary of Transource Energy whose ultimate parent companies are American Electric Power (“AEP”) and Evergy. Combined, AEP and Evergy own and operate more than 50,000 miles of transmission lines, and substations, and serve more than 7.1 million customers in 13 states. Transource Energy was established to pursue FERC Order 1000 competitive projects throughout the United States. Transource Energy currently owns and operates three (3) projects totaling approximately \$350MM of assets in its rate base and an additional \$100MM of projects under construction. Transource PA was formed to construct, own, operate, and maintain transmission service facilities within the Commonwealth of Pennsylvania. It is not currently operating as a public utility in Pennsylvania.

The project? Transource PA has been selected by PJM to construct an electric transmission substation, known as the “Bramah Substation.” Bramah Substation will interconnect six (6) 500-kV transmission lines and one (1) 230-kV transmission line, along with transformers to convert 500-kV to 230-kV power. One of the 500-kV lines will interconnect the existing York Energy Center, a gas-fired generator, while two other 500-kV lines will interconnect with a Peach Bottom nuclear plant substation.

The site? The Bramah Substation will be constructed in York County, Peach Bottom Township, Pennsylvania on roughly 46-acres of land. Transource PA has obtained control of the construction site and is in the process of finalizing surveying and assessing soil borings for the station’s future construction.

The need? The Bramah Substation is primarily needed to address reliability issues associated with the State of New Jersey’s Offshore Wind Strategic Plan and its related request to PJM to integrate the new offshore wind electric generation with the existing PJM transmission system. The new substation will also enhance the electrical strength and reliability of the area’s electric transmission grid by allowing the transmission lines of incumbent utility companies to be interconnected, allow for additional and alternative paths for electricity, and facilitate future reliability, generation, and load projects in the area as part of the area’s transmission grid interconnected network, all of which will benefit Pennsylvanians.

The investment? The new Bramah Substation brings over \$104.0 million in new infrastructure investment to Pennsylvania. The initial investment will mean jobs and revenue in the immediate area to construct the facility. Future revenue will also inure to the immediate area, as operation and maintenance of the facility will be required during its useful life.

Who pays? The initial impetus for the Bramah Substation project was New Jersey’s Offshore Wind Plan, but it now meets multiple needs. New Jersey’s request to PJM to add new offshore wind generation into PJM’s planning was in accordance with PJM’s State Agreement Approach (“SAA”). The SAA allows states like New Jersey to supplement PJM’s regular Regional Transmission



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Expansion Plan process if that state voluntarily agrees its residents will be responsible for all costs of a proposed transmission expansion or enhancement that addresses state public policy requirements. Consequently, a large portion of the Bramah Substation costs (approximately 73%) to implement the SAA will be borne by New Jersey electricity customers. However, the Bramah Substation is also needed to address other reliability issues caused by load growth and an expected generation closure; therefore, a portion of the costs (approximately 27%) will be regionally allocated (50% based on load ratio share and 50% based on solution-based DFAX) pursuant to published PJM cost allocation formulas.

Why now? New Jersey expects to add offshore wind generation facility enhancements in 2028. Without the project, the planned wind generation will cause reliability issues in the area at that time. Reliability issues have been further exacerbated by changes to generation flow patterns and increased load in the PJM footprint, particularly in the Doubs (Allegheny Power System) and Northern Virginia (Dominion Energy) areas. Additionally, the retirement of the Brandon Shores generation facility is now scheduled for 2028. Without the Bramah Substation project, the above noted reliability issues will not be timely resolved. The Bramah Substation must be in service near the end of 2027 to accommodate transmission line work (accomplished by others) prior to 2028.

When does construction start? Transource PA anticipates breaking ground on the Bramah substation in late 2024 or early 2025.

When does it go into service? The scheduled in-service date for the Bramah substation is end of December 2027.

What is the application asking for? Transource PA plans to file an application with the PaPUC seeking authorization to commence operations in Pennsylvania as a transmission service only public utility. The requested authorizations include a certificate of public convenience to provide public utility transmission service and the standard exemption from local zoning for any building to be constructed. Transource PA will not provide any retail electric service to customers in Pennsylvania and does not seek as part of this application any authorizations to site, construct and operate aerial high voltage transmission lines in Pennsylvania. Transource PA has obtained through negotiation the rights to the construction site. Transource PA is not seeking any authority from the PaPUC in the application to condemn any property or exercise any rights of eminent domain. If any further authorizations are necessary, Transource PA will make the appropriate requests.

When are you planning to file? Transource PA plans to file an application with the PaPUC the week of May 20th, 2024.