



**PJM Application for Pre-Qualification as a Designated Entity**

Updated: August 25, 2021

**July 16, 2021**

Public Version

## **Introduction**

Atlantic Power Transmission, LLC (“APT”) submits this application for Pre-Qualification as a Designated Entity as outlined in Section 1.5.8 of Schedule 6 of the PJM Interconnection, L.L.C. (“PJM”) Operating Agreement and Section 2 of PJM Manual 14F.

[REDACTED]

APT is a portfolio company of Blackstone Infrastructure Partners L.P. (“BIP”, and together with Blackstone Inc. and its other affiliates, “Blackstone”). BIP is among the largest infrastructure funds globally and has an open-ended, permanent structure that allows for the pursuit of high-quality infrastructure assets and the ability to act as a long-term partner and owner. BIP seeks to invest in large-scale, high-quality, stable, long-duration assets, while also increasing access to clean energy around the world. Blackstone has significant experience in the development and operation of power transmission and other linear infrastructure, providing highly relevant experience and know how to APT, along with strong financial backing in a format that is well suited for cost-effective and reliable energy infrastructure.

To deliver the highest-quality energy infrastructure projects to PJM, APT has formed a commercial alliance (the “APT Alliance”)

[REDACTED]

APT’s commercial arrangements with each of these APT Alliance partners will ensure significant support for APT as a Designated Entity during the full development cycle of transmission facilities within PJM; this support will come by way of dedicated capacity commitments from well proven resources from each of the APT Alliance members. These resources include senior level management and advisement, technical and engineering capabilities, as well as manufacturing and construction capacity.

Blackstone and the APT Alliance have planned, permitted, financed, constructed, operated, and maintained some of the most complex and important transmission infrastructure projects in the world. All of the knowledge and resource bases resulting from this considerable experience will be available to APT in developing transmission infrastructure within the PJM service area and deployed through planning and highly coordinated management as described in this application.

## **I. Name and Address of Entity**

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A Blackstone Infrastructure Partners Portfolio Company  
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## **II. Technical and Engineering Qualifications**

[REDACTED]

### **APT Senior Leadership and Advisors**

**Andy Geissbuehler, CEO.** Mr. Geissbuehler has more than twenty-five years of experience in the electric power industry, focused primarily on offshore wind development, construction and supply chain logistics, including Jones Act compliance. He co-authored the NJ Offshore Wind Strategic Plan.

Mr. Geissbuehler managed EPC project execution and construction, including responsibility for seven turnkey combined cycle power plants built in New England, Texas, and California, encompassing the integration of global and local supply chains.

As GE Renewable Energy's General Manager North America for Offshore Wind, Mr. Geissbuehler provided the turbine supply and installation scope for the Deepwater Wind Block Island Project, the first offshore wind project in the United States.

**Peter Giller, Chairman.** Mr. Giller has twenty years of engineering and construction experience with Westinghouse Electric and ABB as Engineer and Manager, including ten years as head of ABB's global power development business. Further, Mr. Giller served as CEO of UK based International Power.

Mr. Giller has been a Senior Advisor to Blackstone for Power Generation for seventeen years. In that role he headed the development, construction, and operation of Blackstone's Meerwind Sud | Ost 288 MW offshore wind farm in the German sector of the North Sea.

**Sean Klimczak, Blackstone Infrastructure Partners, Global Head of Infrastructure.** Mr. Klimczak brings highly relevant experience and knowledge to APT resulting from other Blackstone investments including Meerwind (offshore wind generation), Transmission Developers Inc. (long-distance power transmission), Fistera (wind and conventional power generation), Tallgrass Energy (midstream energy transport), Cheniere Energy Partners (LNG liquefaction), and Sithe Global (greenfield power generation).

**Erich Stephens, Chief Development Officer.** Mr. Stephens was most recently CDO of Vineyard Wind, the first commercial scale (800MW) offshore wind project in the US to receive both a PPA and complete permits. At Vineyard Wind, Mr. Stephens was responsible for right-of-way planning and permitting for several offshore transmission cable systems.

Mr. Stephens entered the offshore wind sector in 2006 when he was appointed Head of Development for Bluewater Wind, which secured the first offshore wind power purchase agreement in the United States.

**Terry Boston, Senior Advisor.** Mr. Boston was CEO of PJM from 2008 to 2016. Prior to joining PJM, he was the Executive Vice President of the Tennessee Valley Authority. He is an expert in grid reliability and transmission development.

**Mike Adams, Senior Advisor.** Mr. Adams is a former Director at Bechtel Group, where he served as Chief Financial Officer and President of the global civil engineering and construction business.

**Stephen Boyle, Senior Development Advisor.** Mr. Boyle has thirty years of experience in engineering and worked for PJM from 2007 to 2017.

As PJM's Director of State Government Affairs, Mr. Boyle represented PJM in matters regarding system planning, grid operations, and markets with PJM's states and worked with the states to help them coordinate their energy policies with PJM.

### **APT Alliance Partners**

[REDACTED]

### **APT Alliance Management and Planning**

The partners of the APT Alliance are currently working together in close coordination in planning and developing proposed transmission facilities [REDACTED]. This close working relationship includes daily meetings and communications among senior managers and advisors, as well as working groups on particular aspects of project development. These working groups include technical specifications, cost estimating, financing, reliability and operations, right-of-way acquisition, permitting, and community outreach, among others. Members of the working groups include technical experts and engineers from each of the relevant Alliance companies, as well as other specialized experts contracted by APT.

[REDACTED]

This planned management strategy is designed to focus and make best use of the tremendous experience and knowledge residing within the APT Alliance partners, Blackstone, and Blackstone's deep network of senior advisors. In all phases of a project's development, APT's board and CEO will remain responsible for management decisions and ensuring on-time, on-budget, safe, and reliable delivery of any contracted transmission facility. Although the wide range of experts working on APT's projects may be employed by many companies, APT's management plan ensures they will be working as a cohesive team with the shared objective of a successful transmission project.

### **III. Demonstrated Experience Developing, Constructing, Maintaining, and Operating Transmission Facilities**

The APT Alliance partners have substantial experience planning, permitting, constructing, maintaining, and operating transmission facilities, including many significant projects using submarine and buried HVDC and HVAC transmission technology.

[REDACTED]

The experience and knowledge of each of these Alliance partners and particular project experiences (among others), as well as relevant experience of Blackstone, enables APT to successfully plan, permit, finance, construct, and operate transmission facilities within PJM. The APT Alliance supports all areas of successful and reliable transmission development and operation, including securing ROWs, permitting projects, managing on-time construction and installation, and operations and maintenance of the transmission facilities. All of these activities will be carried out to industry best practices and all specific regulatory requirements, as well as an industry leading approach to safety and reliability.

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*Figure 1 - Representative APT Alliance Experience*

[REDACTED]

#### **IV. Previous Record of Constructing, Maintaining, and Operating Transmission Facilities Inside and Outside the PJM Region.**

APT has assembled a team of highly experienced executives and advisors who will plan and manage the design (including acquiring ROWs), permitting, construction, maintenance, and operation of transmission facilities in PJM, drawing on the dedicated resources and capabilities of the APT Alliance partners. APT's senior management team already works closely with senior managers from each of the APT Alliance partners [REDACTED]; this close, high level coordination among the APT Alliance will continue as APT moves into the construction, maintenance, and operation of transmission facilities in PJM. As indicated in the above section, APT Alliance partners, together with Blackstone and its relevant project company experience, have demonstrated a substantial record of successfully planning, permitting, constructing, maintaining, and operating transmission facilities. The projects include the development, operation, and maintenance of projects within the footprint of the California Independent System Operator, the Midcontinent Independent System Operator, the New York Independent System Operator ("NYISO") and ISO New England ("ISO-NE"). The Alliance's combined track record of working successfully with regional transmission organizations across the U.S. to deliver complex projects demonstrates the experience necessary to comply with all applicable PJM requirements and provide exceptional value to ratepayers.

Blackstone's experience forming GridLiance, a portfolio company, demonstrates Blackstone's ability to successfully organize and implement a new transmission company, using an alliance approach as is being utilized by APT. Blackstone partnered with a group of experienced transmission executives to establish GridLiance, a platform to acquire, develop, and operate regulated transmission assets in the US. Blackstone recruited senior executives with decades of experience in utility and transmission to GridLiance's Board to oversee strong operations, including Terry Boston, former CEO of PJM, Michael Morris, former Chairman and CEO of AEP, and Justin Campbell, former VP of Edison Transmission. In addition to providing a demonstrated ability to successfully construct, maintain, and operate transmission facilities, Blackstone's experience with GridLiance provides APT access to a strong network of senior advisors and industry executives, enabling APT to replicate GridLiance's success, and ensure strong operational standards and best practices from the top of the organization. Today GridLiance develops, owns, and operates transmission facilities in six states. Following a sustained track record of successful transmission construction, maintenance, and operations under Blackstone's ownership and leadership, GridLiance was sold to NextEra in 2020.

APT's plan is to stand-up its own operations and maintenance team and O&M resources, as Blackstone did with GridLiance. [REDACTED] Safe and reliable operations will be the top priority for APT in all its maintenance and operations planning and activities, with the goal of APT being an industry leader in safety and reliability.

Key areas of APT's O&M plan are discussed in the following sections. It is planned that each of these areas will have a section head, responsible for overall performance of each functional area. Safety and reliability will be a priority across all sections, and APT plans to be [REDACTED] industry bellwether with regard to safety, designing and implementing a company-wide safety program and fostering a safety-first culture.

Operations Centers: APT will stand-up and operate a new, state of the art NERC certified energy management control center (as well as any back-up centers per NERC requirements), to be located in the state of New Jersey. APT will develop the control center to meet all applicable NERC and PJM physical and cyber-security standards, as well as applicable ReliabilityFirst requirements. The control center will be staffed 7x24 by NERC and PJM certified operators and include all necessary communications and data links to both the generation connected to its system as well as PJM. The control center will use computer software and communication systems to enable analyses to plan for contingencies and to maintain the security and reliability of the transmission system during any unplanned events. The operators will also be responsible for outage coordination and equipment tagout, as necessary. APT has already identified and met with contractors capable of designing and constructing these control center facilities.

HVDC Equipment:

[REDACTED]

## **V. Capability of Adhering to Standardized Construction, Maintenance, and Operating Practices**

The APT Alliance is fully capable of adhering to all standardized construction, maintenance, and operating practices as evidenced by the successful development and operation of projects throughout the United States and Europe, as well as the planning for its O&M capabilities by the time APT's new facilities are operational, all of which are described in previous sections.

APT will comply with PJM's Transmission Owner Guidelines as its baseline for construction, maintenance, and operating practices. APT also recognizes other industry specific standards that may apply to specific projects that PJM may designate APT to construct, maintain, and operate.

[REDACTED]

## **VI. Financial Statements**

APT is a Blackstone Infrastructure Partners L.P. ("BIP") portfolio company. Formed in 2017 with \$16 billion of assets under management, including co-investment, BIP is among the largest infrastructure funds globally and has an open-ended, permanent structure that allows for the pursuit of high-quality infrastructure assets and the ability to act as a long-term partner and owner. BIP seeks to invest in large-scale, high-quality, stable, long-duration assets.

Blackstone seeks to create positive economic impact and long-term value for the companies in which they invest in, their investors, and the communities in which they work. Blackstone is trusted to invest on behalf of many of the world's top institutional investors, including retirement systems which represent more than 31 million pensioners in the US. Blackstone thinks about the implications of every decision – from investments to growth initiatives, risk management to team

building – in terms of years and decades rather than just months or quarters. Blackstone builds to last.

BIP's portfolio companies have a total enterprise value of \$60 billion<sup>1</sup>. BIP's investment model is to develop, own, and operate infrastructure assets over the long term. As a BIP portfolio company, APT will have the full support of BIP to develop, own, and operate transmission infrastructure assets as a Designated Entity.

Blackstone's most recent quarterly fiscal report and annual reports for the three most recent fiscal years (FY2020, FY2019, and FY2018) are provided through the links below:

- August 6, 2021 – 10Q Quarterly Report
  - <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001393818/75522a2e-316f-4684-8642-85ae4c9dc1e2.pdf>
- May 7, 2021 – 10Q Quarterly Report
  - <https://ir.blackstone.com/sec-filings-annual-letters/sec-filings-details/default.aspx?FilingId=14936253>
- February 26, 2021 – 10 K 2020 Annual Report
  - <https://ir.blackstone.com/sec-filings-annual-letters/sec-filings-details/default.aspx?FilingId=14752825>
- February 28, 2020 – 10K 2019 Annual Report
  - <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001393818/b18c971f-fa0a-44d6-82e5-3a63a67cd205.pdf>
- March 1, 2019 – 10 K 2018 Annual Report
  - <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001393818/e760502b-caf3-49c0-915e-23be87d08d9d.pdf>

## **VII. Commitment to Execute the Consolidated Transmission Owners Agreement**

APT commits to execute the Consolidated Transmission Owners Agreement when it becomes a Designated Entity.

## **VIII. Demonstrated Ability to Address and Timely Remedy Facility Failures**

In addition to rapidly responding to unscheduled problems with electrical equipment, APT will contract for and maintain needed standby support to quickly remedy physical damage caused by weather events or third-party actors. [REDACTED]

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<sup>1</sup> Portfolio company acquisition TEV as of 6/30/21, for companies in which BIP owns 20% or more.

Through its GridLiance experience described above, Blackstone has demonstrated ability for a company in its portfolio to successfully construct, maintain, and operate more than 700 miles of high-voltage transmission lines and related substations across a footprint of three regional transmission organizations that spans six states.

[REDACTED]

## **IX. Experience Acquiring Rights of Way**

[REDACTED]

In planning and acquiring ROWs, APT also benefits from, and is able to directly draw upon, Blackstone's considerable resources and experience. Of particular relevance is the development of two projects undertaken by APT affiliate Transmission Developers Inc ("TDI"): the Champlain Hudson Power Express Project ("CHPE") and the New England Clean Power Link ("NECP"). These two projects are underground/underwater HVDC transmission projects that will connect Hydro-Québec with NYISO and ISO-NE, respectively.

More than 600 miles of right-of-way was acquired for these projects, including more than 200 miles of right-of-way under water bodies obtained from both public and private landowners. Types of rights-of-way include land under submerged public waterways, such as Lake Champlain and the Hudson, Harlem, and East Rivers, easements in privately held railroad rights-of-way, and the use of public roadways.

Both projects required significant expertise in route planning and permitting, including navigating complex federal, state, and local regulations, and an ability to establish site control and secure the rights-of-way needed to construct underground/underwater high voltage transmission projects.

Both projects are fully permitted in the states of Vermont and New York, including state water quality certifications and a New York State Coastal Zone Management Act consistency determination. They have also secured all necessary federal approvals, including Presidential Permits and U.S. Army Corps Clean Water Act Section 404 and Rivers and Harbors Act Section 10 authorizations.

As part of the National Environmental Policy Act review and other required federal approvals, both projects completed consultations with NOAA Fisheries and the U.S. Fish and Wildlife Service regarding threatened and endangered species (including sturgeon); the U.S. Coast Guard regarding impacts to commercial navigation and navigation risk assessments; the Advisory Council on Historic Preservation (and state historic preservation agencies) regarding cultural resources and historic properties.

As a result of TDI's sustained stakeholder outreach, none of the federal permits for either project was seriously contested and neither project had a federal permit challenged in federal court. In

fact, the Champlain Hudson Power Express's Presidential Permit was the fastest approval of a Presidential Permit application by the U.S. Department of Energy in the past 40 years.

This considerable experience acquiring ROWs – experience from Mr. Klimczak and TDI, from Mr. Stephens and Vineyard Wind, and [REDACTED] – has been brought to bear in developing APT's plan to acquire ROWs. At a high level, this plan rests on three pillars:

[REDACTED]