

RESOLUTION NO. 2025-133

A RESOLUTION AUTHORIZING THE EXECUTION OF A DEPOSIT REQUEST BY AND BETWEEN ATLANTIC CITY ELECTRIC, AN EXELON COMPANY (ACE) AND THE CITY OF VINELAND FOR DESIGN WORK TO PROVIDE ELECTRIC CAPACITY TO 4087 SOUTH LINCOLN AVENUE AND THE EXECUTION OF A CORRESPONDING AMENDED REIMBURSEMENT AGREEMENT BY AND BETWEEN NORTHEAST PRECAST, LLC AND THE CITY OF VINELAND TO REIMBURSE THE CITY FOR COSTS ASSOCIATED WITH SAID DEPOSIT REQUEST.

WHEREAS, Northeast Precast, LLC (Northeast) is the owner of certain property known as 4087 South Lincoln Avenue, Vineland (Property); and

WHEREAS, Northeast proposes to develop a portion of the Property which will require an upgrade in the electric distribution to the Property which, if feasible, will require Atlantic City Electric (ACE) to upgrade their distribution system to meet the load requirements for the project; and

WHEREAS, in order to determine whether the project needs are obtainable, a feasibility study is necessary to determine transmission planning studies, transmission routing studies and substation design work, provide an initial cost estimate and detailed timeline and an estimated construction time frame for the permanent connection; and

WHEREAS, ACE has agreed to provide a preliminary feasibility study addressing the deliverables set forth above at a cost of \$100,000.00 which study would be for the City of Vineland and not the ultimate user and therefore has provided a Letter Agreement for Feasibility Study (Letter Agreement) between ACE and Vineland; and

WHEREAS, it is necessary for Ace to provide preliminary design and engineering for temporary projected load of 50 MW and the acquisition of certain long lead equipment related thereto in order to enable ACE to more efficiently develop cost estimates, schedule, and scope for the temporary projected load of 50 MW and evaluation of the permanent project load of 300MW; and

WHEREAS, in order to move forward with the feasibility study, ACE will require a deposit in the amount of \$200,000.00 for Engineering Design of new structures to tap ACE's 138 kV line to a point of interconnection as specified by the Vineland Municipal Electric Utility and the initial procurement process of certain materials associated with or necessary for the 138 kV tap and has requested the City to execute a Deposit Request in the form and substance as attached hereto and made a part hereof; and

WHEREAS, as Northeast is the ultimate beneficiary of the feasibility study, Northeast has agreed to reimburse the City for the \$200,000.00 deposit requested by ACE in accordance with the Deposit Request attached and to execute an Amended Reimbursement Agreement which will include a reimbursement to the City of the amount set forth in the Deposit Request; and

WHEREAS, the Director of Economic Development finds that the project will benefit the City by providing jobs and tax ratables and recommends the execution of the Deposit Request and the Amended Reimbursement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Vineland that the Mayor and Clerk are hereby authorized to execute the Deposit Request by and between the City and Atlantic City Electric and the Amended Reimbursement Agreement by and between the City and Northeast Precast, LLC in the form and substance as attached hereto and made a part hereof subject to non- material changes as recommended by the Solicitor.

Adopted: March 11, 2025

President of Council

pfs

ATTEST:

City Clerk

rgf



atlantic city
electricSM

AN EXELON COMPANY

DEPOSIT REQUEST

Vineland Municipal Utilities
640 E Wood Street
Vineland, NJ 08361

Atlantic City Electric Company
5100 Harding Highway
Mays Landing, NJ 08330

SERVICE ADDRESS:

4087 S Lincoln Ave
Vineland, NJ 08361

March 11, 2025

Thank you for your continued interest in working with ACE on a new data center facility located at 4087 S Lincoln, Vineland, NJ 08361 (the “Location”). As you are aware, Vineland Municipal Utilities (“VMU”) made a wholesale interconnection request for a permanent supply of 300 MW of power to the proposed data center facility (the “Service Request”). VMU determined that it is not able to accommodate the Service Request and engaged ACE, as a transmission provider, to perform analysis to determine if it could accommodate the Service Request. On or about September 23, 2024, VMU and ACE commissioned an Engineering Feasibility Study (Attachment 1) as an initial step in determining if ACE can accommodate the Service Request. The preliminary analysis conducted pursuant to the Engineering Feasibility Study confirmed that ACE believes its current system can support a temporary initial projected total load of 50 MW (as of the date hereof and subject to change as described below) utilizing a 138 kV tap at the proposed location and identified certain necessary work to construct, upgrade, or replace structures required to meet the temporary initial projected total load of 50 MW as described in Fact Sheet (Attachment 2).

ACE is continuing its analyses pursuant to the Engineering Feasibility Study to confirm the feasibility of the temporary initial projected load of 50 MW and to determine if it can support the permanent project total load of 300 MW. ACE’s ultimate ability to accommodate the Service Request depends on completion of the Engineering Feasibility Study, receipt of sufficient advance notice of the particulars of the project from VMU including, but not limited to, service point, final site layout, determination and procurement of materials, quality and quantity of structures, materials, and matting at final location of service point (including long lead materials), timely cooperation from the VMU, and are subject to the assumptions made in the Engineering Feasibility Study and in discussions with VMU. Lastly, ACE’s ability to accommodate the Service Request remains subject to the VMU’s consent to install any facilities required for the Service Request and, if ACE determines it is able to accommodate the Service Request, to ultimately provide the Service Request for the project, project’s compliance with requirements for service under ACE’s tariffs, as applicable,

including that the project is constructed in accordance with applicable tariffs and ACE is timely paid for all services rendered.

Now, ACE requires \$200,000 from VMU (the "Phase II Deposit"), which will be applied toward preliminary design and engineering for the temporary projected load of 50 MW (described below) and purchase of certain long lead equipment related thereto (the "Phase II Design Work"). ACE believes that commencing the Phase II Design Work will enable it to more efficiently develop cost estimates, schedule, and scope for the temporary projected load of 50 MW and evaluation of the permanent project load of 300 MW that will be more fully developed in the Engineering Feasibility Study. Please note that the Engineering Feasibility Study is preliminary in nature and neither that Engineering Feasibility Study nor this Letter guarantee the feasibility of the proposed project or create an obligation to serve the temporary or permanent load associated with the Service Request. VMU understands that the total estimated cost for project will be determined upon completion of the Engineering Feasibility Study and additional funds will be requested at that time, if the parties elect to proceed with the project.

ACE will use the Phase II Deposit for the following Phase II Design Work:

- Engineering design of new structures to tap ACE's 138 kV line to a point of interconnection specified by the City of Vineland and
- Initial procurement process of certain materials associated with or necessary for the 138 kV tap.

Again, ACE cannot guarantee it can support the Service Request or any timeline for this wholesale interconnection connection. Neither ACE nor VMU will be required to proceed with this project at the completion of the Engineering Feasibility Study.

ACE will commence the Phase II Design Work promptly upon the receipt of this signed letter and the payment of the Phase II Deposit that is described in the next paragraph.

When the Phase II Design Work is complete, any excess funds beyond the cost to perform the Phase II Design Work will be refunded or may be credited, at ACE's sole discretion, to VMU for any required future work for the project. However, if ACE's costs exceed the Phase II Deposit, VMU promptly will pay for this additional cost following receipt of an ACE invoice.

The Parties agree that this Letter in no way obligates either Party to perform any obligations (other than performing the Phase II Design Work as required herein) or serve or consume the requested load for the Service Request.

Please sign and return this agreement to the address noted on the front page. Keep one copy for your records. If you have any questions or need assistance, please call Chris Cavaliero during normal business hours at (215) 589-5895. Electronic signature of this agreement shall be deemed to be valid execution and delivery as though an original ink. The parties explicitly consent to the electronic delivery of the terms of the transaction evidenced by this agreement and affirm that their electronic signatures indicate a present intent to be bound by the electronic signatures and the terms of the agreement.

VINELAND MUNICIPAL AUTHORITIES:

Name

Title

Date

ATLANTIC CITY ELECTRIC COMPANY

Name

Title

Date

ATTACHMENT 1

Executed Engineering Feasibility Study

[See attached]



AN EXELON COMPANY

LETTER AGREEMENT FOR FEASIBILITY STUDY

Between

Vineland Municipal Utilities
640 E Wood Street
Vineland, NJ 08361

Atlantic City Electric Company
401 Eagle Run Road
P.O. Box 9239
Newark, DE 19714

SERVICE ADDRESS

4087 S Lincoln Rd
Vineland, NJ 08361

September 23, 2024

This Letter Agreement ("Agreement") enumerates that Atlantic City Electric Company ("ACE") will conduct a Feasibility Study to provide Vineland Municipal Utilities ("VMU") the information necessary to provide 300 MVA of capacity for the 4087 S LINCOLN RD facility. As described below, VMU will pay \$100,000 for this Feasibility Study which will be applied toward the total project costs; however, if ACE's costs exceed \$100,000, VMU will pay for this additional cost. The Feasibility Study will determine an estimate of the cost, schedule and scope of the proposed project. The Feasibility Study will also allow ACE and VMU the opportunity to review and consider cost effective alternatives. Please note that the Feasibility Study is preliminary in nature and does not guarantee the feasibility of the proposed project.

ACE will study the feasibility of the following, which will comprise the Feasibility Study:

- Conduct Transmission Planning studies to identify potential reinforcement needs for the new load, 300MVA.
- Perform transmission routing studies and high-level substation design work.
- Provide an initial cost estimate and detailed timeline.
- Provide estimated construction time frame for the permanent connection

Again, ACE cannot guarantee any timeline for connection but will consider incremental connections for any future engineering, procurement and construction agreement. Neither ACE nor VMU will be required to proceed with this project at the completion of the Feasibility Study.

This Feasibility Study includes a route analysis and a more detailed cost estimate for the project. Once ACE completes the Feasibility Study, ACE will await a Notice to Proceed from VMU should VMU wish to formally request service to the site. Under this scenario, ACE can discuss the steps necessary to submit a formal service request and develop a detailed engineering, design and construction plan for the site. This Feasibility Study will only commence following ACE's receipt of this signed agreement and the payment of

\$100,000 that is described in the next paragraph.

The undersigned party, VMU, will pay \$100,000 which will be used to do the Feasibility Study. When complete, any excess funds beyond the cost to do this Feasibility Study will be refunded or may be credited, at ACE's sole discretion, to VMU for any required preliminary work for the project. However, if ACE's costs exceed \$100,000, VMU will pay for this additional cost.

The Parties agree that this Agreement in no way obligates either Party to perform any services beyond those enumerated in this Agreement, such as, the Feasibility Study.


This agreement shall be governed, interpreted, construed, and enforced in accordance with the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. The forum and venue for all actions related to the matters which are the subject of this agreement shall be a court of competent jurisdiction in the County of Cumberland and the State of New Jersey.

The parties agree that the work of the Feasibility Study shall be performed in a safe and professional manner, and in accordance with any and all applicable rules, regulations, ordinances, statutes and laws.

Please note that this agreement for the cost of the Feasibility Study as specified in this document will be valid only until October 23, 2024.

Please sign and return this agreement to the address noted on the front page. Keep one copy for your records. If you have any questions or need assistance, please call Chris Cavaliero during normal business hours at (215) 589-5895. Electronic signature of this agreement shall be deemed to be valid execution and delivery as though an original ink. The parties explicitly consent to the electronic delivery of the terms of the transaction evidenced by this agreement and affirm that their electronic signatures indicate a present intent to be bound by the electronic signatures and the terms of the agreement.


AGREED:



Vineland Municipal Utilities

Signature

9/24/2024
Date



Mark Scarano
Atlantic City Electric Company
Senior Manager, Economic
Development

Signature

9/24/24
Date

ATTACHMENT 2

Fact Sheet

Title	Vineland New Business Connection	
Customer	Vineland Municipal Utility (a franchise for the City of Vineland)	
Developer	Northeast Precast LLC	
Fact Sheet Date	2/20/2025	
Budget Years	To be determined once customer executes CSA & provides deposit	
Order of Magnitude Cost Estimate (Customer Cost)	\$ \$6.2M (+/- 50%)	
Location	CUMBERLAND County	
Proponent	Regional Planning MA-N	Region: ACE

A. Present System Conditions:

Lincoln is an ACE owned 138 kV substation with two 138 kV lines, and one distribution transformer (Vineland Owned). Union is an ACE owned 138 kV substation with three 138 kV lines and one distribution transformer. There is a 138kV line that runs from Lincoln substation to Union substation that is located near the customer's site.

B. Future System Conditions:

Vineland Electric Data Center will be located at 4087 S Lincoln Ave, Vineland NJ 08360. The customer has requested temporary service for 50MW of new load at 138 kV to be provided to the customer owned substation that will be located on their site.

The solution will be to construct a temporary tap off the Lincoln-Union line. The new temporary tap will be a short span (Less than 0.25 miles long) from the 138kV line to the customer owned substation. Disconnect switches will be added on either side of the temporary tap and on the radial line to the customer to allow the line to be sectionalized for maintenance work.

Studies were performed using the 2028 RTEP case for summer and winter with 50MW of load added from Vineland Data Center Customer and zero violations were identified on the Exelon system.

The ultimate customer requested load of 300MW is under study to determine the permanent solution.

C. Project Requirements:

The project requirement is to provide service for Vineland's 50MW load request. To accommodate this request, a temporary 138 kV feed will be constructed by cutting into the Lincoln-Union line. The new 138 kV radial tap will be built to the customer's substation and a disconnect switch will be added on either end of the tap and on the radial line to the customer to allow the line to be sectionalized for maintenance.

D. Assumptions Used:

1. A modified 2028 Summer & Winter RTEP 50/50 load flow model was used to complete N-1 and N-1-1 studies for thermal, voltage magnitude and voltage drop as well as generator deliverability studies.
2. The project scope assumes the customer will upgrade or build new infrastructure on their end as needed.
3. Customer power factor was assumed to be 0.90 p.u.
4. Customer will provide ROW needed for the new 138 kV line to the customer's POI.
5. Estimate is in 2025 Dollars. Project costs could be higher due to increase in inflation, material, and resource costs.

6. Customer does not have generation operating in parallel with their load. Additional evaluation and resulting scope may be required to protect the tap with generation present.

E. Risks & Mitigation measures:

1. Long material lead times could impact construction schedule.
2. Vineland Electric Data Center cancelling their development project could pose a financial and reliability risk to ACE. ACE will execute an agreement with Vineland to reimburse ACE for all cost's incurred should the project be cancelled for any reason. Additionally, the customer will be required to shift their service to the permanent solution once it is fully constructed and the temporary service will be removed.
3. The customer accepts a line tap solution with the understanding that it's less reliable than permanent redundant feeds.
4. Customer outages may be required to move from temporary tap the permanent feed.

F. Alternatives:

- No feasible alternatives.