

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio Edison)	
Company, The Cleveland Electric Illuminating)	
Company and The Toledo Edison Company for)	Case Nos. 14-1297-EL-SSO
Authority to Provide for a Standard Service)	
Offer Pursuant to R.C. § 4928.143 in the Form)	
of an Electric Security Plan.)	

**REPLY OF
THE RETAIL ENERGY SUPPLY ASSOCIATION**

On October 1, 2014, the Independent Market Monitor (“IMM”) for PJM Interconnection LLC (“PJM”) filed a motion to intervene in the electric security plan proceeding jointly filed by Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively “FirstEnergy”). The IMM explained its concern that subsidies should not be permitted to interfere with the PJM market’s design and competitiveness.

On October 15, 2014, FirstEnergy filed a memorandum contra the intervention of the IMM on the ground that its application does not involve the PJM markets and thus the IMM’s interest is not relevant to the case at hand. FirstEnergy also argued that, because the IMM has access to confidential information and parties may have disputes about access to that confidential information, the IMM should not be permitted to intervene.

The Retail Energy Supply Association (“RESA”)¹, which filed its motion to intervene on October 1, 2014, supports the intervention request of the IMM. RESA shares the concern that the proposed Retail Rate Stability Rider (“Rider RRS”), which imposes on captive

¹ RESA’s members include: AEP Energy, Inc.; Champion Energy Services, LLC; Consolidated Edison Solutions, Inc.; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.; Homefield Energy; IDT Energy, Inc.; Integrys Energy Services, Inc.; Interstate Gas Supply, Inc. dba IGS Energy; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG Energy, Inc.; PPL EnergyPlus, LLC; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P. The comments expressed in this filing represent only those of RESA as an organization and not necessarily the views of each particular RESA member.

customers the financial responsibility to pay all the costs and a return for wholesale generation in exchange for the “possible” earnings beyond the costs and returns, is a subsidy that will distort not only the wholesale but the retail power market in Ohio.² The IMM provides a unique perspective on the important concepts associated with this aspect of FirstEnergy’s proposal. In particular, the IMM would have insight on whether the units covered by the full cost guarantee provided by Rider RRS affect the bid price of the Rider RRS-backed units when bid into the market. RESA notes that FirstEnergy claims [Application, page 2] that system reliability requirements support the continued operation of the plants proposed to be included in Rider RRS which implicitly raises as an issue the reliability of the wholesale market supporting Ohio. Whether the retail generation market should provide a wholesale market participant with a subsidy derived from utility distribution customers is a relevant issue and is well within the IMM’s area of expertise. If reliability is relevant to this ESP case, then the IMM should be granted intervenor status.

Additionally, the Public Utilities Commission of Ohio should allow the intervention of the IMM so that the Commission can fully understand the important federal regulatory concepts which the IMM enforces and so that the Commission can receive that information directly from the IMM.

The argument that the IMM should be excluded because it has confidential information has no merit. The Commission and the Federal Courts have ample and adequate means of protecting information which cannot be disclosed for reasons of law enforcement or privacy protection. Seeking the exclusion of the IMM from participation as an intervenor for this reason evinces a belief that Ohio’s laws and rules lack adequate protection for such confidential information, which, in RESA’s opinion, is wholly unfounded.

² See Application page 9.

The viewpoint of the IMM is unique and no other party or intervenor can adequately present the IMM's interests. Further, there is no suggestion that IMM's intervention in this proceeding will cause undue delay or undue prejudice to any party. Intervention ought to be liberally allowed so that the positions of all parties with a real and substantial interest in the proceedings can be considered by the PUCO. See *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 111 Ohio St. 3d 384, 2006-Ohio-5853.

WHEREFORE, the Retail Energy Supply Association respectfully requests that the Commission grant the October 1, 2014 motion for leave to intervene of the Independent Market Monitor for PJM Interconnection LLC and that IMM be made a full party of record.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served (via electronic mail) on the 22nd day of October, 2014 upon the persons/entities listed below.



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Summary: Reply Reply electronically filed by M HOWARD PETRICOFF on behalf of Retail Energy Supply Association