BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application Seeking)	
Approval of Ohio Power Company's Proposal)	
to Enter into an Affiliate Power Purchase)	Case No. 14-1693-EL-RDR
Agreement for Inclusion in the Power Purchase)	
Agreement Rider)	
In the Matter of the Application of Ohio Power)	
Company for Approval of Certain Accounting)	Case No. 14-1694-EL-AAM
Authority)	

MOTION TO INTERVENE OF THE PJM POWER PROVIDERS GROUP AND THE ELECTRIC POWER SUPPLY ASSOCIATION

Pursuant to Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, the PJM Power Providers Group ("P3") and the Electric Power Supply Association ("EPSA") move for intervention in the above-styled proceeding, each as a full party of record. P3 and EPSA share a common position in this proceeding, opposition to the proposed expansion of Rider PPA, and plan to conduct their participation jointly. The joint presentation should further the goal of judicial economy by reducing redundant briefs and testimony. Should an unforeseen issue occur on which P3 and EPSA do not agree, each party reserves the right to express their individual view on that issue and thus seek separate interventions. The reasons supporting the interventions are contained in the accompanying Memorandum in Support.

WHEREFORE, P3 and EPSA respectfully request that the Commission grant this motion to intervene and that P3 and EPSA individually be made a full party of record.

Respectfully Submitted,

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MEMORANDUM IN SUPPORT OF THE MOTION TO INTERVENE OF THE PJM POWER PROVIDERS GROUP AND THE ELECTRIC POWER SUPPLY ASSOCIATION

The PJM Power Providers Group ("P3") is a nonprofit trade association whose corporate members¹ are engaged in electric generation and sales in the PJM Regional Transmission Organization. P3² strongly believes that properly designed and well-functioning competitive markets are the most effective means of ensuring a reliable supply of power to the PJM region, facilitating investments in energy generation of all types, and promoting prices that will allow consumers to enjoy the benefits of competitive electricity markets. Combined, P3 members own over 75,000 megawatts of power, own over 51,000 miles of transmission lines, serve nearly 12.2 million customers and employ over 55,000 people in the PJM region – encompassing 13 states and the District of Columbia.

The Electric Power Supply Association ("EPSA") is a national trade association representing competitive power generators and suppliers.³ EPSA members own or operate 480 generation facilities totaling over 200,000 MW of capacity. That is nearly 40% of all the installed generation capacity in the United States. EPSA members include many of the premier generation companies utilizing innovative environmental and cost-effective generation technology. Many of EPSA's members own or operate facilities in Ohio and are market participants in PJM Interconnection, L.L.C. ("PJM"). EPSA seeks to bring the benefits of

¹ P3 is a nonprofit corporation dedicated to promoting policies that will allow the PJM region to fulfill the promise of its competitive wholesale electricity markets. For more information on P3, visit www.p3powergroup.com.

² The positions taken in this proceeding by P3 represent the position of P3 as an organization, but not necessarily the views of any particular member with respect to any issue.

³ See the EPSA website at <u>www.epsa.org</u> for details on membership, mission statements and association activities. The views expressed in this pleading represent the position of EPSA and are not necessarily the views of any particular member with respect to any particular issue.

competitive generation to all power customers. P3 and EPSA, jointly referred to hereafter as "Wholesale Suppliers," are trade associations whose members have direct pecuniary interests in the matter at bar.

Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, established the standard for intervention in the above-styled proceeding as a full party of record. Rule 4901-1-11 states in part:

Upon timely motion, any person shall be permitted to intervene in a proceeding upon a showing that:

* * *

(2) The person has a real and substantial interest in the proceeding, and the person is so situated that the disposition of the proceeding may, as a practical matter, impair or impede his or her ability to protect that interest, unless the person's interest is adequately represented by existing parties.

To determine a direct interest, the factors that the Commission considers in implementing the above rule are the nature of the intervenor's interest, the extent that interest is represented by existing parties, the intervenor's potential contribution to a just and expeditious resolution of the issues involved, and whether intervention would result in an undue delay of the proceeding. (See also Section 4903.221(B), Revised Code). A review of the intervention criteria in light of the following facts supports granting the Wholesale Suppliers' intervention.

As part of its ESP III proposal in Case Nos. 13-2385-EL-SSO, et al., Ohio Power Company ("Ohio Power") proposed the PPA Rider. Under this proposed PPA Rider, Ohio Power sought authority to pass through to customers the differential between the revenues Ohio Power received by making sales into the PJM market and the cost to Ohio Power to generate and sell the Ohio Valley Electric Corporation ("OVEC") power. Thus, Rider PPA serves as a ratepayer guarantee for Ohio Power's wholesale sale of the OVEC power. The OVEC power though is owned by Ohio Power and thus the utility would be assessing customers for a utility asset. This

application seeks the same type of ratepayer guarantee for some additional 2,700 MW of generation, but the collections will go to non-utility owned assets. The generation plants being backed by the ratepayer guarantee will be owned by Ohio Power's unregulated affiliate AEP Generation Resources Inc.

If granted, it would mean that the Wholesale Suppliers' members would be competing in the PJM wholesale market against a non-regulated wholesale supplier who was backed by a limitless financial guarantee underwritten by utility ratepayers. Further, the ratepayers are not willing counterparties, but under the Application conscripted by the Commission under its utility supervisory authority. Finally, Ohio Power selected the affiliated generation facilities to be hedged and selected the units that, for the foreseeable future, are generating at a cost per MWh which is above market facilities.

The Wholesale Suppliers business interests in the State will be directly affected by the outcome of this proceeding. The Wholesale Suppliers intervention and participation will enhanced the proceeding as the Wholesale Suppliers will provide commercial knowledge of the wholesale market which Ohio Power and other parties cannot provide. The Wholesale Suppliers have a unique interest in this proceeding which cannot be represented by existing parties, pursuant to Rule 4901-1-11(B)(5) of the Ohio Revised Code. It has an interest which meets the criteria of Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code and since no procedural schedule exits at this time the Wholesale Suppliers intervention will not delay the outcome.

For purposes of receiving service in the proceeding, in addition to the undersigned, the Wholesale Suppliers request that the following individuals be placed on the official service list:

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WHEREFORE, P3 and EPSA respectfully request that the Commission grant this motion to intervene for both P3 and EPSA and make both full parties 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 7th day of November 2014 upon the persons/entities listed below.

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Summary: Motion to Intervene of the PJM Power Providers Group (P3) and the Electric Power Supply Association (EPSA) electronically filed by Mrs. Gretchen L. Petrucci on behalf of PJM Power Providers Group and Electric Power Supply Association