



Vorys, Sater, Seymour and Pease LLP  
Legal Counsel

52 East Gay Street  
P.O. Box 1008  
Columbus, Ohio 43216-1008

614.464.6400 | [www.vorys.com](http://www.vorys.com)

Founded 1909

Gretchen L. Petrucci  
Direct Dial (614) 464-5407  
Direct Fax (614) 719-4793  
Email [glpetrucci@vorys.com](mailto:glpetrucci@vorys.com)

January 30, 2015

**PUBLIC VERSION**

Ms. Barcy McNeal  
Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street, 11th Floor  
Columbus, Ohio 43215

Re: Errata and Revised Attachments to the Direct Testimony of Dr. Joseph P. Kalt, Witness on behalf of the PJM Power Providers Group and the Electric Power Supply Association  
Case No. 14-1297-EL-SSO

Dear Ms. McNeal:

Enclosed please find an errata and revised attachments to the Direct Testimony of Dr. Joseph P. Kalt, which was originally filed with the Commission on December 22, 2014. The revisions in the attachments are non-substantive, except for a few changes in Attachment JPK-7 wherein four numbers in the calculations have been revised, due to the inadvertent use of partial year 2030 capital expenditures in the original version of the exhibit. The other changes in the attachments are clarifications and corrections to designations. None of the changes in the revised attachments alters the questions, answers, conclusions, and opinions contained in Dr. Kalt's testimony or alters Appendix A or Appendix B to his testimony.

Below is a summary of the changes contained in Attachments JPK-1 through JPK-8:

Attachment	Change in the Revised Version
Attachment JPK-1 (Public)	Addition of Note #1, and renumbering of the other three notes.  Removal of the "Draft," "Work Product" and "Privileged and Confidential" notations.
Attachment JPK-2 (Public)	Removal of the "Draft," "Work Product" and "Privileged and Confidential" notations.

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Attachment JPK-3 (Public)	Removal of the "Draft," "Work Product" and "Privileged and Confidential" notations.
Attachment JPK-4 (Public)	Removal of the "Draft," "Work Product" and "Privileged and Confidential" notations.
Attachment JPK-5 (Public)	Additional source listed.  Removal of the "Draft," "Work Product" and "Privileged and Confidential" notations.
Attachment JPK-6 (Confidential)	[REDACTED] [REDACTED]
Attachment JPK-7 Page 1 of 2 (Confidential)	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Attachment JPK-7 Page 2 of 2 (Confidential)	[REDACTED] [REDACTED] [REDACTED] [REDACTED]

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	<div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div>
Attachment JPK-8 Page 1 of 2 (Confidential)	<div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div>
Attachment JPK-8 Page 2 of 2 (Confidential)	<div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div>

We request that the confidential information in the errata and attachments be granted confidential treatment, as previously requested in the December 22, 2014 joint motion for a protective order of the PJM Power Providers Group and the Electric Power Supply Association. Please do not hesitate to contact me with any questions or concerns.

Very Truly Yours,



Gretchen L. Petrucci

Attorneys for PJM Power Providers Group and the  
Electric Power Supply Association

GLP/glp

Enclosures

cc: Parties of Record



## Joseph P. Kalt Errata Sheet

[illegible]

[illegible]



## PJM RTO RELIABILITY REQUIREMENT v. EXPECTED CAPACITY

PJM RTO Reliability Requirement v. Expected Capacity

Summer Year	Reliability Requirement (MW)	Expected Generation Additions (MW)	Expected Generation Retirements (MW)	Expected Capacity (MW)	Expected Capacity Over Reliability Requirement (MW)	Expected Capacity Over Reliability Requirement (%)
6/1/2015	177,184	5,346	9,868	188,275	11,091	6.3%
6/1/2016	180,332	5,463	0	192,064	11,732	6.5%
6/1/2017	179,545	6,267	288	192,464	12,919	7.2%
6/1/2018	180,981	6,128	1,124	197,469	16,487	9.1%

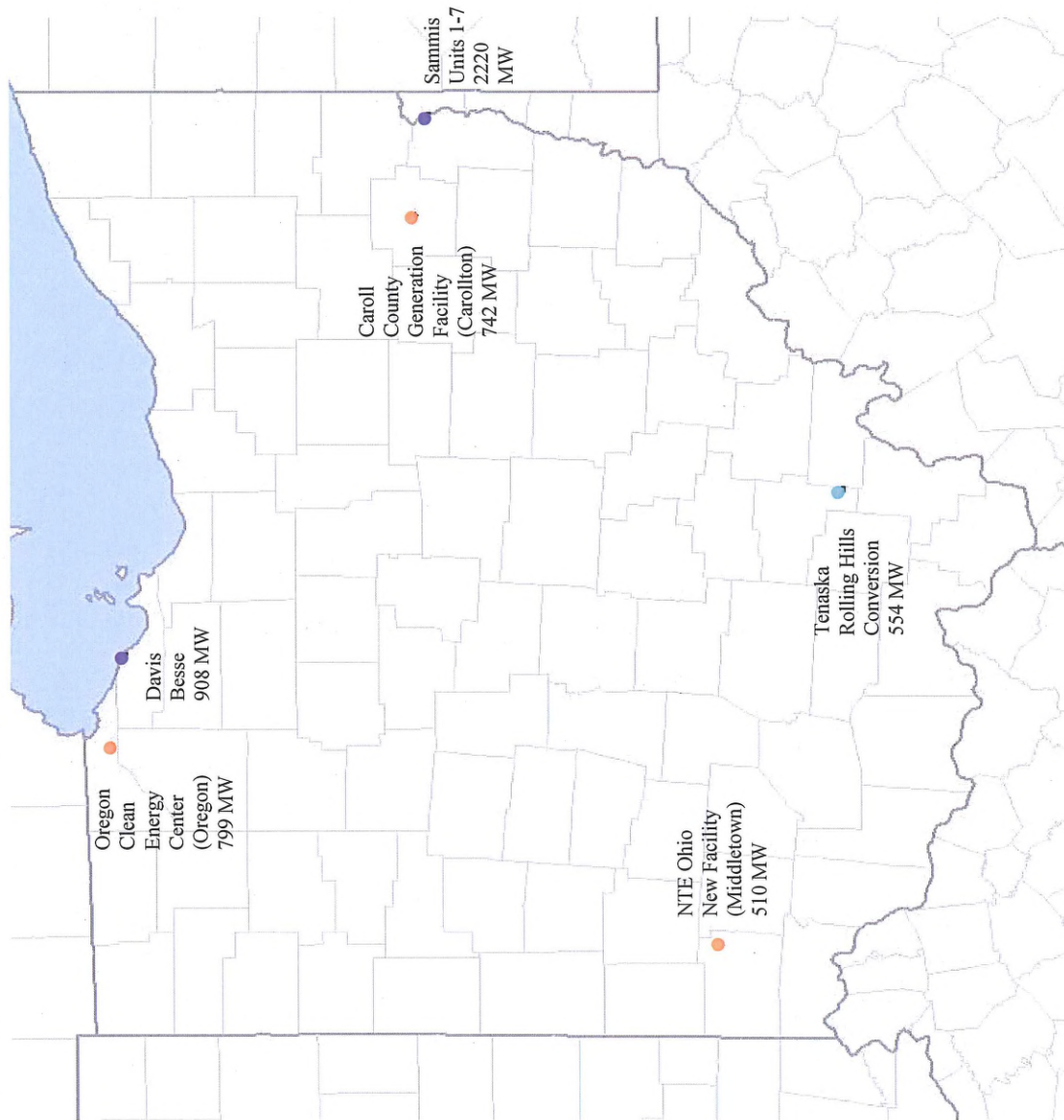
**Notes:**

- 1) All capacities reported as unforced capacity consistent with PJM capacity market rules.
- 2) The 2018 Reliability Requirement escalated from 2017 using the summer peak load growth rates from the 2014 PJM Load Forecast Report.
- 3) 2018 assumes the same Offered DR and EE and Offered Capacity Imports as 2017.
- 4) Expected Generation Additions for 2015-2017 are Cleared New Generation Capacity reported in the RPM Base Residual Auction Results; for 2018, they are resources that are actively under development and are submitting permit applications for relevant permits and are working with PJM to complete interconnection agreements.

**Sources:**

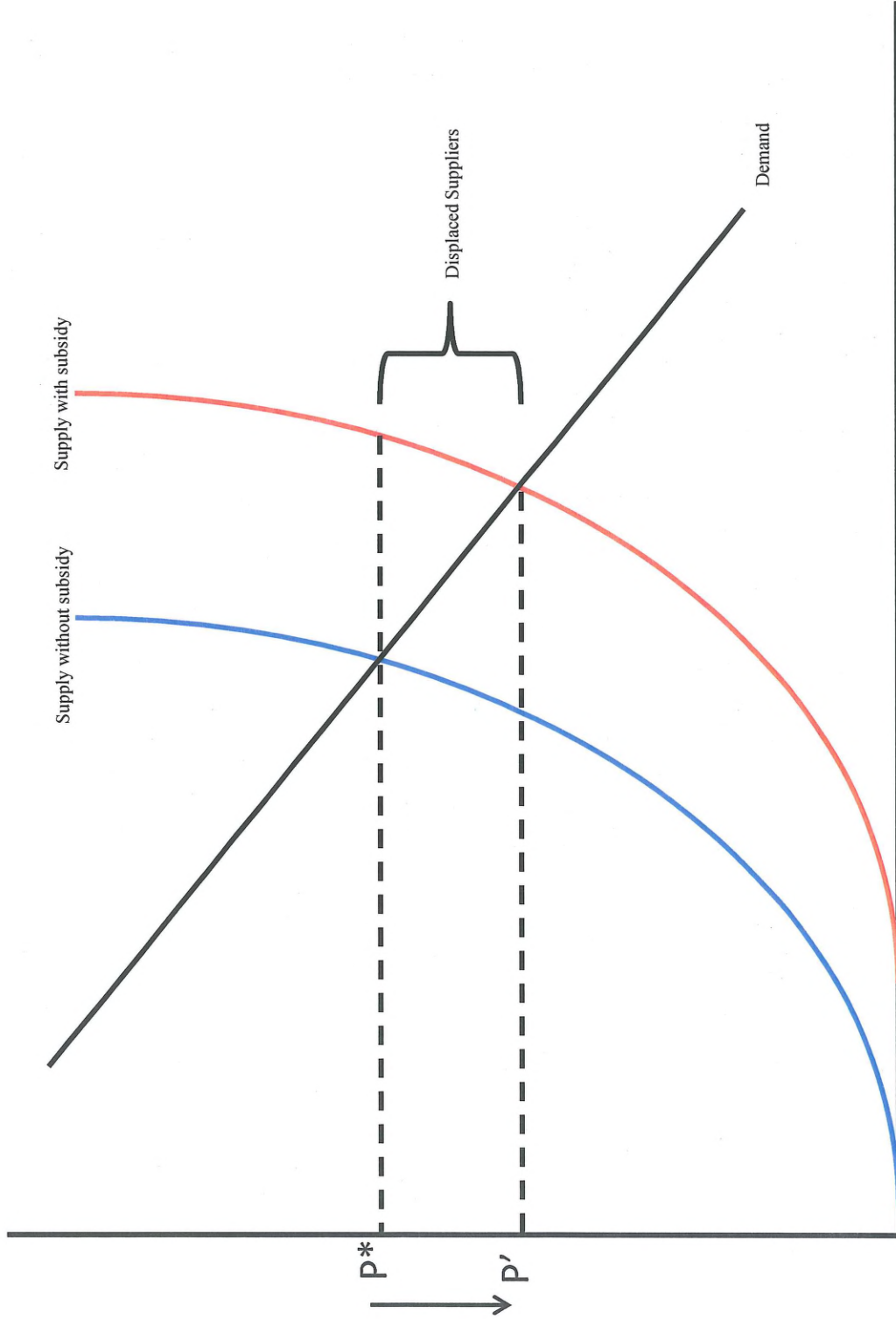
- 1) PJM Reliability Requirement from Planning Period Parameters files, available at <http://www.pjm.com/markets-and-operations/rpm/rpm-auction-user-info.aspx>
- 2) Expected generation additions for 2015-2017 from PJM RPM Base Residual Auction Results reports; for 2018, from company websites and news articles.

## SELECT DEVELOPING AND EXISTING POWER PLANTS IN OHIO



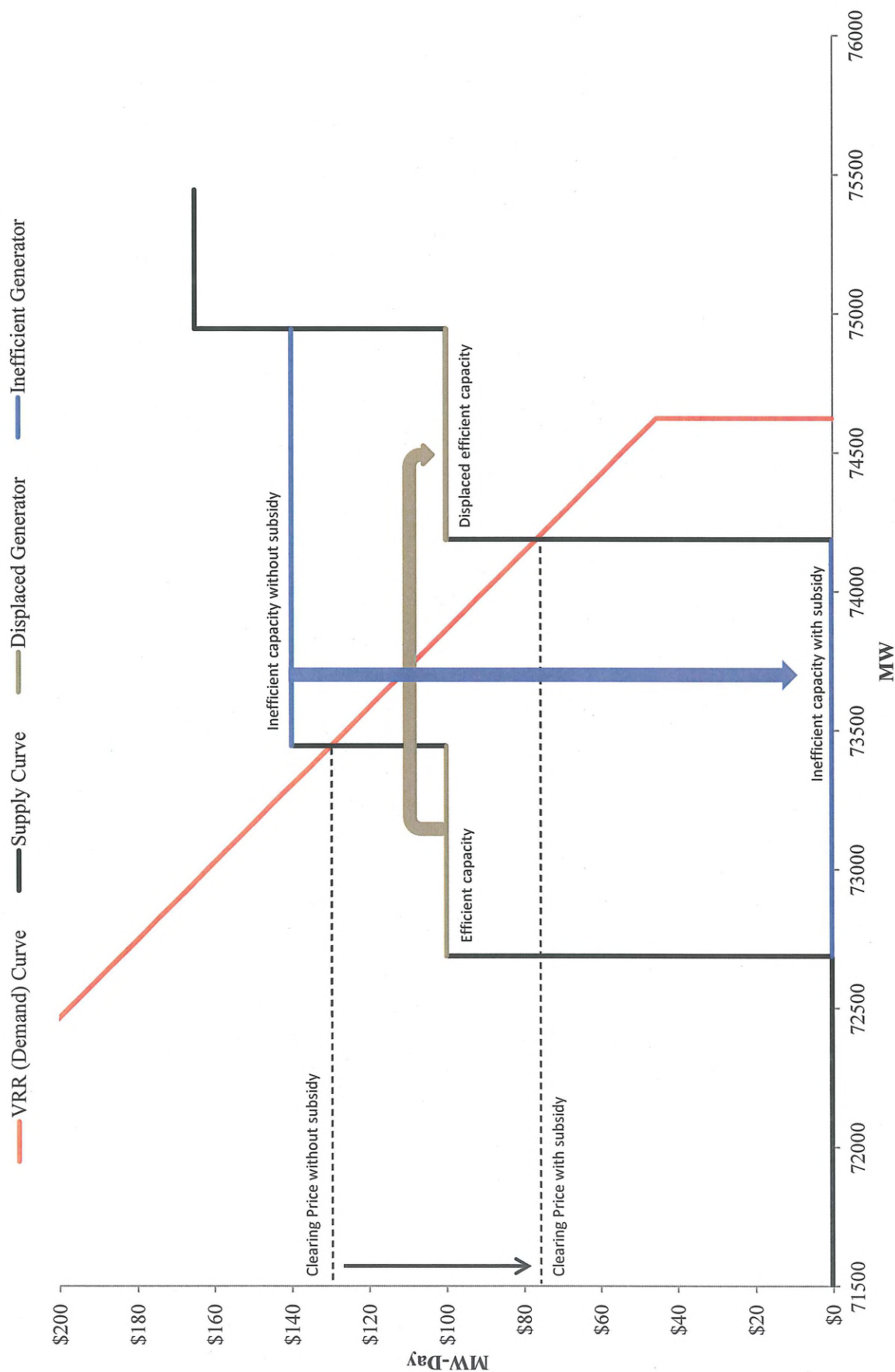
Sources: Carroll County Energy OO 13-1752-EL-BGN; NTE OO 14-0534-EL-BGN; Oregon Clean Energy OO 12-2959-EL-BGN; AMP Generating Station OO 06-1358-EL-BGN; Rolling Hills 12-1669-EL-BGA  
Note: AMP Natural Gas Combined Cycle (960 MW) is not depicted; its status is uncertain.

## MARKET IMPACT OF A SUBSIDY





# IMPACT OF A SUBSIDY ON PJM RPM CAPACITY MARKET



# ANNUALIZED VOLATILITY AT AEP-DAYTON

## October 2010 – October 2014

Type	Product Duration		
	Year*	Half-Year*	Quarter*
On-Peak	18%	23%	37%
Off-Peak	16%	22%	33%
			Day
			274%
			200%

Note: \* indicates implied volatility based on forward curve; all others indicate historical volatility.

Source: Platts and Compass Lexecon analysis.

**Attachment JPK-6 Revised  
Attachment JPK-7 Revised  
and  
Attachment JPK-8 Revised  
are Confidential**



**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 14-1297-EL-SSO**

Summary: Correspondence (Public Version) with Errata and Revised Attachments to the Direct Testimony of Dr. Joseph P. Kalt electronically filed by Mrs. Gretchen L. Petrucci on behalf of PJM Power Providers Group and Electric Power Supply Association