

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) Case No. 14-1297-EL-SSO
Edison Company for Authority to Provide)
for a Standard Service Offer Pursuant to)
R.C. § 4928.143 in the Form of an Electric)
Security Plan)

**SUPPLEMENTAL TESTIMONY
OF
BRUCE BURCAT**

**On Behalf of the
Mid-Atlantic Renewable Energy Coalition**

May 11, 2015

1 **Q. What is the purpose of your supplemental testimony?**

2 A. The purpose of my testimony is to highlight elements of “In the Matter of the
3 Application of Ohio Power Company for Authority to Establish a Standard Service Offer
4 Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan” (PUCO Case No. 13-2385-EL-
5 SSO) and “In the Matter of the Application of Ohio Power Company for Approval of Certain
6 Accounting Authority” (PUCO Case No. 13-2386-EL-AAM) which affirm recommendations in
7 MAREC’s direct testimony.

8 **Q. Would you briefly summarize the relevant recommendations in your direct testimony?**

9 A. MAREC proposes that the joint petitioners engage in competitive solicitation for 800
10 MWs of 15-year power purchase agreements with new wind energy resources. The purpose of
11 this resource acquisition would be to add long-term fixed price power to the joint petitioners’
12 energy supply and to respond to environmental compliance requirements and power supply
13 needs presented by upcoming federal environmental rules, including the Mercury Air Toxics
14 Standard and the Clean Power Plan.

15 **Q. How do PUCO Orders affirm MAREC’s direct testimony recommendation?**

16 A. The PUCO order in the above stated matters affirms MAREC’s direct testimony in a
17 number of ways. The Commission found that it is lawful for utilities to engage in power
18 purchase agreements (“PPAs”) and set forth standards for how the Commission would evaluate
19 PPAs in future filings. Elements the Commission suggested should be addressed at a minimum
20 in future cost-recovery filings included: “financial need of the generating plant; necessity of the

1 generating facility, in light of future reliability concerns, *including supply diversity; description of*
2 *how the generating plan is compliant with all pertinent environmental regulations and its plan*
3 *for compliance with pending environmental regulations;* and the impact that a closure of the
4 generating plant would have on electric prices and the resulting effect on economic
5 development within the state.” (Emphasis added).

6 MAREC’s proposal to require 800 MWs of new wind energy in the joint petitioners’
7 proposal is entirely consistent with the Commission’s order that FirstEnergy address supply
8 diversity and compliance with pending environmental regulation. MAREC’s direct testimony
9 presents that its proposal would provide fixed priced energy for the 15 year term of the power
10 purchase agreement, thereby further diversifying the joint petitioners’ power supply, and
11 offsetting approximately 50% of the carbon dioxide emissions necessary to bring the joint
12 petitioners’ W.H. Sammis power plant into compliance with the interim Clean Power Plan goal.¹
13 Joint petitioners’ current proposal provides no indication that it would in any way further its
14 fuel supply diversity, or lead to emission reductions.

15 **Q. Does the applicant’s plan provide “for compliance with pending environmental**
16 **regulations” per the Commission’s order in the above referenced manner?**

17 A. According to the Supplemental Testimony of Raymond L. Evans and the Direct
18 Testimony of Paul A. Harden it does not appear that the applicant intends to provide a plan for
19 compliance with pending environmental regulations in this proceeding and, as such, the
20 applicant will not be able to justify these power purchase agreements in terms of “compliance

¹ Direct Testimony of Bruce Burcat On Behalf of the Mid-Atlantic Renewable Energy Coalition, December 22, 2014.

1 with pending environmental regulations” in future cost-recovery proceedings under the
2 Commission’s evaluation criteria. Mr. Evans addresses the prospect of pending environmental
3 regulations in the following manner: “Additional environmental regulations may be issued in
4 the future, and we will develop compliance plans whenever the U.S. EPA issues final decisions.
5 Until an environmental regulation is final for implementation, we do not attempt to speculate
6 what form that regulation will take and what compliance measures may be required.
7 Regulations that may become final in the future include the proposed Clean Power Plan
8 purportedly designed to regulate carbon dioxide (“CO2”) emissions from existing power plants,
9 revisions to the ELG regulations, and revisions to the NAAQS for SO2 and ground level ozone”
10 (p. 3; lines 6-13).

11 Other relevant testimony regarding the pending Clean Power Plan (“CPP”) regulations,
12 including Mr. Evans’s answer to “How can Sammis help Ohio meet the requirements of the
13 proposed CPP” are redacted from the public version of Mr. Evans’s testimony.

14 **Q. How is MAREC’s Direct Testimony responsive to the applicants concerns regarding the**
15 **timing of the final Clean Power Plan Rule?**

16 A. EPA has identified renewable energy as one of four building blocks for compliance with
17 the Clean Power Plan. MAREC’s direct testimony demonstrates that procurement of 800 MWs
18 of wind energy enables W.H. Sammis to offset approximately 50% of the carbon dioxide
19 emissions necessary to meet its interim emissions goal. The use of renewable energy to offset
20 emissions from W.H. Sammis is consistent with the portion of Mr. Evans’s testimony on the CPP
21 which is not redacted. Mr. Evans notes that “The operation of Sammis, combined with

1 *investment in other building blocks* (emphasis added) represents Ohio's least-cost strategy for
2 complying with the Clean Power Plan" (p. 11; lines 1-2). Investments in other building blocks is
3 MAREC's exact recommendation for W.H. Sammis's compliance plan for the CPP.

4 **Q. Are there any supplemental materials you wish to provide in this matter?**

5 A. Yes. My Direct Testimony included an exhibit demonstrating the calculation for
6 emissions offsets from wind power for the W.H. Sammis Power Plant. I have updated this
7 exhibit to simplify it and to present the conclusions in a more direct manner. The results
8 presented in the exhibit have not meaningfully changed such that 800 MWs of new wind
9 energy is still found to result in offsetting approximately 50% of W.H. Sammis's interim carbon
10 reduction goal under the Clean Power Plan.

11 **Q. Does this conclude your supplemental testimony?**

12 A. Yes.

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Summary: Testimony Supplemental Testimony of Bruce Burcat electronically filed by Terrence O'Donnell on behalf of Mid-Atlantic Renewable Energy Coalition