

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 )

**AMENDED SUPPLEMENTAL TESTIMONY  
OF  
BRUCE BURCAT**

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

May 11, 2015

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. Yes.

**Updated Exhibit**

**Powering Ohio's Economic Progress Stability Program  
111d Implications  
First Energy Proposal**

<b>Plant Name</b>	WH Sammis	<b>Total CO2 Emissions</b>
<b>MW</b>	2,200	24,158,087,494.20
<b>Capacity Factor</b>	59.45%	
<b>Generation MWh</b>	11,457,204	<b>Total Generation WH Sammis and 800 MW of Wind</b>
<b>CO2 lbs/MWh</b>	2,108.55	13,769,844
<b>Total CO2 Emissions</b>	24,158,087,494.20	
<b>Interim EPA Goal (lbs/MWh)</b>	1,452	<b>CO2 Emissions lbs/MWh w/800 MW of Wind</b>
<b>Generation 800 MW of Wind (MWh)</b>	2,312,640.00	1,754

\* WH Sammis Generation (Cell C8) deduced by applying EPA eGrid 09 WH Sammis capacity factor (Cell 7) to WH Sammis capacity (Cell 6)

\*\* WH Sammis CO2 emission rate (Cell B9) from EPA eGrid 09

\*\*\* Interim EPA Goal (Cell B11) from EPA Clean Power Plan Draft Rulemaking

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

**Commission of Ohio Docketing Information System on**

**5/11/2015 5:54:26 PM**

**in**

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

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