

FILE



November 23, 2015

Andre T. Porter
Chairman
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: Proposed change for recovery of certain PJM transmission costs
FirstEnergy ESP IV Proceeding, Case No.14-1297-EL-SSO

Dear Chairman Porter:

Noble Americas Energy Solutions LLC ("Noble") provides the following comments to register its opposition to the proposed changes in how certain PJM charges are recovered in the retail electricity market from the shopping Commercial & Industrial customer market segments. Specifically, Noble does not support FirstEnergy's proposal to have FirstEnergy bill the shopping customers for PJM charges on a non-bypassable basis. Noble believes that the current market structure, wherein CRES providers' wholesale PJM charges are recovered not through FirstEnergy's utility rates but directly by CRES providers through the products and services that they provide to their retail electric customers, is more appropriate.

Proponents of billing "some" but not all PJM charges on a non-bypassable basis to retail electricity customers seek to make this market change based on whether each specific charge is "easy to manage" (i.e., hedge). Their **unsubstantiated** claim is that certain PJM charges are not widely offered in the wholesale market(s). Furthermore, they assume that it is difficult to hedge such costs. Noble believes that, when the retail electricity market was opened, the risk associated with such charges shifted from the customers to the suppliers; this was and continues to be one of the key benefits of open retail markets. This framework fosters innovative product development, which offers customers opportunities previously unavailable through typical utility rates. One of the things that is supposed to distinguish suppliers in the competitive retail electricity market is their varying ability to manage the probability of PJM cost changes over the term of the individual customers' service contract. Noble, for one, knows how to preserve this value for its customers.

Recovering PJM charges on a non-bypassable basis through utility billing, as suggested in the FirstEnergy ESP docket, makes the competitive retail electricity service market incrementally less competitive and therefore less valuable to customers. Noble does not support such changes to the retail market that would undo benefits to customers provided by the current market structure. It would be a misnomer to call these proposed charges "non-market-based" simply because some market participants claim that they cannot effectively manage the risks associated with certain PJM-related charges. Ultimately, Noble strongly believes that all PJM charges should remain

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bypassable so those CRES providers who wish to make them part of their product offerings may do so, instead of being forced to allow all such charges to be billed by the utility under a one-size-fits-all regime that would reward less cautious retail suppliers while punishing more prudent ones.

We appreciate your consideration of our concerns and position on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roy Boston'. The signature is fluid and cursive, with the first name 'Roy' and last name 'Boston' clearly distinguishable.

Roy Boston

Strategic Planning & Policy Manager -- East

Noble Americas Energy Solutions