

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)	Case No. 14-1693-EL-RDR
Power Purchase Agreement for)	
Inclusion in the Power Purchase)	
Agreement Rider.)	

In the Matter of the Application of)	
Ohio Power Company for Approval of)	Case No. 14-1694-EL-AAM
Certain Accounting Authority.)	

**MID-ATLANTIC RENEWABLE ENERGY COALITION'S MEMORANDUM IN
SUPPORT OF APPLICATION FOR REHEARING OF OHIO POWER COMPANY**

I. INTRODUCTION

In accordance with Ohio Administrative Code Rule 4901-1-35, the Mid-Atlantic Renewable Energy Coalition ("MAREC") respectfully files this Memorandum in Support of the Ohio Power Company's ("AEP Ohio") Application for Rehearing of the Public Utilities Commission of Ohio's ("Commission") March 31, 2016 Opinion and Order ("Order") modifying and adopting the December 14, 2015 Joint Stipulation and Recommendation ("Stipulation"). For the reasons set forth below, MAREC generally supports AEP's May 2, 2016 Application for Rehearing in the above-captioned proceeding and respectfully requests that the Commission grant that application to preserve the significant public policy benefits of the December 14, 2015 Stipulation.

II. ARGUMENT

A. The Commission should grant the Application for Rehearing to preserve the Stipulation's public policy benefits.

In Sections III.I.(1) and (2) of the Stipulation, AEP Ohio and its affiliates committed to develop 900 MW of renewable resources, including a total of at least 500 MW nameplate capacity of wind energy projects in Ohio and 400 MW nameplate capacity for solar energy projects in Ohio.

Long-term PPAs, like the one that will result from this Stipulation, are a vital component of well-functioning energy markets and incentivizing renewable energy. Specifically, these types of long-term contracts serve two essential functions: (1) enable project finance for new projects and assist in ensuring revenue adequacy for existing large generators; and (2) provide a hedge against volatile energy prices. In short, investors are less likely to build and/or finance renewable projects based on uncertain speculation without the type of certainty provided by long-term contracts. Accordingly, MAREC supports the Stipulation and the commitment therein that will serve to ensure renewable development.

The renewable commitment in the Stipulation is further crucial to help meet federal and Ohio public policy goals. For instance, the Obama Administration's Clean Power Plan ("CPP") regulates carbon dioxide emissions from coal plants by setting interim targets for reductions that states meet through the implementation of a state plan. Renewable energy is one of the building blocks the Environmental Protection Agency recommends states use as a method for compliance. The renewable commitments in the Stipulation would impact Ohio's ability to meet the CPP, assuming it is ultimately upheld. Regardless of the fate of the CPP, the renewable energy commitments made in Stipulation will be relevant to realizing other state and federal public policy goals.

Furthermore, MAREC supports AEP's other commitments in the Stipulation relevant to further incentivizing and permitting renewable energy development. Specifically, MAREC and its members support AEP Ohio's commitment to collaborate with MAREC on renewable siting policy advocacy, as well as advocacy for reasonable renewable portfolio standards.

For all these reasons, it is of vital importance that these essential benefits of the Stipulation are preserved during any potential rehearing.

B. MAREC generally supports the arguments made in AEP Application for Rehearing.

We agree with AEP that the large number of modifications the Order made to the Stipulation were unreasonable and unlawful. To ensure that the renewable commitment in the Stipulation is realized as intended in the agreement, the Commission should clarify its directives so that it is explicitly understood that the essential provisions of the Stipulation related to that provision remain intact.

In particular, MAREC supports AEP's request that the Commission reverse or clarify its directive that companies first consider solar development before wind. The Order specifically provides that the Company should be "first focusing on enhancing solar projects[.]" (Order at 83.) Contrary to the agreed upon terms of the Stipulation, this requirement establishes a seemingly arbitrary and impractical condition that will hinder renewable development. In fact, the only reasoning the Commission offered in support of this provision is that solar projects are not as prevalent in Ohio as wind related projects, and solar projects would enhance the diversity of available generation options. (Order at 82.) To the extent that the Commission's directives are that AEP Ohio should prioritize the development of solar projects ahead of wind-related projects, we agree with AEP that such a directive is unreasonable and unnecessary. The Stipulation

already provides that AEP will develop both types of renewable capacity so there is no reason, or need, to prioritize the development of one resource before the other.

Moreover, undue delay in AEP Ohio's efforts to develop wind projects until after it has acted upon opportunities for solar projects will not accelerate the development of the solar projects. Rather, the primary consequence of such delay would be an adverse impact on the timing of the development of wind resources, hindering AEP Ohio's ability to qualify for the full benefit of the Production Tax Credit ("PTC") that would help improve the viability of the projects and decrease the financial impact to customers. The PTC is currently worth 2.3 cents for every kilowatt-hour of electricity generated for the power grid; to qualify for the full value of the credit, developers must prove that project commenced construction within a specified timeframe. In other words, such a restriction would only impede AEP's ability to meet its commitments with respect to purchasing wind energy.

III. CONCLUSION

For the aforementioned reasons, MAREC generally supports AEP Ohio's Request for Rehearing and urges the Commission to grant that request.

Respectfully Submitted,

/s/ Raymond D. Seiler
Raymond D. Seiler (0087706)
Dickinson Wright PLLC
150 East Gay Street, Suite 2400
Columbus, Ohio 43215
Phone: (614) 744-2583
Fax: (248) 433-7274
Email: rseiler@dickinsonwright.com
***Attorney for Mid-Atlantic Renewable
Energy Coalition***

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing memorandum in support of Application for Rehearing of Ohio Power Company was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio. The Commission's e-filing system will electronically serve notice of the filing of this document on all parties referenced in the service list of the docket card who have electronically subscribed to this case. In addition, a courtesy copy is also being served upon the persons below via electronic mail this 12th day of May, 2016.

/s/ Raymond D. Seiler

Raymond D. Seiler (0087706)

Jlang@calfee.com
talexander@calfee.com
dboehm@bkllawfirm.com
mkurtz@bkllawfirm.com
jkylercohn@bkllawfirm.com
sam@mwncmh.com
fdarr@mwncmh.com
mpritchard@mwncmh.com
stnourse@aep.com
mjsatterwhite@aep.com
ghull@eckertseamans.com
Larry.sauer@occ.ohio.gov
Kevin.moore@occ.ohio.gov
ricks@ohanet.org
Bojko@carpenterlipps.com
Allison@carpenterlipps.com
joliker@igsenergy.com
myurick@taftlaw.com
Schmidt@sppgrp.com
Christopher.Miller@icemiller.com
lhawrot@spilmanlaw.com
dwilliamson@spilmanlaw.com
drinebolt@ohiopartners.org
tdoughtery@theoec.org
dstinson@bricker.com
mfleisher@elpc.org
Jeffery.mayes@monitoringanalytics.com
twilliams@snhslaw.com
sechler@carpenterlipps.com
gpoulos@enernoc.com
mhpetricoff@vorys.com
mjsettineri@vorys.com

glpetrucci@vorys.com
sfisk@earthjustice.org
msoules@earthjustice.org
tony.mendoza@sierraclub.org
mdortch@kravitzllc.com
charris@spilmanlaw.com
william.michael@occ.ohio.gov
rsahli@columbus.rr.com
callwein@keglerbrown.com
ghiloni@carpenterlipps.com
jennifer.spinosi@directenergy.com
Kristin.henry@sierraclub.org
cmooney@ohiopartners.org
ckilgard@taftlaw.com
chris@envlaw.com
dclark1@aep.com
dconway@porterwright.com
evelyn.robinson@pjm.com
gauder@carpenterlipps.com
haydenm@firstenergycorp.com
jmcdermott@firstenergycorp.com
Jodi.bair@occ.ohio.gov
jvickers@elpc.org
kurt.helfrich@thompsonhine.com
laurie.williams@sierraclub.org
msmckenzie@aep.com
msmalz@ohiopoveritylaw.org
orourke@carpenterlipps.com
scasto@firstenergy.com
scott.campbell@thompsonhine.com
sasloan@AEP.com
Stephanie.chmiel@thompsonhine.com

Steven.beeler@puc.state.oh.us
Werner.margard@puc.state.oh.us
William.wright@puc.state.oh.us
William.michael@occ.ohio.gov
rseiler@dickinsonwright.com
Stephen.chriss@walmart.com
ibatikov@vorys.com
dborchers@bricker.com
sandra.coffey@puc.state.oh.us

Attorney Examiners:

Sarah.parrot@puc.state.oh.us
Greta.see@puc.state.oh.us

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/12/2016 4:27:12 PM

in

Case No(s). 14-1693-EL-RDR, 14-1694-EL-AAM

Summary: Memorandum in Support of Application for Rehearing of Ohio Power Company electronically filed by Mr. Raymond D. Seiler on behalf of Mid-Atlantic Renewable Energy Coalition