

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE LONG-TERM)	
FORECAST REPORT OF OHIO POWER)	CASE NO.: 18-501-EL-FOR
COMPANY AND RELATED MATTERS.)	
IN THE MATTER OF THE APPLICATION)	
SEEKING APPROVAL OF OHIO POWER)	
COMPANY'S PROPOSAL TO ENTER INTO)	CASE NO.: 18-1392-EL-RDR
RENEWABLE ENERGY PURCHASE)	
AGREEMENTS FOR INCLUSION IN THE)	
RENEWABLE GENERATION RIDER.)	
IN THE MATTER OF THE APPLICATION OF)	
OHIO POWER COMPANY TO AMEND ITS)	CASE NO.: 18-1393-EL-ATA
TARIFFS.)	

**MOTION TO INTERVENE FILED BY THE
OHIO COAL ASSOCIATION AND [PROPOSED]
MEMORANDUM IN OPPOSITION TO
AEP OHIO'S REQUEST FOR EXPEDITED HEARING
AND IN SUPPORT OF STAFF'S MOTION FOR HEARING**

Pursuant to R.C. 4903.221 and OAC Rule 4901-1-11, the Ohio Coal Association (“OCA” or “Intervenor”) hereby moves the Public Utilities Commission of Ohio (“Commission”) for an order granting its intervention as a party in these proceedings. The reasons and support for this Motion are fully set forth in the attached Memorandum In Support Of Motion To Intervene.

Intervenor OCA also submits the attached [Proposed] Memorandum In Opposition To AEP Ohio's Request For Expedited Hearing and In Support Of Staff's Motion For Hearing and requests that the Memorandum be deemed filed *instanter* upon grant of the requested intervention.

Respectfully submitted,

/s/ John F. Stock

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**MEMORANDUM IN SUPPORT OF
MOTION TO INTERVENE FILED BY THE OHIO COAL ASSOCIATION**

I. INTRODUCTION

On April 16, 2018, AEP Ohio (or "Ohio Power Company") (hereinafter also the "Company") filed its 2018 Long Term Forecast Report pursuant to R.C. 4935.04 and OAC Rule 4901:5-1-03 and 4901:5-3-01. PUCO Case No. 18-0501-EL-FOR. On September 19, 2018, AEP Ohio filed an Amendment to the 2018 Long Term Forecast Report. AEP Ohio submits this Amendment to demonstrate the claimed need for at least 900 MW of renewable energy generation projects in Ohio. The Amendment is ostensibly filed pursuant to R.C. 4928.143 (B)(2)(c) and PUCO Opinions and Orders in PUCO Case No. 14-1693-EL-RDR et al. ("PPA Rider Case") and Case No. 16-1852-EL-SSO et al. (the "ESP IV Case").

Also, on September 27, 2018, AEP Ohio filed an application seeking approval of: (1) the inclusion of two solar energy resources totaling 400 MW of nameplate capacity in the Company's Renewable Generation Rider (RGR); (2) creation of a new "Green Power Tariff" permitting

purchase of renewable energy certificates ("RECs") for solar energy environmental attributes; and (3) other relief. PUCO Case No. 18-1392-EL-RDR and Case No. 18-1393-EL-ATA.

Finally, also on September 27, 2018, the Company filed a Motion To Consolidate Proceedings and Request For Expedited Ruling. AEP Ohio now seeks to consolidate these three cases and to expedite the cases for consideration by the Commission. AEP Ohio seeks an unrealistic "expedited" case schedule which would require interventions by October 7, with testimony due by October 29, submission of Staff testimony by November 12 and a hearing to commence November 28, 2018.

On September 21, 2018, the PUCO Staff filed its Motion For Hearing, providing for the scheduling of a hearing but to "call and continue" the hearing. The Staff correctly asserts that these proceedings present novel, complex and contentious issues that will have significant consequences for Ohio's energy future, both financial and environmental, for decades to come. Staff requests additional time to fully investigate the issues and to facilitate a full development of the record for the Commission's determination.

Intervenor supports the Staff's Motion For Hearing and opposes the Company's request for expedited scheduling. See attached [Proposed] Memorandum in Opposition To AEP Ohio's Request For Expedited Hearing And In Support of Staff's Motion For Hearing. This position is aligned with that of Staff and other Intervenors including the Ohio Manufacturing Association ("OMA") and the Office of the Consumers' Counsel ("OCC").

The Staff's position is entirely correct. This application does present novel, complex and critical issues that will significantly impact Ohio's energy portfolio over the next two decades. Coal fired generation is critical to Ohio's energy future. Coal fired generation presents a reliable energy resource capable of meeting baseload and peak demands critical to Ohio's industrial,

manufacturing, commercial and residential energy demands. Significantly, the Company is obligated to make a clear showing of need to justify these projects under R.C. 4928.143(B)(2)(c) but concedes from the start that the projects are not needed in the PJM market as existing generation sources, including coal-fired generation, supply that need. Requested relief under R.C. 4928.143(B)(2)(c) can only be given by the Commission when it concludes that "generation needs cannot be met through the competitive market." *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company For Authority to Establish a Standard Service Offer*, No. 11-346-EL-SSO, slip op. at 39 (PUCO Dec. 14, 2011).

The crux of AEP Ohio's September 19, 2018 Amendment is to request authorization to shift the costs of unnecessary renewable energy generation facilities - which costs total hundreds of millions of dollars - to captive ratepayers. This shifting of anticompetitive subsidies directly contravenes the seminal tenets of Ohio competitive retail electric service policy. See R.C. 4928.02(H) which provides that the policy of the state is to:

(H) Ensure effective competition in the provision of electric service by avoiding noncompetitive subsidies flowing from a noncompetitive retail electric service . . . **including by prohibiting the recovery of any generation-related costs through distribution or transmission rates.** (emphasis added)

The outcome of this proceeding will impact not only all AEP Ohio customers within its service territory, but also individuals, businesses, and other entities that supply coal as a fuel source to existing coal-fired generation and the supporting ancillary suppliers. As set forth below, OCA submits that: (1) it and its members have direct, real, and substantial interests in the issues involved in this proceeding; (2) that those interests are not currently represented by other parties to this proceeding; and (3) that it is so situated that the disposition of this proceeding without OCA's participation may, as a practical matter, impair or impede its ability to protect those interests. Moreover, OCA contends that its participation will not cause undue delay, will not prejudice any

existing party, and will contribute to the just and expeditious resolution of the issues in this proceeding. OCA will abide by any case management schedule implemented by the Commission.

II. THE OHIO COAL ASSOCIATION'S INTERESTS

OCA is a non-profit trade association dedicated to representing the interests of Ohio's underground and surface coal producers. OCA represents nearly all of Ohio's coal producers and more than 50 associate members, which include suppliers and consultants to the mining industry, coal sales agents and brokers and allied industries. OCA is committed to advancing the development and utilization of Ohio coal as an abundant, affordable and environmentally sound energy source.

Coal mining in Ohio began around 1800, and since then, over 3 billion tons of coal has been mined in Ohio. Today, Ohio's coal industry employs up to 3,000 individuals, and with technological advances increasing productivity, each miner now produces approximately 6 tons per hour, or 48 tons in a single 8-hour day. Another 30,000-plus individual Ohioans are indirectly employed by businesses providing goods and services to support Ohio's coal industry. Ohio coal is the backbone of the state's low cost electric industry, with a substantial percentage of Ohio's electricity generated from coal. The State of Ohio and the OCA are driving forces behind clean coal research, and, according to the Ohio Coal Development Office, Ohio leads the nation in the deployment of clean coal technologies. The OCA works to educate and inform so Ohio's coal industry can advance and stay vibrant.

OCA's active members supply coal to AEP and other Ohio electric generators to fuel their coal-fired generation plants. OCA and its members, therefore, have a direct interest in ensuring that low-cost, reliable coal-fired generation is not squeezed out of a competitive market by high

cost and highly-subsidized renewable generation sources. These interests are directly implicated in this case.

III. INTERVENTION STANDARD

“Intervention in PUCO matters is governed by R.C. 4903.221, which provides that any person ‘who may be adversely affected’ by a PUCO proceeding is entitled to seek intervention in that proceeding.” *Ohio Consumers’ Counsel v. Public Utilities Comm’n of Ohio*, 111 Ohio St.3d 384, 386-87, 2006-Ohio-5853 at ¶15. See also R.C. 4903.221(A) (“Any other person *who may be adversely affected by a public utilities commission proceeding* may intervene in such proceeding”) (emphasis added); OAC Rule 4901-1-10(A)(4) (defining “parties to a commission proceeding” to include “any person granted leave to intervene”).

R.C. 4903.221(B) sets forth the standard the Commission is to employ in ruling on motions to intervene:

(B) . . . [T]he commission, in ruling upon applications to intervene in its proceedings, shall consider the following criteria:

- (1) The nature and extent of the prospective intervenor's interest;
- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case;
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings;
- (4) Whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues.

R.C. 4903.221(B). See also *Ohio Consumers’ Counsel*, 111 Ohio St.3d at 387, 2006-Ohio-5853 at ¶15; *Toledo Coalition for Safe Energy v. Public Utilities Comm’n of Ohio*, 69 Ohio St.3d 559, 561 (1982) at 561; *Senior Citizens Coalition v. Public Utilities Comm’n of Ohio*, 69 Ohio St.2d 625, 627-28 (1982).

Pursuant to R.C. 4901.13, the Commission has also adopted a rule on intervention. That rule provides, in part:

(A) *Upon timely motion, any person shall be permitted to intervene in a proceeding upon a showing that:*

(1) A statute of this state or the United States confers a right to intervene.

(2) *The person has a real and substantial interest in the proceeding, and the person is so situated that the disposition of the proceeding may, as a practical matter, impair or impede his or her ability to protect that interest, unless the person's interest is adequately represented by existing parties.*

(B) In deciding whether to permit intervention under paragraph (A)(2) of this rule, the commission, the legal director, the deputy legal director, or an attorney examiner shall consider:

(1) The nature and extent of the prospective intervenor's interest.

(2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case.

(3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings.

(4) Whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues.

(5) The extent to which the person's interest is represented by existing parties.

OAC Rule 4901-1-11(A) and (B) (emphasis added).¹

A party seeking intervention must file a motion to intervene accompanied by a memorandum in support “setting forth the person’s interest in the proceeding.” OAC Rule 4901-

¹ “The regulation's text is very similar to Civ.R. 24—the rule governing intervention in civil cases in Ohio—which ‘is generally liberally construed in favor of intervention.’” *Ohio Consumers’ Counsel*, 111 Ohio St.3d at 387, 2006-Ohio-5853 at ¶16. Accordingly, “cases construing Rule 24 of both the Federal and Ohio Rules of Civil Procedure are useful, by way of analogy, in evaluating the intervention arguments advanced by the litigants” before the Commission. *Toledo Coalition for Safe Energy*, 69 Ohio St.2d at 56 n.5.

1-11(C). A motion will be considered timely if it is filed five days or more prior to the scheduled hearing or any date established by the Commission for filing such motions, R.C. 4903.221(A)(1) and (2).

The OCA has real and substantial interests in these proceedings and the disposition of these proceedings may, as a practical matter, impair or impede its ability to protect those interests. It has met all requirements for intervention in these proceedings as set forth in R.C. 4903.221 and OAC Rule 4901-1-11. The OAC should, therefore, be permitted to intervene herein.

IV. THE OCA IS ENTITLED TO INTERVENE

A. The OCA Has Real And Substantial Interests In This Matter

As noted above, OCA members operate surface and underground coal mines in Ohio and directly employ approximately 3,000 coal miners in the state. Another 30,000 individuals are employed in positions supporting Ohio's coal industry. Many of those employers are associate members of OCA.

OCA members supply coal to many of the largest utility companies in Ohio. The Commission has recognized that coal suppliers such as OCA's members should be permitted to intervene in proceedings before the Commission where, as here, the coal supplier's interests may be affected by the proceedings. See *In the Matter of the Two-Year Review of Centerior Energy Corp.'s Environmental Compliance Plan*, No. 94-1698-EL-ECP (PUCO April 13, 1995) (granting the Ohio Valley Coal Company's motion to intervene where OVCC asserted its interests "due to its position as a supplier of coal to Centerior").

In this case, AEP Ohio proposes to add 900 MW of renewable energy power plants at the expense of more traditional sources of generating electricity, including principally coal-fired plants. OCA members will lose substantial, irreplaceable revenues, and the jobs of many

employees of OCA members will be put at risk. Not only will coal mining jobs be at risk, but also put at risk are thousands of jobs of employees of Ohio businesses that supply OCA members with the equipment and services necessary to mine and supply coal in Ohio. This case, therefore, directly implicates OCA's and its members' interests.

AEP cannot justify 900 MW of renewable generation because coal and other means of electric generation are more expensive sources of fuel for the generation of electricity. Indeed, the true costs of renewable generation such as wind and solar are much higher than other sources such as coal because renewable sources are heavily subsidized.² These subsidies distort the competitive marketplace, and ultimately, consumers—who would be saddled with the costs of AEP Ohio's requested 900 MW of renewable energy power plants—end up paying higher prices for the electricity they use.

B. The OCA's Interests Are Not Already Adequately Represented

The OCA's interests are not adequately represented by the existing parties in this case. None of the other parties that have intervened in this action represent coal suppliers. No existing party to these actions understands, much less has a direct interest in comprehensively addressing, the substantial adverse effects of the potential replacement of coal-fired generation plants will have on OCA members and their thousands of employees throughout Ohio. The OCA has vital interests in these proceedings that are not now represented by any party to the proceedings. Absent

²Indeed, in its Amendment to the 2018 Long-Term Forecast Report of Ohio Power Company, AEP notes that it has asked the Commission to expedite consideration of its request so that it “may take advantage of certain federal tax credits that impact the price of renewable energy products and that are only available for a limited time.” Amendment to the 2018 Long-Term Forecast Report of Ohio Power Company at 8.

intervention, the OCA will have no effective means to protect its vital interests with respect to these proceedings.

C. The OCA Will Contribute To A Just And Expeditious Resolution Of Issues

The OCA's intervention will contribute to a just and expeditious resolution of the issues in these proceedings. The OCA intends to engage experts and offer expert evidence in these proceedings that will address the need for 900 MW of additional generation, the real costs to consumers of that generation, and the distortive effect that such generation will have on Ohio's competitive electric market.

The OCA has a unique, independent perspective on the implicated energy issues to offer the Commission as a representative of suppliers to coal-fired generation plants and of employers of thousands of Ohioans whose labor enables Ohio's critical coal-fired, baseload generation facilities to provide reliable, affordable electricity to the citizens of Ohio, without fail. The OCA's participation in these cases is crucial to an informed, balanced, and fair disposition of the interests of all parties who will be affected by the Commission's resolution of these proceedings.

D. The OCA's Intervention Will Neither Delay These Proceedings Nor Prejudice Parties

The OCA's intervention will neither unduly delay these proceedings nor unjustly prejudice any existing party. The OCA will abide by all Commission deadlines in these cases and present its information in a clear and succinct manner.

A hearing has not yet been set in this matter. In its Amendment to the 2018 Long-Term Forecast Report of Ohio Power Company, AEP asked the Commission to issue an "expedited procedural schedule." Commission Staff has opposed the expedited schedule proposed by AEP as inadequate "to allow the time needed to fully develop the record in this complicated and relatively

novel case.” Motion for a Hearing at 2. The OCA agrees and maintains that the issues before the Commission in this matter are far too important to warrant such expedited consideration.

If a hearing is held—even if the hearing is held on November 28, 2018 as suggested by AEP—the OCA commits to present its testimony and evidence in a timely matter so as to not delay these proceedings, and to provide the Commission with testimony and evidence relevant to the issues now before the Commission, particularly, the need for the additional 900 MW of generation and the distortion such additional generation would interject into the competitive electric market.

V. CONCLUSION

For the foregoing reasons, the OCA respectfully requests the Commission to grant this Motion To Intervene. Intervenor also requests that its [Proposed] Memorandum In Opposition to AEP Ohio's Request For Expedited Hearing And In Support of Staff's Motion For Hearing be deemed filed *instanter* with the requested grant of intervention.

Respectfully submitted,

/s/ John F. Stock

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Attorneys for the Ohio Coal Association

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Motion To Intervene was served, via email this 23rd day of October, 2018, upon all parties listed in the attached Exhibit A.

/s/ John F. Stock
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I. INTRODUCTION

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Intervenor supports the Staff's Motion For Hearing and opposes the Company's request for expedited scheduling. This position is aligned with that of Staff and other Intervenor's including the Ohio Manufacturing Association ("OMA") and the Office of the Consumers' Counsel ("OCC"). The Staff's position is absolutely on point as this application is novel, complex, will generate significant public interest and will have significant consequences for Ohio's energy future.

Intervenor does not object to the consolidation of cases since the Company's request for approval of 900 MW of renewable energy projects, the resource energy "need" for the projects, and the costs for the projects are interrelated and the requests should not be considered separately

or in a vacuum. The Company is willing to waive a hearing within ninety (90) days if the cases are consolidated.

II. LAW AND ARGUMENT

In Case No. 14-1693-EL-RDR et al. (PPA Rider Case), the PUCO adopted a Joint Stipulation and Recommendation providing a commitment by the Company to develop 500 MW of wind generation and 400 MW of solar generation subject to PUCO approval pursuant to R.C. 4928.143(B)(2)(c) and cost recovery through the PPA Rider.

In Case No. 16-1852-EL-SSO et al. (the "ESP IV Case"), the PUCO approved creation of a placeholder Renewable Generation Rider (RGR) to recover the costs associated with new renewable generation projects. The Company must tender filings under the RGR for PUCO approval and must again demonstrate that the projects meet the criteria of R.C. 4928.143(B)(2)(c).

R.C. 4928.143(B)(2)(c) provides a narrow exception to the deregulation of competitive electric service. The exception would permit electric distribution companies to own and operate generation facilities if the facilities are necessary to meet requirements that cannot otherwise be met on the market. R.C. 4928.143(B)(2)(c) provides that an electric security plan may include:

(c) The establishment of a nonbypassable surcharge for the life of an electric generating facility that is **owned or operated by the electric distribution utility**, was sourced through a **competitive bid process** subject to any such rules as the commission adopts under division (B)(2)(b) of this section, and is newly used and useful on or after January 1, 2009, which surcharge shall cover all costs of the utility specified in the application, excluding costs recovered through a surcharge under division (B)(2)(b) of this section. **However, no surcharge shall be authorized unless the commission first determines in the proceeding that there is need for the facility based on resource planning projections submitted by the electric distribution utility.** Additionally, if a surcharge is authorized for a facility pursuant to plan approval under division (C) of this section and as a condition of the continuation of the surcharge, the electric distribution utility shall dedicate to Ohio consumers the capacity and energy and the rate associated with the cost of that facility. Before the commission authorizes

any surcharge pursuant to this division, it may consider, as applicable, the effects of any decommissioning, deratings, and retirements. (emphasis added).

AEP Ohio asserts that it has executed a twenty (20) year renewable energy purchase agreement (REPA) for the solar project's energy, capacity and environmental attributes. The Company seeks a nonbypassable charge under R.C. 4928.143(B)(2)(c) inclusive of REPA costs and debt equivalency costs for the life of the project.

The Company itself acknowledges that the PJM wholesale markets are adequate to supply capacity and energy to the AEP Ohio load zone. The Company further acknowledges that the "need" for the projects is dependent on whether the projects can be developed within a reasonable price range and whether future generation charges are competitive with future market prices over the project life cycles. The projects are heavily dependent on continuation of federal tax credit subsidies, the Production Tax Credits for wind generation and the Investment Tax Credits for solar generation. (Application, PUCO Case No. 18-1392-EL-RDR and Case No. 18-1393-EL-ATA, pp. 3-4).

Accordingly, the Staff's position is entirely correct. This application does present novel, complex and critical issues that will significantly impact Ohio's energy portfolio over the next two decades. Coal fired generation is critical to Ohio's energy future. Coal fired generation presents a reliable energy resource capable of meeting baseload and peak demands critical to Ohio's industrial, manufacturing, commercial and residential energy demands. Significantly, the Company is obligated to make a clear showing of need to justify these projects under R.C. 4928.143(B)(2)(c) but concedes from the start that the projects are not needed in the PJM demand as existing generation sources, including coal-fired generation, supply that need.

R.C. 4928.02(A) declares the state policy to ensure the availability of adequate and reliable energy sources. Wind and solar generation sources cannot adequately and reliably provide capacity and energy demand during all peak and non-peak, seasonal and weather related conditions. Coal-fired generation provides a stable, cost effective supply capable of meeting both baseload and peak generation demand during all daily or weekly periods, all seasons and under the most severe weather conditions.

Again, AEP Ohio concedes that PJM wholesale markets presently supply adequate capacity for the AEP Ohio load zone and that the Amended LTFR does not establish "a traditional integrated resource planning (IRP) need for [additional] generation." Amended LTFR at 3. Moreover, AEP Ohio's supporting direct testimony indicates the additional renewable capacity is not even necessary to generate RECs to meet the company's renewable energy portfolio requirements. Direct Testimony of William A. Allen ("Allen") at 13. Instead, AEP Ohio implies that the Commission should essentially ignore any traditional standards for determining the "need" for additional generation capacity and instead be guided by the generally recognized "importance of developing renewable energy resources in Ohio." Amended LTFR at 4. The Company never proposes a specific definition of "need" that the Commission should adopt and apply in this case.

Further, R.C. 4928.02(A) and (H) declares the policy of the State to ensure efficient, non-discriminatory and reasonably based retail electric service, devoid of anticompetitive subsidies. The Company concedes these projects are not necessary or cost effective on their own merits to meet future energy demand in the PJM market but requests nonbypassable surcharges to subsidize the projects. This request is contrary to the objective of competitive energy supply and serves to distort the market through subsidization of renewable energy projects.

AEP Ohio advances two primary arguments that purportedly demonstrate a "need" for 900 MW of additional generic Ohio renewable energy capacity: (1) that "the addition of economically beneficial renewable capacity will lead to lower energy costs for Ohio customers," and (2) that "there is a strong desire on the part of AEP Ohio customers for in-state renewable power." Direct Testimony of Allen at 7. Both of these arguments are suspect. Neither support the "need" for the projects or the anticompetitive subsidy under R.C. 4928.143(B)(2)(c).

A. THE PRESUMED COST-SAVINGS RATIONALE.

AEP Ohio relies upon an internally produced report (assuming 250 MW of wind and 400 MW of solar in service by 2021), which is introduced through the direct testimony of John F. Torpley ("Torpley") with supporting direct testimony from Kamran Ali and Karl R. Bletzacker. See Exhibit JFT-1 (hereinafter "2018 IRP Report"). AEP Ohio's modeling assumes that the company will enter into fixed-price Renewable Energy Purchase Agreement (REPAs) with the renewable facility developers. The 2018 IRP Report predicts that the cost of energy at "the AEP load hub" would be reduced by \$0.07/MWh for AEP Ohio and any other PJM customer purchasing energy at that load hub, producing an annual cost savings for the AEP Ohio load of \$31 million (2021-40) See 2018 IRP Study at 20.. However, the Amended LTFR acknowledges that customers' actual future generation charges could be higher or lower, "depending on the then-current relationship to market prices." Amended LTFR at 6. In addition, AEP Ohio reserves the right to negotiate agreements dedicating some or all of the renewable output to specific customers, (Id. at 5-6), which would presumably reduce the benefits to its customers.

Experts will need to fully assess AEP Ohio's modeling to better understand and critique the 2018 IRP Report's suspect "renewables are cheaper" conclusions, but there are inherent in the analysis several assumptions designed to make coal-fired capacity seem comparatively more

expensive. For example, in the report's list of "new generation options," the coal-fired option is assumed to consist of "Pulverized Coal (Ultra-Supercritical) (PRB) with 90% CO₂ Capture" (2018 IRP Report, Table 1, at 9) and the report builds in additional costs per MWh for coal power based on assumed future CO₂ regulations. See Direct Testimony of Kamran Ali at 8-9. AEP Ohio also assumes that the addition of the renewable sources will come, in part, at the expense of conventional sources, predicting there would be a "net economy-wide reduction in carbon emissions, as some fossil fuel use from other generation sources would be reduced." 2018 IRP Report at 15.

The Company's assumptions regarding the configuration of future coal-fired EGUs and the associated CO₂ regulations ignore the recent initiatives by the Trump Administration to preserve coal-fired generation. Specifically, on August 21, 2018, the U.S. EPA proposed a new rule to implement the Affordable Clean Energy Rule ("ACE"). (Docket Id. EPA-HQ-OAR-2017-0355). The U.S. EPA proposes three distinct actions. First, U.S. EPA proposes to completely replace the Obama Clean Power Plan with revised emissions guidelines that provide States the flexibility to apply heat rate improvements as Best Systems of Emissions Reduction ("BSER") for existing EGUs. Second, U.S. EPA proposes new regulations that provide flexibility to the states on implementation of emissions guidelines. Third, U.S. EPA proposes revisions to the New Source Review program intended to reduce barriers to the implementation of efficiency projects by EGUs. All of these steps will promote continuation of existing coal-fired generation without arbitrary or artificial barriers.

B. THE PUBLIC DEMAND RATIONALE.

AEP Ohio relies upon a survey/study conducted by Navigant Consulting to support its arguments that "there is an unfulfilled customer need for development of renewable energy

products deliverable to AEP Ohio's service territory." Amended LTFR at 7; see also Exhibit TH-1 to Direct Testimony of Trina Horner (the "Navigant Survey"). Navigant did not directly survey large commercial and industrial customers, but did conduct a very slanted (Navigant uses the term "filtered") assessment of "corporate leaders." See Navigant Survey at 5-7. Navigant filtered AEP Ohio's customer base to identify 75 companies that have already made public commitments to purchase renewable energy through one or more corporate sustainability projects, and then surveyed that group. Id. at 6-7. Not surprisingly, the 29 companies that responded thought additional Ohio-based renewable power was a great idea. Id. at 7. However, the captive customers having to subsidize renewable energy through nonbypassable surcharges may not agree.

AEP Ohio never makes a meaningful effort to explain how vaguely-defined customer desires correspond to "a **need** for the facility based on resource planning projections," as required by R.C. 4928.143(B)(2)(c). Nor does AEP Ohio make a case for anticompetitive subsidies under the same statute. Since AEP Ohio expressly disclaims a need for additional RECs to meet its portfolio standard obligations, the relative merits of providing unnecessary renewable capacity in Ohio would seem to be a matter for the Ohio General Assembly to address, not this Commission to address by unwarranted cross subsidization.

III. CONCLUSION

The Staff's Motion For Hearing is well-founded and the PUCO should provide for a thorough and complete investigation of the Company's consolidated application. The Application presents novel, complex issues of both fact and law. All interested parties should have the opportunity to fully develop a record in this case as the case will support Ohio's energy future for decades to come. Intervenor supports the Staff's Motion and aligns with other interested parties on this case.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Motion To Intervene was served via email this 23rd day of October, 2018, upon all parties listed in the attached Exhibit A.

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Summary: Motion MOTION TO INTERVENE FILED BY THE
OHIO COAL ASSOCIATION AND [PROPOSED]
MEMORANDUM IN OPPOSITION TO
AEP OHIO'S REQUEST FOR EXPEDITED HEARING
AND IN SUPPORT OF STAFF'S MOTION FOR HEARING electronically filed by John F Stock
on behalf of Ohio Coal Association