

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the matter of the Application of Ohio Power Company For an increase in Electric Distribution Rates	) ) ) )	Case No. 20-0585-EL-AIR
In the Matter of the Application of Ohio Power Company For Tariff Approval	) ) )	Case No. 20-0586-EL-ATA
In the Matter of the Application of Ohio Power Company For Approval to Change Accounting	) ) ) )	Case No. 20-0587-EL-AAM

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**OBJECTIONS TO STAFF REPORT OF INVESTIGATION  
FILED BY OHIO ENVIRONMENTAL COUNCIL**

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**OBJECTIONS TO STAFF REPORT**

Pursuant to Ohio Revised Code 4901.19(C) and Ohio Admin. Code 4901:1-1-28, the Ohio Environmental Council (“OEC”) submits the following objections to the Public Utilities Commission of Ohio (“Commission” or “PUCO”) Staff Report of Investigation filed on November 18, 2020 (corrected version filed November 25, 2020).

These cases address the increase in electric distribution rate charges that AEP Ohio (“AEP” or “Company”) proposes to collect from its customers. The OEC objections identify elements of the staff report that are unjust, unreasonable, or unlawful, and satisfy the specificity requirements of Ohio Admin. Code 4901:1-1-28. The OEC’s objections identify matters in the Staff Report where Staff has made recommendations that result in rates or service terms that contravene what is just, reasonable, and lawful for customers in AEP Ohio’s territory. The objections also identify where the Staff Report has failed to make recommendations sufficient to

produce rates or service terms that are just, reasonable, and lawful for customers in AEP Ohio's territory.

The lack of an objection to any aspect of the Staff Report does not preclude OEC from cross-examination or introduction of evidence or argument-related issues if Staff reverses, modifies, or withdraws its position on any issue contained in the Staff Report. OEC also reserves the right to amend and/or supplement their objections if PUCO Staff reverses, modifies, or withdraws its position, at any time prior to the closing of the record, on any issue contained in the Staff Report.

The OEC also reserves the right to file expert testimony, produce fact witnesses, and introduce additional evidence. Further, any witness called by the OEC also reserves the right to amend and/or supplement testimony if Staff reverses, modifies, or withdraws its position on any issue contained in the Staff Report.

**OBJECTION 1: The Staff Report unreasonably relies upon “legislative uncertainty” as a rationale for elimination of the Demand Side Management Plan.**

The OEC objects that the Staff Report is unjust and unreasonable by recommending AEP Ohio's Demand Side Management be eliminated from the proposal. The purpose of AEP Ohio's Demand Side Management (“DSM Plan”) is to provide “a diverse suite of programs to cost effectively help customers overall with opportunities to optimize their peak demand with their overall energy use.”<sup>1</sup> Not only is Staff's recommendation to remove the program in its entirety unreasonable, as discussed further below, the program AEP Ohio has proposed is too small. It should be expanded, rather than eliminated, in order to provide robust benefits for Ohioans in AEP Ohio's territory and promote energy conservation pursuant to state policy.<sup>2</sup>

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<sup>1</sup>Direct Testimony of Jon Williams at 4.

<sup>2</sup> Ohio Rev. Code 4905.70. See also Ohio Rev. Code 4928.02.

Though Staff notes that it is “generally supportive of energy efficiency and demand side management programs that furthers state policies,” its Report states it has “concerns” that it puts unnecessary risk on ratepayers, including because of “current legislative uncertainty surrounding the potential repeal of House Bill 6,” which eliminated EE/PDR programs.<sup>3</sup> As an agency of the state of Ohio charged with implementing the laws and regulations on the books, it is wholly unreasonable for Staff to suggest it do anything other than apply the current law before it. If Staff’s stated reasoning were the norm, work at the PUCO could be stalled indefinitely. There is always legislation pending before the General Assembly, and especially over the past several years, there has been pending legislation directly related to energy matters and energy waste reduction. While House Bill 6 repealed the EE/PDR programs that had been saving energy and money for Ohio EDU customers for nearly ten years, current law places no restrictions on voluntary energy efficiency programs of the type proposed here by AEP Ohio in its DSM Plan.

Even if it were appropriate to look at legislative uncertainty as a valid reason to delay approval of the DSM Plan, the legislative history accompanying passage of House Bill 6 demonstrates legislators did not intend to limit voluntary efficiency proposals like AEP’s DSM Plan. As Majority Floor Leader Bill Seitz explained, during session on July 23, 2019 when speaking in support of House Bill 6, that “...section 4905.70 of the Ohio Revised Code, which will remain in effect when we pass this bill, will allow utilities to file for voluntary energy efficiency programs at the Public Utilities Commission of Ohio so it is not true that we are prohibiting voluntary energy efficiency programs initiated by the utilities.”<sup>4</sup> The type of program proposal by AEP is the type of voluntary program still permitted under current law. Staff should be examining the program, determining whether the benefits outweigh the costs, and adjusting

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<sup>3</sup> Staff Report at 21.

<sup>4</sup> *Ohio House of Representatives*, July 23, 2019, available at Ohio Channel, <https://ohiochannel.org/video/ohio-house-of-representatives-7-23-2019>, 30:57-31:37.

accordingly—not dismissing the program wholesale based upon perceived legislative uncertainty.

**OBJECTION 2: The Staff Report unreasonably removes the DSM Plan, leaving customers in AEP territory without the benefits of energy efficiency.**

The Staff Report indicates that Staff is “generally supportive of energy efficiency and demand side management programs that furthers state policies.” Support for efficiency programs because of their value to electricity customers is something the PUCO Staff has repeatedly expressed, both in this Staff Report<sup>5</sup> and other cases.<sup>6</sup> However, the Staff’s recommendation to eliminate the DSM Plan<sup>7</sup> from base rates in whole suggests otherwise. Ohioans have seen immense benefits of the EE/PDR program plans over the past decade, including savings of \$7.06 billion and saving 67.8 million MWh of energy.<sup>8</sup> Staff’s wholesale dismissal of the DSM Plan is unreasonable in light of the immense benefits Ohioans receive as a result of efficiency programming.

**OBJECTION 3: The Staff Report fails to recognize the benefits of energy efficiency and transportation electrification for Ohioans by supporting expansion of the DSM Plan.**

As noted above, Staff briefly mentions it supports energy efficiency programs, but then dismisses the DSM Plan in its entirety, only briefly noting that it disagrees with the administrative fee proposed as part of the Plan. Staff’s recommendation to remove the program in its entirety is unreasonable, because the efficiency components of the DSM Plan AEP Ohio has proposed should be expanded, rather than eliminated, in order to provide robust benefits for

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<sup>5</sup> Staff Report at 20.

<sup>6</sup> See, e.g., *In re FirstEnergy ESP IV*, Case No. 14- 1297 EL-SSO, Opinion and Order (Mar. 31, 2016) at 95 (citing Case No. 09-1947, Entry on Rehearing (Sept. 7, 2011) at 6).

<sup>7</sup> Staff Report at 20-21.

<sup>8</sup> Midwest Energy Efficiency Alliance, Energy & Bill Savings for Customers, 2009-2019, available at [https://www.mwalliance.org/sites/default/files/meea-research/2009-2019\\_ohio\\_energy\\_and\\_bill\\_savings\\_august\\_2020.pdf](https://www.mwalliance.org/sites/default/files/meea-research/2009-2019_ohio_energy_and_bill_savings_august_2020.pdf).

Ohioans in AEP Ohio's territory and promote energy conservation pursuant to state policy.<sup>9</sup> The DSM Plan proposed by AEP is an extremely small program at just \$40,261,000, including administrative costs and the Electric Transportation Program, and yet is still cost-effective.<sup>10</sup> Increased investment in efficiency programs, will allow Ohioans to receive even greater benefits as the efficiency programs have system-wide benefits that reduce costs for all Ohioans.

In addition to efficiency measures, the DSM Plan also includes the Electric Transportation Program, another benefit to Ohioans as electric vehicles become more common across the state, and for which Staff and the Commission have expressed support.<sup>11</sup> Similarly, the Electric Transportation Program provides benefits to Ohioans, and reasons for removal of the entire program were not clearly addressed by the Staff Report. Both the efficiency and the Electric Transportation Program components of the DSM Plan contain important benefits for Ohioans, and should not be eliminated but rather expanded. Specifically, the OEC recommends a robust DSM Plan expanding on energy efficiency, while also including an Electric Transportation Program as part of the AEP Ohio proposal that does not take away from the efficiency components of the DSM Plan.

**OBJECTION 4: The Staff Report fails to recommend that AEP Ohio propose time-of-use rates for its residential customers in order to maximize benefits.**

The Staff Report addresses the proposals for rate design submitted by AEP Ohio<sup>12</sup>, but fails to recommend that AEP include a robust plan for time-of-use rates for residential and small business customers that makes it easy for customers to understand and obtain the benefits. The PUCO has signaled support for implementation of time-of-use rates for residential and small

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<sup>9</sup> Ohio Rev. Code 4905.70. See also Ohio Rev. Code 4928.02.

<sup>10</sup> Direct Testimony of Jon Williams, at 5.

<sup>11</sup> See e.g., *Joint Stipulation and Recommendation*, In Re: App. Ohio Power Company, PUCO Case No. 16-1852-EL-SSO, et al.; *PowerForward: A Road Map to Ohio's Electricity Future*, at 19-21, available at <https://puco.ohio.gov/wps/wcm/connect/gov/38550a6d-78f5-4a9d-96e4-d2693f0920de/PUCO+Roadmap.pdf>.

<sup>12</sup> Staff Report at 41-48.

businesses<sup>13</sup>, and the AEP case at hand provides an important opportunity to implement rate design that will have benefits system-wide as well as for individual customers. Time-of-use tariffs, when properly designed, can encourage people to shift their energy usage to ensure their utility is able to purchase less power at time of peak demand, saving customers money and reducing reliance on dirty fossil fuels. Staff should have recommended AEP Ohio revise its proposal to provide a time-of-use tariff for residential and small business customers with on and off peak hours that correspond with peak demand. Staff's failure to include such a recommendation is unreasonable, and should be revised.

Respectfully Submitted,

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December 18, 2020

*Counsel for the Ohio Environmental  
Council*

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<sup>13</sup> See PowerForward: A Road Map to Ohio's Electricity Future, at 30-31, available at <https://puco.ohio.gov/wps/wcm/connect/gov/38550a6d-78f5-4a9d-96e4-d2693f0920de/PUCO+Roadmap.pdf>.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served upon all parties of record via electronic mail on December 18, 2020.

/s/Miranda Leppla (0086351)  
Miranda Leppla

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Summary: Objection to Staff Report of Investigation Filed by Ohio Environmental Council electronically filed by Ms. Miranda R Leppla on behalf of Ohio Environmental Council