**BEFORE THE**

**OHIO POWER SITING BOARD**

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| In the Matter of the Ohio Power Siting Board’s Report to the General Assembly Regarding the Power Transmission System. | )  )  ) | Case No. 21-796-EL-UNC |

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**REPLY COMMENTS FOR REGULATORY REFORM REGARDING**

**THE OHIO POWER SITING BOARD’S**

**DRAFT REPORT TO THE GENERAL ASSEMBLY**

**ON THE POWER TRANSMISSION SYSTEM**

**BY**

**OFFICE OF THE OHIO CONSUMERS’ COUNSEL**

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The Ohio Power Siting Board’s (“OPSB”) Draft Report to the Ohio General Assembly[[1]](#footnote-2) on charges to consumers shows that transmission utilities in Ohio have charged or will be charging consumers for over $5.8 *billion* in supplemental transmission project investments made over the past four years.[[2]](#footnote-3) These supplemental projects, which represent 97% of the transmission projects in Ohio,[[3]](#footnote-4) escape both state and federal regulatory review for cost-effectiveness and necessity.[[4]](#footnote-5) This regulatory gap must be closed to protect consumers from out of control spending and significantly increasing transmission charges to consumers.

In comments filed on October 8, 2021, OCC, American Municipal Power, Inc. and Ohio Municipal Electric Association (collectively “AMP”), and Ohio Manufacturers’ Association Energy Group (“OMAEG”) explained how the OPSB failed in the Draft Report to recommend regulatory reforms that would protect consumers by expanding OPSB jurisdiction to review the

necessity and cost-effectiveness of supplemental projects rated 69 kV and above. OCC and OMAEG also recommended competitive bidding for supplemental transmission projects.[[5]](#footnote-6)

Transmission utility stakeholders filed comments generally opposing the regulatory reforms recommended by OCC, AMP, and OMAEG.[[6]](#footnote-7) OCC addressed most of the transmission utility stakeholder comments in its previous filings and will not repeat those arguments here. However, OCC responds below to two additional issues raised in comments to the OPSB Draft Report.

First, to protect consumers, the OPSB should recommend that the legislature adopt competitive bidding for development of entire transmission projects and project ownership should be awarded to the transmission operator with the most competitive bid. American Transmission System, Inc. (“ATSI”) claims that any regulatory reform requiring competitive bidding for supplemental transmission projects should be limited to competitive bidding only for labor and materials used for transmission projects.[[7]](#footnote-8) But, as ATSI itself states, transmission utilities already competitively source labor and materials.[[8]](#footnote-9) Thus, an OPSB recommendation limiting competitive bidding to labor and materials would be redundant, and require transmission utilities to do what they already do, offering no real benefit to consumers.

The OPSB Draft Report states that it does not recommend that projects be competitively bid for certification.[[9]](#footnote-10) However, when transmission owners competitively bid on project development, consumers benefit from lower prices and greater innovation.[[10]](#footnote-11) Indeed, OMAEG noted in its comments on the Draft Report that competitively bid transmission projects have been found to be priced on average 40% less than initial cost estimates.[[11]](#footnote-12) The OPSB should reject ATSI’s anti-competitive recommendation to limit competitive bidding solely to labor and materials used in transmission projects, and instead protect consumers by recommending competitive bidding by transmission owners for the entire project development.

Second, Industrial Energy Users – Ohio (“IEU”) recommends that the OPSB’s jurisdiction be expanded to require transmission utilities to file annual, “comprehensive” reports regarding transmission projects regardless of voltage.[[12]](#footnote-13) According to IEU, “[t]his expansion in jurisdiction for reporting purposes could occur without requiring transmission utilities to obtain approval from the [OPSB] for any additional transmission projects.”[[13]](#footnote-14) IEU also states that “[p]roviding the [OPSB] this jurisdiction could be done regardless of whether the [OPSB’s] jurisdiction is expanded to projects less than 100 kV for purposes of reviewing and issuing certificates to construct and operate such facilities.”[[14]](#footnote-15)

OCC supports the reporting requirements described by IEU to provide greater transparency regarding the necessity and costs of transmission projects charged to consumers. However, the OPSB should recommend that the legislature adopt annual reporting by transmission utilities *in addition to* expanding its jurisdiction to review the necessity and cost effectiveness of supplemental transmission projects in excess of 69 kV. OPSB review of supplemental projects rated 69 kV and above is necessary to close the gaping regulatory loophole that allows transmission utilities to charge consumers exorbitant sums of money for projects that may not be necessary at all.

The OPSB should use this opportunity to recommend that the legislature adopt regulatory reforms that are cost effective, and that protect consumers from unreasonable and unjust charges for supplemental transmission projects. The OPSB should modify its Draft Report consistent with OCC’s recommendations here and in its August 4 and October 8, 2021 comments.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Reply Comments was served on the persons stated below via electronic transmission, this 15th day of October 2021.

*/s/ Angela D. O’Brien*

Angela D. O’Brien

Assistant Consumers’ Counsel

The PUCO’s e-filing system will electronically serve notice of the filing of this document on the following parties:

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1. “OPSB Draft Report” (Sept. 24, 2021). [↑](#footnote-ref-2)
2. OPSB Draft Report, at 5. [↑](#footnote-ref-3)
3. OPSB Draft Report, at 5. [↑](#footnote-ref-4)
4. *See* OCC Draft Report Comments, at 4-8, 9-13; Comments of American Municipal Power, Inc. and Ohio Municipal Electric Association (“AMP Draft Report Comments”), at 2-11; Comments of the Ohio Manufacturers’ Association Energy Group (“OMAEG Draft Report Comments”), at 5-9. [↑](#footnote-ref-5)
5. OCC Draft Report Comments, at 8-9; OMAEG Draft Report Comments, at 10. [↑](#footnote-ref-6)
6. *See* Comments of Ohio Power Company and AEP Ohio Transmission Company; Comments of American Transmission System, Incorporated on Draft Report; and Initial Comments of Buckeye Power, Inc. [↑](#footnote-ref-7)
7. ATSI Draft Report Comments, at 4-5. [↑](#footnote-ref-8)
8. *Id.* at 4. [↑](#footnote-ref-9)
9. OPSB Draft Report, at 14-15. [↑](#footnote-ref-10)
10. OCC Draft Report Comments, at 8. [↑](#footnote-ref-11)
11. OMAEG Draft Report Comments, at 10. [↑](#footnote-ref-12)
12. IEU Draft Report Comments. [↑](#footnote-ref-13)
13. IEU Draft Report Comments, at 4-5. [↑](#footnote-ref-14)
14. *Id.* at 10. [↑](#footnote-ref-15)