### **BEFORE** THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Annual Alternative Energy Report of Ohio Edison Company. Cleveland Electric Illuminating Company and The Toledo Edison Company

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for a Force Majeure Determination for Their In-State Solar Resources Benchmark Pursuant to R.C. § 4928.64(C)(4)(a)

Case No. 11-2479-EL-ACP

MOTION TO INTERVENE, MEMORANDUM IN SUPPORT AND INITIAL COMMENTS OF THE OMA ENERGY GROUP

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On behalf of the OMA Energy Group

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### MOTION TO INTERVENE OF THE OMA ENERGY GROUP

#### I. INTRODUCTION

On April 15, 2011, Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively, "FirstEnergy"), filed its 2010 alternative energy compliance report with the Public Utilities Commission of Ohio (the "Commission"), as well as an application for a force majeure determination relating to FirstEnergy's 2010 in-state solar resource benchmark (collectively the "2010 Annual Report"). By Entry dated May 6, 2011, the Commission established a deadline of June 6, 2011 for interested parties to file comments regarding the 2010 Annual Report. Accordingly, the OMA Energy Group ("OMAEG") respectfully submits this motion to intervene, memorandum in support and initial comments for the Commission's review and consideration.

### II. MOTION TO INTERVENE

Pursuant to Ohio Revised Code Section ("R.C.") 4903.221 and Ohio Administrative Code ("OAC") Rule 4901-1-11, the OMAEG hereby respectfully moves for leave to intervene in the above-captioned proceeding. The Commission should grant the motion to intervene because the OMAEG has a real and substantial interest in this proceeding, and the Commission's disposition of this proceeding may impair or impede the OMAEG's ability to protect that interest. The OMAEG believes that its participation will not unduly prolong or delay this proceeding and that it will significantly contribute to the full development and equitable resolution of the issues in this proceeding. Additionally, the OMAEG's interests will not be adequately represented by other parties to this proceeding.

### III. CONCLUSION

Accordingly, for these reasons and those set forth in the Memorandum in Support attached hereto and incorporated herein, OMAEG respectfully requests that the Commission grant this Motion to Intervene.

Respectfully submitted on behalf of OMA ENERGY GROUP

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# MEMORANDUM IN SUPPORT AND INITIAL COMMENTS OF THE OMA ENERGY GROUP

#### I. MEMORANDUM IN SUPPORT

The OMAEG is a non-profit entity created by the Ohio Manufacturers' Association for the purpose of educating energy consumers, regulatory boards and suppliers of energy; advancing energy policies to promote adequate, reliable and efficient supply of energy at reasonable prices; and, advocating in critical cases before the Commission. The OMAEG's members are all members of the Ohio Manufacturers' Association, which is the only statewide association exclusively serving manufacturers. The OMAEG is concerned that the ultimate resolution of the matters to be addressed in the above-captioned proceeding will have a substantial effect on OMAEG members in FirstEnergy's service area, and have precedential consequences in future alternative energy compliance proceedings involving FirstEnergy and other electric utilities.

Consistent with the requirements of R.C. 4903.221 and OAC Rule 4901-1-11(B), the OMAEG submits that: it is a real party in interest herein; its interest is not now

represented, or adequately addressed, by existing parties; it will contribute to the just and expeditious resolution of the issues and concerns set forth in the above-captioned proceeding; and its participation in this proceeding will not cause undue delay or unjustly prejudice any existing party. The OMAEG's participation will enhance the effectiveness of the above proceeding, and ensure that the proceeding is fair to its membership. Accordingly, the OMAEG respectfully requests the Commission grant its Motion to Intervene pursuant to Section 4903.221, Revised Code, and Rule 4901-1-11, OAC.

### II. COMMENTS

In accordance with the Commission's May 6, 2011 Entry, the OMAEG respectfully submits its comments on the issues raised in FirstEnergy's alternative energy compliance filings in the above-captioned proceeding.

# A. The OMAEG supports the comments filed by Nucor Steel Marion, Inc. ("Nucor")

On May 16, 2011, Nucor filed detailed comments regarding FirstEnergy's 2010 Annual Report. Nucor's comments focused primarily on: (i) the lack of information contained in FirstEnergy's 2010 Annual Report; (2) the potentially unreasonable costs of FirstEnergy's compliance with the renewable energy benchmarks in SB 221; and (3) the likelihood that FirstEnergy's compliance strategy resulted in the three percent (3%) cost cap in Section 4928.64(C)(3), Revised Code being exceeded. The OMAEG shares the same concerns as Nucor, especially with regard to the lack of information available regarding the FirstEnergy's 2010 Annual Report.

B. The Commission should direct FirstEnergy to provide additional information in order to allow interested parties, including the OMAEG, to fully evaluate the 2010 Annual Report.

As Nucor emphasized in its Comments, FirstEnergy's 2011 alternative energy compliance report "provides no detail on the basis for the renewable energy credit ('REC') and solar renewable energy credit ('SREC') costs that FirstEnergy recovered in 2010, or explanation for how the REC and SREC costs are converted into rates under Rider AER." For these reasons, OMAEG agrees that the Commission should direct FirstEnergy to provide significantly more information to allow interested parties to analyze the compliance strategies used, and costs incurred, by FirstEnergy in seeking to achieve its 2010 renewable energy benchmarks. To accomplish this task, FirstEnergy should be required to provide the following categories of information:

- Detailed work papers providing support for the data in Exhibit A to FirstEnergy's 2010 Annual Report filed with the Commission in the abovecaptioned proceeding;
- A detailed description of the methods used by FirstEnergy to acquire RECs and SRECs; and
- An explanation of whether FirstEnergy believes the three percent (3%) cost cap was triggered in 2010, and if not, why not.

It is only after such information is provided that the OMAEG can fully evaluate the merits of FirstEnergy's 2010 Annual Report.

#### III. CONCLUSION

For the reasons set forth above, the OMAEG respectfully requests that the Commission direct FirstEnergy to provide information to demonstrate that the 3% cost cap has not been exceeded in complying with its alternative energy requirements.

Respectfully submitted on behalf of OMA ENERGY GROUP

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### **CERTIFICATE OF SERVICE**

hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail, to all parties on this 3rd day of June, 2011.

Matthew W. Warnock

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