

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	)	
Columbus Southern Power Company and	)	
Ohio Power Company for Authority to	)	Case No. 11-346-EL-SSO
Establish a Standard Service Offer Pursuant	)	Case No. 11-348-EL-SSO
to § 4928.143, Ohio Rev. Code, in the Form	)	
of an Electric Security Plan.	)	
	)	
In the Matter of the Application of	)	
Columbus Southern Power Company and	)	
Ohio Power Company for Approval of	)	Case No. 11-349-EL-AAM
Certain Accounting Authority.	)	Case No. 11-350-EL-AAM

REPLY BRIEF OF THE
UNIVERSITY OF TOLEDO INNOVATION ENTERPRISES CORPORATION
IN SUPPORT OF AEP'S REQUEST
FOR ESTABLISHMENT OF A GENERATION RESOURCE RIDER

The University of Toledo Innovation Enterprise Corporation ("UTIE") respectfully supports the post hearing brief submitted on behalf of the PUCO Staff. UTIE specifically supports the assertions of Staff relative to the appropriateness of establishing the GRR within the Electric Security Plan ("ESP") case.

UTIE agrees with Staff's position, as asserted in its post hearing brief, that the GRR should be considered by the Commission for its qualitative value. Staff witness Fortney previously testified to this fact, stating plainly that the GRR provides the Commission the ability to order new generation if it is needed. UTIE agrees with Staff that the Commission should contemplate the significant qualitative value of the GRR when it makes its "in the aggregate test" assessment.

Parties such as the Retail Energy Supply Association are wrong to assert that it is inappropriate and premature for the Commission to approve the GRR mechanism because the need and costs of the Turning Point Solar Project must be considered concurrently. As Staff has explained, the need for TPS will be determined in the pending 10-0501-EL-FOR case, and cost prudence issues will be addressed in a subsequent proceeding before the Commission. Although both of these issues will be addressed in separate proceedings, should the Commission decide to consider the costs of TPS within this ESP case, then the Commission should also consider the qualitative value of TPS, which includes more jobs, capital expenditure, tax revenue and the growth of Ohio's solar supply chain.

Critics of the GRR incorrectly assert that the GRR will restrict competition. Their position is based on the premise that shopping customers will have to pay twice, once to AEP to satisfy the GRR nonbypassable charge and then again to the CRES, to fully comply with the state's solar requirement. As Staff has explained, this argument is based on a false premise. Although the specific methodology has not yet been determined, AEP has indicated that it expects TPS RECs to be allocated between shopping and nonshopping customers and the energy and capacity from the Turning Point facility to be sold in the market and dedicated to Ohio consumers, with the revenues credited against the GRR. The net result mitigates concerns about double-payment of compliance costs by shopping customers.

Because there is real qualitative value to the GRR and the TPS Project, and because statutory requirements such as need and cost prudence will be considered in separate

proceedings, UTIE strongly urges the Commission to consider the GRR and TPS in its aggregate test and to approve the GRR in its final order.

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CERTIFICATE OF SERVICE

I certify that a copy of this document was served by e-mail upon counsel for all other parties, as set forth on the attached list, on this 9th day of July 2012.

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Summary: Brief electronically filed by Jack D'Aurora on behalf of University of Toledo
Innovation Enterprises Corporation