

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE 2018 LONG-TERM FORECAST REPORT OF OHIO POWER COMPANY AND RELATED MATTERS.

CASE NO. 18-501-EL-FOR

IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL TO ENTER INTO RENEWABLE ENERGY PURCHASE AGREEMENTS FOR INCLUSION IN THE RENEWABLE GENERATION RIDER.

CASE NO. 18-1392-EL-RDR

IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL TO AMEND ITS TARIFFS.

CASE NO. 18-1393-EL-ATA

ENTRY

Entered in the Journal on January 8, 2019

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4928.143(B)(2)(c) provides that an electric security plan (ESP) may include a nonbypassable surcharge for the life of an electric generating facility that is owned or operated by an electric distribution utility, was sourced through a competitive bid process, and is newly used and useful on or after January 1, 2009. The statute directs the Commission to determine, in advance of authorizing any surcharge, whether there is need for the facility based on resource planning projections submitted by the electric distribution utility.

{¶ 3} R.C. 4935.04(C) requires certain electric transmission line owners to furnish to the Commission, on an annual basis, a long-term forecast report (LTFR), including, among other information, a year-by-year, ten-year forecast of annual energy demand, peak load, reserves, and a general description of the resource planning projections to

meet demand. Pursuant to Ohio Adm.Code 4901:5-3-01(A) and 4901:5-5-06(A), an electric transmission owner or electric utility is required to file its LTFR, including an integrated resource plan, by April 15 of each year.

{¶ 4} R.C. 4935.04(D)(3) provides that the Commission shall hold a public hearing regarding a LTFR upon the showing of good cause to the Commission by an interested party. If a hearing is held, the Commission shall fix a time for the hearing, which shall be not later than 90 days after the report is filed, and publish notice of the date, time of day, and location of the hearing in a newspaper of general circulation in each county in which the person furnishing the report has or intends to locate a major utility facility and will provide service during the period covered by the report. The notice shall be published not less than 15 nor more than 30 days before the hearing and shall state the matters to be considered.

{¶ 5} On April 16, 2018, AEP Ohio filed its LTFR for 2018 in Case No. 18-501-EL-FOR (*LTFR Case*). AEP Ohio corrected and supplemented its LTFR on May 31, 2018, and June 26, 2018, at the request of Staff.

{¶ 6} On June 7, 2018, pursuant to Ohio Adm.Code 4901-1-12 and 4901:5-5-02(C), AEP Ohio filed a motion for waiver, requesting that the Commission waive certain portions of the LTFR requirements for electric utilities and electric transmission owners. In its motion, AEP Ohio stated that it intended to file an amendment to its 2018 LTFR to demonstrate the need for at least 900 megawatts (MW) of renewable energy projects in Ohio, consistent with the Commission's orders in the Company's recent ESP proceedings and its earlier power purchase agreement (PPA) proceedings. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al. (*ESP Case*), Opinion and Order (Apr. 25, 2018); *In re Ohio Power Co.*, Case No. 14-1693-EL-RDR, et al. (*PPA Rider Case*), Opinion and Order (Mar. 31, 2016), Second Entry on Rehearing (Nov. 3, 2016), Fifth Entry on Rehearing (Apr. 5, 2017). AEP Ohio explained that the stipulation and recommendation approved by the Commission in the *PPA Rider Case* includes an agreement and commitment by the Company and its

affiliates to develop a total of at least 500 MW nameplate capacity of wind energy projects in Ohio and at least 400 MW nameplate capacity of solar energy projects in the state, subject to Commission approval. AEP Ohio noted, however, that it must first submit a demonstration of need filing pursuant to R.C. 4928.143(B)(2)(c), as a predicate for advancing project-specific proposals through subsequent EL-RDR filings.

{¶ 7} With respect to its waiver request, AEP Ohio asserted that the designated information required by certain LTFR rules is not necessary for an efficient review of the Company's integrated resource plan that will be the focus of the LTFR amendment. AEP Ohio added that the information required by the rules is voluminous and would be time consuming for the Company to prepare, while much of the information is publicly available in the Company's Federal Energy Regulatory Commission Form 715.

{¶ 8} By Entry dated September 19, 2018, the Commission granted AEP Ohio's unopposed motion for waiver, subject to certain conditions.

{¶ 9} On September 19, 2018, AEP Ohio filed the amendment to its 2018 LTFR, along with supporting testimony.

{¶ 10} On September 21, 2018, Staff filed a motion for a hearing in the *LTFR Case*.

{¶ 11} On September 27, 2018, in Case No. 18-1392-EL-RDR and Case No. 18-1393-EL-ATA (*Tariff Cases*), AEP Ohio filed an application seeking approval of the inclusion of two solar energy resources totaling 400 MW of nameplate capacity in the Company's Renewable Generation Rider (RGR), as well as approval to establish a new Green Power Tariff under which customers may purchase renewable energy certificates (RECs) for the solar energy resources' environmental attributes. AEP Ohio states that, in accordance with the *PPA Rider Case* and the *ESP Case*, the Company has executed 20-year renewable energy purchase agreements (REPAs) for the energy, capacity, and environmental attributes associated with two solar energy projects to be constructed in Highland County, Ohio - a 300 MW nameplate capacity solar facility known as Highland Solar and

a 100 MW nameplate capacity solar facility known as Willowbrook Solar. AEP Ohio further states that, although the solar facilities would be operated on its behalf, the Company would be responsible for the dispatch of the resources in the wholesale markets. AEP Ohio requests that the Commission find that it is reasonable and prudent for the Company to enter into the REPAs associated with the two solar energy projects and that the Company should be authorized under R.C. 4928.143(B)(2)(c) to recover through the RGR its REPA costs and debt equivalency costs for the life of the facilities. With respect to the Green Power Tariff, AEP Ohio notes that it requests approval to establish the tariff under R.C. 4909.18, as an application not for an increase in rates, in order to provide all customers, whether served by the Company's standard service offer or by a competitive retail electric service provider, the opportunity to purchase RECs to cover some or all of their usage.

{¶ 12} Also on September 27, 2018, AEP Ohio filed a motion seeking to consolidate the *LTFR Case* and the *Tariff Cases*.

{¶ 13} By Entry dated October 22, 2018, the attorney examiner granted, to the extent set forth in the Entry, Staff's motion for a hearing in the *LTFR Case* and AEP Ohio's motion to consolidate the above-captioned proceedings. The attorney examiner determined that the consolidated cases should proceed in two phases, with the first phase to consist of a hearing on the issue of need, while, in the second phase of the consolidated proceedings, a separate hearing will be held to consider the issues raised by AEP Ohio's application in the *Tariff Cases*. Additionally, the attorney examiner established a procedural schedule for the first phase of the consolidated proceedings. The attorney examiner also directed that, in the event that any motion is made prior to the issuance of the Commission's order, any memorandum contra shall be filed within five business days after the service of such motion, and a reply memorandum to any memorandum contra shall be filed within three business days.

{¶ 14} On November 13, 2018, the procedural schedule was amended, in order to afford the intervenors additional time to prepare for hearing. Pursuant to the amended procedural schedule, testimony on behalf of intervenors was due for filing by January 2, 2019. Additionally, a prehearing conference was set to occur on January 7, 2019, with the evidentiary hearing to be called on December 4, 2018, and reconvened on January 15, 2019.

{¶ 15} During the prehearing conference held on January 7, 2019, AEP Ohio indicated that it intended to file a motion to strike certain portions of the intervenor testimony filed on January 2, 2019, which, according to the Company, is beyond the scope of the first phase of these consolidated proceedings. In addition, the Ohio Consumers' Counsel (OCC) noted that it intended to file a motion in limine to preclude certain evidence from being presented in these cases. In order to expedite consideration of the motions, the attorney examiner directed that the motions be filed by January 7, 2019, and that any memoranda contra be filed by January 9, 2019. The attorney examiner further directed that no reply memoranda should be filed.

{¶ 16} On January 7, 2019, AEP Ohio filed a motion to strike or defer certain intervenor testimony to the second phase of these proceedings. On that same date, OCC, Ohio Manufacturers' Association Energy Group, The Kroger Co., Ohio Coal Association, Interstate Gas Supply, Inc., and IGS Solar, LLC (collectively, Joint Movants) filed a motion in limine seeking to exclude certain evidence or, in the alternative, a motion to strike certain testimony of AEP Ohio's witnesses.

{¶ 17} Consistent with the oral ruling issued during the prehearing conference, any memoranda contra the motions filed by AEP Ohio and the Joint Movants should be filed no later than January 9, 2019. Further, in order to expedite consideration of the motions, no reply memoranda should be filed.

{¶ 18} It is, therefore,

{¶ 19} ORDERED, That any memoranda contra the January 7, 2019 motions of AEP Ohio and the Joint Movants be filed by January 9, 2019, and that no reply memoranda be filed. It is, further,

{¶ 20} ORDERED, That a copy of this Entry be served upon all parties and other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Sarah Parrot

By: Sarah J. Parrot
Attorney Examiner

JRJ/sc

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in

Case No(s). 18-0501-EL-FOR, 18-1392-EL-RDR, 18-1393-EL-ATA

Summary: Attorney Examiner Entry directing that any memoranda contra the January 7, 2019 motions of AEP Ohio and the Joint Movants be filed by January 9, 2019, and that no reply memoranda be filed - electronically filed by Sandra Coffey on behalf of Sarah Parrot, Attorney Examiner, Public Utilities Commission of Ohio