



**Public Utilities
Commission**

Asim Z. Haque, Chairman

Commissioners

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Daniel R. Conway

January 18, 2019

FILE

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of Ohio Power Company to amend its tariffs, Case No. 18-1313-EL-ATA*

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (PUCO or Staff) regarding the application of Ohio Power Company to adopt a new tariff to provide a new Generation Station Power service, in Case No. 18-1313-EL-ATA.

Tamara S. Turkenton
Director, Rates and Analysis Dept.
Public Utilities Commission of Ohio

Hisham Choueiki
Director, Office of the Federal Energy Advocate
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	:	
Ohio Power Company to	:	Case No. 18-1313-EL-ATA
Amend its tariffs	:	

REVIEW AND RECOMMENDATION
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

I. BACKGROUND

On August 22, 2018, Ohio Power Company (Ohio Power or Company) filed an application to adopt a new tariff to provide a new Generation Station Power (GSP) service pursuant to Ohio Revised Code 4909.18.

In its application, the Company specifies that the proposed GSP tariff will be available to customers with electric power generation facilities (generation facilities) that:

- Have a nameplate capacity of 20MW or greater at a single location;
- Have an interconnection agreement under the PJM Regional Transmission Organization's Open Access Transmission Tariff (OATT) for service at a nominal system voltage of 69,000 volts or higher;
- Intend to schedule, deliver, and sell power solely at the wholesale level; and
- Do not serve load unrelated to the generation facility and its associated facilities and electrical equipment located on-site.

The Company also specifies that the GSP tariff does not apply to generating facilities that are eligible for and have chosen to participate in remote self-supply under the PJM OATT.

Ohio Revised Code (R.C.) 4909.18 provides, in relevant part, that:

Any public utility desiring to establish any rate, joint rate, toll, classification, charge, or rental, or to modify, amend, change, increase, or reduce any existing rate, joint rate, toll, classification, charge, or rental, or any regulation or practice affecting the same, shall file a written application with the public utilities commission. * * * . If such application proposes a new service or the use of new equipment, or proposes the establishment or amendment of a regulation, the application shall fully describe the new service or equipment, or the regulation proposed to be established or amended, and shall explain how the proposed service or equipment differs from services or equipment presently offered or in use, or how the regulation proposed to be established or amended differs from regulations presently in effect. The application shall provide such additional information as the commission may require in its discretion. If the commission determines that such application is not for an increase in any rate, joint rate, toll, classification, charge, or rental, the commission may permit the filing of the schedule proposed in the application and fix the time when such schedule shall take effect. If it appears to the commission that the proposals in the application may be unjust or unreasonable, the commission shall set the matter for hearing and shall give notice of such hearing by sending written notice of the date set for the hearing to the public utility and publishing notice of the hearing one time in a newspaper of general circulation in each county in the service area affected by the application. At such hearing, the burden of proof to show that the proposals in the application are just and reasonable shall be upon the public utility. After such hearing, the commission shall, where practicable, issue

an appropriate order within six months from the date the application was filed.

II. STAFF FINDINGS

Following its review of Ohio Power's application to establish the proposed GSP tariff, as well as any supplemental information provided by the Company, Staff makes the following findings:

- (1) Ohio Power's proposed GSP tariff is a standby retail electric supply service to enable generation facilities to account for their usage under the PJM OATT when they are net generators during a calendar month, and to provide a retail electric supply when the facilities are not net generators.
- (2) Ohio Power will act as the generation facilities' PJM metering agent for settlement purposes, to report all electricity generation during a calendar month as wholesale positive generation and all electricity use during the calendar month as wholesale negative generation. Any net electricity use as determined by these settlement processes shall be part of the Company's retail load.
- (3) During subsequent communications with Company representatives, they clarified that the proposed GSP tariff is distinct, in that it provides for the unique treatment of merchant generation facilities that primarily exist to provide power to the grid but have standby load characteristics as well. Currently, station power customers are served by the Company's General Service tariff classification, which is not designed for such customers.
- (4) During subsequent communications with Company representatives, they emphasized that the GSP tariff is particularly relevant to merchant generator facilities that do not otherwise qualify for remote self-supply

under the PJM OATT, where PJM's aggregate settlement provision¹ for multiple generating units is not applicable. Schedule GSP is intended, among other things, to clarify the relationship between the Company and the merchant generator and the conditions under which a merchant generator can self-supply its station power.

- (5) The Company limits the application of the GSP tariff to generators with a nameplate capacity of 20MW or greater at a single location, because the Company believes that such large generators would typically have material station power needs that may not be adequately served under standard retail tariffs.

III. STAFF RECOMMENDATIONS

Following its review of the information submitted in this proceeding and other relevant data, Staff recommends the following:

- (1) The application by Ohio Power Company to adopt a new service pursuant to a GSP tariff, Generation Station Power, be found to establish new and distinct metering and billing procedures that will enable the PJM settlement process when generation facilities are net generators in a calendar month, and also enable retail electric supply by the Company to generation facilities when they are not net generators.
- (2) The Company remove the 20 MW minimum nameplate capacity requirement for the applicability of the GSP tariff, since the application of the tariff is inherently limited to larger generation facilities by the condition on interconnection agreements at a nominal system voltage of 69,000 volts or higher.

¹ As detailed in PJM Manual 28: Operating Agreement Accounting, Section 13: Station Power Accounting (Revision: 81, Effective Date: 10/25/2018), Section 13.1 Station Power Accounting Procedure.

- (3) The Commission approve the Company's application to establish the GSP tariff, as filed on August 22, 2018 and modified by Staff's recommendations herein.