

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the 2018 :
Long-Term Forecast Report : Case No. 18-501-EL-FOR
of Ohio Power Company and :
Related Matters. :

In the Matter of the :
Application of Ohio Power :
Company for Approval to :
Enter Into Renewable : Case No. 18-1392-EL-RDR
Energy Purchase :
Agreements for Inclusion :
in the Renewable :
Generation Rider. :

In the Matter of the :
Application of Ohio Power : Case No. 18-1393-EL-ATA
Company for Approval to :
Amend its Tariffs. :

- - -

PROCEEDINGS

before Ms. Sarah Parrot and Ms. Greta See, Attorney
Examiners, at the Public Utilities Commission of
Ohio, 180 East Broad Street, Room 11-A, Columbus,
Ohio, called at 9:00 a.m. on Friday, January 18,
2019.

- - -

VOLUME IV

- - -

ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481

- - -

1 APPEARANCES:

2 American Electric Power Service Corporation
3 By Mr. Steven T. Nourse
4 and Ms. Christen M. Blend
5 1 Riverside Plaza, 29th Floor
6 Columbus, Ohio 43215

7 Porter Wright Morris & Arthur, LLP
8 By Mr. Eric B. Gallon
9 and Mr. L. Bradfield Hughes
10 41 South High Street, 29th Floor
11 Columbus, Ohio 43215

12 Ice Miller, LLP
13 By Mr. Christopher L. Miller
14 250 West Street, Suite 700
15 Columbus, Ohio 43215

16 On behalf of Ohio Power Company.

17 Dave Yost, Ohio Attorney General
18 By Mr. John Jones, Assistant Section Chief
19 and Mr. Thomas W. McNamee,
20 Principal Assistant Attorney General
21 Public Utilities Section
22 30 East Broad Street, 16th Floor
23 Columbus, Ohio 43215

24 On behalf of the Staff of the Public
25 Utilities Commission of Ohio.

McNees Wallace & Nurick, LLC
By Mr. Frank P. Darr
and Mr. Matthew R. Pritchard
Fifth Third Center, Suite 1700
21 East State Street
Columbus, Ohio 43215

On behalf of Industrial Energy
Users-Ohio.

- - -

1 APPEARANCES: (Continued)

2 Ohio Partners for Affordable Energy
3 By Ms. Colleen L. Mooney
4 and Mr. Christopher J. Allwein
5 P.O. Box 12451
6 Columbus, Ohio 43215

7 On behalf of Ohio Partners for Affordable
8 Energy.

9 Carpenter Lipps & Leland LLP
10 By Ms. Kimberly W. Bojko
11 and Mr. Brian W. Dressel
12 280 North High Street, Suite 1300
13 Columbus, Ohio 43215

14 On behalf of Ohio Manufacturers'
15 Association Energy Group.

16 Interstate Gas Supply
17 By Mr. Joseph Olier
18 and Mr. Michael A. Nugent
19 6100 Emerald Parkway
20 Dublin, Ohio 43016

21 On behalf of IGS Energy and IGS Solar,
22 LLC.

23 Bruce J. Weston, Ohio Consumers' Counsel
24 Office of the Ohio Consumers' Counsel
25 By Ms. Maureen R. Willis,
Senior Counsel,
Mr. William J. Michael,
and Mr. Christopher Healey,
Assistant Consumers' Counsel
65 East Street, 7th Floor
Columbus, Ohio 43215

On behalf of the Residential Utility
Consumers of Ohio Power Company.

Carpenter Lipps & Leland LLP
By Ms. Angela Paul Whitfield
and Mr. Stephen E. Dutton
280 North High Street, Suite 1300
Columbus, Ohio 43215

On behalf of The Kroger Company.

1 APPEARANCES: (Continued)

2 Ohio Environmental Council
3 By Ms. Miranda Leppla,
4 Mr. Trent A. Dougherty,
5 and Mr. Christopher D. Tavenor
6 1145 Chesapeake Avenue, Suite I
7 Columbus, Ohio 43212

8 On behalf of the Ohio Environmental
9 Council.

10 Kegler, Brown, Hill & Ritter, LPA
11 By Mr. Robert Dove
12 Capitol Square, Suite 1800
13 65 East State Street
14 Columbus, Ohio 43215-4294

15 On behalf of the Natural Resources
16 Defense Council.

17 Whitt Sturtevant, LLP
18 By Mr. Mark A. Whitt
19 and Ms. Rebekah J. Glover
20 The KeyBank Building, Suite 1590
21 88 East Broad Street
22 Columbus, Ohio 43215

23 On behalf of Direct Energy, LP and Retail
24 Energy Supply Association.

25 Benesch Friedlander Coplan & Aronoff, LLP
By Mr. John F. Stock
and Mr. Orla E. Collier, III
41 South High Street, Suite 2600
Columbus, Ohio 43215

On behalf of the Ohio Coal Association.

Dickinson Wright, PLLC
By Ms. Christine M.T. Pirik,
Mr. Terrence O'Donnell,
Mr. William V. Vorys,
and Ms. Cristina N. Luse
150 East Gay Street, Suite 2400
Columbus, Ohio 43215

On behalf of Mid-Atlantic Renewable
Energy Coalition.

1 APPEARANCES: (Continued)

2 Boehm, Kurtz & Lowry
3 By Mr. Michael L. Kurtz,
4 Ms. Jody Kyler Cohn,
5 and Mr. Kurt J. Boehm
6 36 East Seventh Street, Suite 1510
7 Cincinnati, Ohio 45202

8 On behalf of Ohio Energy Group.

9 Sierra Club
10 By Mr. Tony G. Mendoza
11 2101 Webster Street, 13th Floor
12 Oakland, California 94612

13 Richard Sahli Law Office, LLC
14 By Mr. Richard C. Sahli
15 981 Pinewood Lane
16 Columbus, Ohio 43230-3662

17 On behalf of the Sierra Club.

18 - - -
19
20
21
22
23
24
25

INDEX

- - -

WITNESS	PAGE
Michael Goggin	
Direct Examination by Mr. Mendoza	882
Cross-Examination by Mr. Kurtz	906
Cross-Examination by Mr. Michael	912
Cross-Examination by Mr. Oliker	932
Cross-Examination by Ms. Bojko	953
Cross-Examination by Mr. Darr	971
Cross-Examination by Ms. Blend	982
Redirect Examination by Mr. Mendoza	984
Recross-Examination by Mr. Oliker	986
Recross-Examination by Mr. Darr	988
Gabrielle Stebbins	
Direct Examination by Mr. Dove	999
Cross-Examination by Mr. Healey	1013
Cross-Examination by Mr. Nugent	1022
Cross-Examination by Mr. Dressel	1031
Cross-Examination by Mr. Darr	1039
Cross-Examination by Mr. McNamee	1054
Cross-Examination by Ms. Blend	1055
Stephen Buser, Ph.D.	
Direct Examination by Ms. Blend	1060
Voir Dire by Mr. Darr	1062
Cross-Examination by Mr. Healey	1087
Cross-Examination by Mr. Nugent	1098
Cross-Examination by Ms. Whitfield	1102
Cross-Examination by Mr. Collier	1115
Cross-Examination by Mr. Darr	1119
Redirect Examination by Ms. Blend	1121
William LaFayette, Ph.D.	
Direct Examination by Ms. Blend	1126
Cross-Examination by Mr. Healey	1133
Cross-Examination by Mr. Oliker	1142
Cross-Examination by Ms. Whitfield	1147
Cross-Examination by Mr. Collier	1151
Cross-Examination by Mr. Darr	1167
Redirect Examination by Ms. Blend	1169
Recross-Examination by Mr. Collier	1172

- - -

1	INDEX (Continued)			
2	- - -			
3	COMPANY EXHIBITS		IDENTIFIED	ADMITTED
4	12	Direct Testimony of Stephen Buser on Behalf of Ohio Power Company	1060	1124
5				
6	13	Direct Testimony of Bill LaFayette on Behalf Power Company	1126	1173
7				
8	- - -			
9	OCC EXHIBITS		IDENTIFIED	ADMITTED
10	12	The Challenges of Comparing PV's Success to Efficiency	1014	1058
11				
12	13	Benchmarking Air Emissions June 2018	1017	--
13	- - -			
14	SIERRA CLUB EXHIBIT		IDENTIFIED	ADMITTED
15	1	Direct Testimony of Michael Goggin on Behalf of Sierra Club	882	990
16				
17	- - -			
18	NRDC EXHIBIT		IDENTIFIED	ADMITTED
19	1	Testimony of Gabrielle Stebbins Energy Futures Group	1000	1057
20				
21	- - -			
22	IGS/IGS SOLAR EXHIBIT		IDENTIFIED	ADMITTED
23	6	Initial Submission of PJM Interconnection, L.L.C.	936	993
24				
25	- - -			

INDEX (Continued)

- - -

KROGER EXHIBIT

IDENTIFIED ADMITTED

2 Akron Beacon Journal - How
much has the opioid crisis
cost Ohio?

1113 1125

- - -

IEU EXHIBIT

IDENTIFIED ADMITTED

13 OCC-INT-12-159

1067 1125

- - -

Friday Morning Session,
January 18, 2019.

- - -

EXAMINER SEE: Let's go on the record.

Let's start with brief appearances of the parties present. Let's go to the Company, first, and work our way around the table.

MR. NOURSE: Thank you, your Honor. On behalf of Ohio Power Company, Steven T. Nourse, Christen M. Blend, Christopher L. Miller, L. Bradfield Hughes, and Eric B. Gallon.

MS. WILLIS: Thank you, your Honor. On behalf of the Consumers' Counsel and the residential customers of the Ohio Power Company, Maureen Willis, William Michael, and Christopher Healey.

MR. McNAMEE: For the staff of the PUCO, Tom McNamee.

MR. OLIKER: Good morning. On behalf of Interstate Gas Supply, Inc. and IGS Solar, LLC, Joe Olikier and Michael Nugent.

MR. KURTZ: For OEG, Mike Kurtz.

MS. BOJKO: Good morning, your Honors. For OMAEG, Kim Bojko and Brian Dressel.

MS. WHITFIELD: Good morning, your Honors. On behalf of Kroger, Angie Paul Whitfield

1 and Stephen Dutton.

2 MR. STOCK: Good morning. For the Ohio
3 Coal Association, John Stock and Orla Collier.

4 MS. LEPPLA: Good morning, your Honors.
5 On behalf of the Ohio Environmental Council, Miranda
6 Leppla.

7 MR. MENDOZA: Good morning, your Honors.
8 On behalf of the Sierra Club, Tony Mendoza.

9 MR. DOVE: Good morning, your Honors. On
10 behalf of the Natural Resources Defense Council,
11 Robert Dove.

12 MR. DARR: On behalf of IEU-Ohio, Frank
13 Darr.

14 MS. GLOVER: On behalf of the Retail
15 Energy Supply Association and Direct Energy, Rebekah
16 Glover and Mark Whitt.

17 EXAMINER SEE: Okay. Mr. Mendoza.

18 MR. MENDOZA: Sierra Club would like to
19 call Michael Goggin.

20 (Witness sworn.)

21 EXAMINER SEE: Cut your mic on, please.

22 Mr. Mendoza.

23 - - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MICHAEL GOGGIN

being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT EXAMINATION

By Mr. Mendoza:

Q. Would you please state your name for the
record.

A. Michael Steven Goggin.

Q. And do you have your direct testimony
with you?

A. Yes.

Q. And did you prepare that testimony?

A. Yes.

Q. And would you answer the questions in
that testimony the same way today?

A. Yes.

MR. MENDOZA: Your Honor, I would move
for the admission of Sierra Club Exhibit 1, subject
to cross-examination.

EXAMINER SEE: Mr. Goggin's testimony is
so marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

EXAMINER SEE: Any cross-examination for
this witness, Mr. --

MS. WHITFIELD: Your Honor, would now be

1 a good time to address motions to strike?

2 EXAMINER SEE: Yes.

3 MS. WHITFIELD: Actually, I am going to
4 let Ms. Bojko speak first.

5 MS. BOJKO: Thank you, your Honor.
6 Sorry. A little confusion. She is going to do one
7 first.

8 MS. WHITFIELD: Sorry. It was a late
9 night and very early morning.

10 First, I would like, just for purposes of
11 preserving the issue on the record, move to strike
12 page 4, lines 8 to 10.

13 EXAMINER SEE: I'm sorry, sorry -- okay.

14 MS. WHITFIELD: Oh. Yeah. Mine is
15 not --

16 EXAMINER SEE: Just a moment.

17 MS. BLEND: Ms. Whitfield, would you also
18 mind providing the question number?

19 MS. WHITFIELD: Yes. That's what I am
20 trying to pull up now.

21 MS. BLEND: Thank you.

22 MS. WHITFIELD: So --

23 MS. BOJKO: Your Honor, this is a problem
24 where we didn't have line numbers on the original
25 version and so we took all of our notes on the

1 original version and now we got one with line
2 numbers.

3 MS. WHITFIELD: Did we get one with line
4 numbers?

5 MS. BOJKO: Yes, we did, which I have
6 somewhere. I can help you.

7 MS. WHITFIELD: Yes. So that would be
8 Question 5, the answer to Question 5 where it starts
9 "due to certain aspects," all the way down to "would
10 optimally serve the economic interests of AEP Ohio
11 customers."

12 Page 5, the paragraph that starts
13 "Finally," which if you have it lined, it's going to
14 be lines 9 and 10. It's all that entire sentence,
15 "Finally," all the way through "witnesses."

16 Page 30, line 1 to page 32, line 15,
17 which is actually, I think it's line 12 actually, not
18 line 15.

19 EXAMINER SEE: So it's page 32 to the end
20 of line 12?

21 MS. WHITFIELD: Yes. So page 30, line 1,
22 through page 32, line 12. And I just move to strike
23 those passages, your Honor, for the same reasons that
24 have been articulated numerous times on the record.
25 This information has nothing to do with the

1 determination of need of a facility based on resource
2 planning projections and, under the Turning Point
3 decision, is irrelevant to Phase I of this proceeding
4 and should be stricken. Thank you, your Honor.

5 MR. COLLIER: OCA joins.

6 MR. MENDOZA: Your Honor, if I may?

7 EXAMINER SEE: Just a second,
8 Mr. Mendoza.

9 MR. MICHAEL: Your Honor, I would just
10 like to say OCC would join in the motions to strike.

11 MR. OLIKER: As would IGS and IGS Solar.

12 MS. BOJKO: As would OMAEG.

13 MR. DARR: And IEU.

14 EXAMINER SEE: Go ahead, Mr. Mendoza.

15 MR. MENDOZA: Your Honor, I believe all
16 these arguments have already been heard and rejected.
17 On page 4, the information on page 4 goes to the core
18 matter in this case, whether the -- whether the
19 competitive markets are developing adequate renewable
20 energy to serve Ohio customers and it's clearly
21 determination of need.

22 Also, your Honors have already reviewed,
23 the concepts of economic development benefit is well
24 within the parameters that the Commission can
25 consider for need and so the Commission should hear

1 that evidence, and I believe all these arguments have
2 already been rejected.

3 MS. BLEND: AEP Ohio supports Sierra
4 Club's position for the reasons we've already
5 previously articulated numerous times this week and
6 would be happy to elaborate further if the Bench
7 would like.

8 MS. WHITFIELD: Well, your Honor, if you
9 recall, intervenor testimony of certain witnesses,
10 certain intervenor witnesses including Kroger's
11 witness was stricken because -- or deferred,
12 deferred, I'm sorry, to Phase II where it was
13 challenging the economic impacts and the calculations
14 of those economic impacts on the basis therefore, and
15 just -- and Sierra Club's, Mr. Goggin's testimony is
16 testimony of an intervenor on those same issues.
17 Just because AEP Ohio did not move to strike those
18 because it's favorable to them does not mean that it
19 should not likewise be deferred the same as --
20 consistent with your order on January 14.

21 MS. BLEND: And, your Honor, I would like
22 to respond to that further. I don't believe it's a
23 fair characterization of the testimony that was
24 stricken that Ms. Whitfield just provided.

25 As the January 14, 2018, Entry recites,

1 the intervenor testimony that was deferred for the
2 second phase of this hearing related to the request
3 for proposal that led to the execution of the REPAs,
4 the specific terms and conditions, and associated
5 cost of those REPAs, the cost recovery proposal, and
6 the rate issues and the Green Power Tariff that the
7 Company is proposing in another case. It did not
8 relate to general economic development or other
9 testimony or evidence.

10 MR. MENDOZA: Your Honor, I concur in
11 Ms. Blend's -- the points that Ms. Blend just made.

12 I would add that Mr. Goggin's testimony,
13 on page 30 through 32, he talks about the generic
14 benefits of economic development and not specific
15 projects. You'll note there is no reference to any
16 specific projects that have been proposed by the
17 utility in this case; and so it's clearly something
18 the Commission can consider as it determines the need
19 for further renewable development in Ohio.

20 EXAMINER SEE: Based on our previous
21 rulings, this motion to strike Mr. Goggin's testimony
22 is denied.

23 MS. WHITFIELD: Thank you, your Honor.

24 EXAMINER SEE: Ms. Bojko, you had another
25 motion to strike?

1 MS. BOJKO: I do, your Honor. I have
2 several. I am not sure if you want to handle it one
3 by one.

4 Several of the footnotes and articles and
5 documents relied upon by Mr. Goggin in his testimony,
6 and I have those listed and can do that, but those
7 documents are inadmissible hearsay as well as
8 Mr. Goggin has a lack of foundation, lack of personal
9 knowledge. Through his deposition, we went through
10 each one of these articles, and Mr. Goggin explained
11 to me that he was not the author for a majority of
12 those and the ones that I will move to strike. He
13 had no part in drafting it. He merely pulled it from
14 another source or off of the website.

15 For -- if you want me to go through
16 those, for instance, if you look at one of the most
17 egregious ones, if you look to the back -- he cites
18 Money.CNN, a Facebook page, in Footnote 56. He talks
19 about AWEA organizational materials. He doesn't know
20 of those. I can list those specifically, your Honor.

21 MR. MENDOZA: Your Honor, may I respond
22 to those specific points? I think it will show the
23 lack of merit for all of Ms. Bojko's motions.

24 First of all, with respect to the
25 Facebook comment. Mr. Goggin interacted with

1 Facebook at the time and has personal knowledge of
2 Facebook's decision to choose to locate that data
3 center in Texas as to Ohio. Furthermore, CNN is a
4 reputable source.

5 But again, Mr. Goggin has personal
6 knowledge because he was involved in the decision --
7 he was not involved in the Facebook decision. He
8 discussed the decision with Facebook at the time and
9 so he has personal knowledge.

10 Mr. Bojko -- Ms. Bojko did not ask
11 Mr. Goggin whether he had personal knowledge of all
12 these. If she had, she would have learned that he
13 did.

14 I'm sorry, what was the -- what was the
15 other one you raised?

16 MS. BOJKO: I wasn't finished with my
17 argument.

18 EXAMINER SEE: Just a minute. Let
19 Ms. Bojko finish with her motion and then you will
20 have an opportunity to respond, Mr. Mendoza.

21 MS. BOJKO: Your Honor, we did go through
22 each footnote in painstaking detail. Just because
23 you have a conversation with somebody, it's still
24 hearsay. It's classic inadmissible hearsay. The
25 Facebook representative is not here to make the

1 comment. Many of the documents, he did not have any
2 involvement in.

3 So if you would like me to list those
4 specifically, your Honor, because I will not move to
5 strike PJM-type documents, but other footnotes where
6 he has admitted that he has no part in, we will move
7 to strike that as well as the associated testimony.

8 So if you look at Footnote No. 4,
9 Mr. Goggin admits that he's not the author. He's, in
10 previous years, been the author of these types of
11 reports but for this particular one, he is not the
12 author of.

13 Footnote 5, he did not review, he is not
14 the author, was not involved in it whatsoever.

15 For Footnotes 6 through 10, he stated
16 that he was not involved in the drafting, the
17 crafting of these documents. He neither verified or
18 could verify the accuracy of these documents.

19 If you go to Footnotes 11 through 13, he
20 had no involvement in any of these three documents
21 that he cites from, takes data from. He did not
22 confirm the data. He did not verify the accuracy of
23 the data.

24 Footnote 11 -- or 15, excuse me, is a
25 paper, Kleinman Energy, it's found on the PJM

1 website. He stated he had no involvement in such
2 documents. He did not verify the accuracy and cannot
3 attest to it. I can't cross-examine him on these
4 documents.

5 16 is a PJM report, so we will not move
6 to strike that one. Same with 17 and 18.

7 19, his name is not on the document. He
8 does claim that he contributed or could be accounted
9 for contributing to that document, but we have no way
10 of verifying that information because his name is not
11 on the document.

12 I will move to strike 23. This report
13 about --

14 EXAMINER SEE: Ms. Bojko.

15 MS. BOJKO: Yes, I'm sorry.

16 EXAMINER SEE: 19 and then all the way to
17 23?

18 MS. BOJKO: Yes, your Honor. The others
19 are FERC and PJM documents.

20 EXAMINER SEE: Okay. Go ahead.

21 MS. BOJKO: And then, your Honor --

22 EXAMINER SEE: I'm sorry, you didn't
23 finish your explanation about Footnote 23.

24 MS. BOJKO: Oh, I apologize. This is a
25 document about a capacity report from MISO Energy

1 CDN. It's not a document that he produced and he did
2 not verify the accuracy of it.

3 The footnotes 24 and 25, similarly while
4 he may have drafted previous LBL documents, he
5 admitted he had not drafted this document. He did
6 not check the accuracy of this document and he cannot
7 verify the contents of this -- these two documents on
8 24 and 25.

9 Similarly, on Footnote 26, just confirm,
10 your Honor, that is not one that he -- Footnote 26, I
11 believe he was not involved with and he did not
12 verify the accuracy of that one, so I would move 26.

13 28 is the same report that I already
14 discussed in a previous footnote.

15 Footnote 29, they're EconPapers. They
16 are nothing that Mr. Goggin's drafted or relied upon
17 or used and he could not verify the accuracy of those
18 documents when questioned in deposition.

19 Then I will skip to No. 37, your Honor, a
20 blog, a Joseph Daniel blog. This was not the work of
21 Mr. Goggin. He did not contribute to it, he was not
22 an author, and it should be stricken.

23 Similarly, your Honor, Footnotes 39, 40,
24 he was not a part of those two documents. He did not
25 have any involvement. He was not an author, and he

1 can't verify the accuracy of those documents.

2 I'm not going to move 41. He claimed
3 that he was a reviewer of that document, so we'll
4 leave 41.

5 Skipping over to 45, 46, these are
6 documents that Mr. Goggin said he did not take part
7 in. He did not draft. He was not an author. He did
8 not contribute to those reports.

9 And then it's my understanding, your
10 Honor, he did contribute or provide reports -- he had
11 some involvement in 48 through 50. I am not going to
12 move to strike a Commission document.

13 So that takes us to --

14 EXAMINER SEE: Just a minute, Ms. Bojko.
15 Go ahead.

16 MS. BOJKO: And then, your Honor, he was
17 not an author of Footnotes 54 and 55. He believed he
18 might have contributed, in the past, some piece or
19 part of that data, but he could not verify that he
20 was the author and that he actually drafted or
21 produced those documents.

22 As far as 56, I don't know why today we
23 now are talking about his personal experience with
24 Facebook. When I asked him if he wrote or
25 contributed to No. 56, Mr. Goggin's said no, and I

1 can get the deposition transcript out as well, but he
2 said no.

3 MR. MENDOZA: That's because you asked --
4 you didn't follow-up and ask if he had personal
5 knowledge of the information in this testimony.

6 MS. BOJKO: It doesn't matter. If he
7 didn't draft the document and if the Facebook
8 representative is not here, it is inadmissible
9 hearsay under the rules.

10 57 is an Energy News article. And that
11 article, he also said that he did not write and he
12 said that his client in this case was not a part of
13 the Senate Bill 310 debate and that he did not draft
14 that article.

15 So, your Honor, those conclude the
16 striking of the footnotes. There's related testimony
17 that goes with the footnote but I think maybe your
18 decision on the articles might lead to the rest of
19 the motions. Would you like me to tell you all of
20 them?

21 EXAMINER SEE: Do you have additional
22 motions to strike?

23 MS. BOJKO: No, your Honor, just the
24 related testimony; so if there is a footnote that was
25 cited or quoted from one of the articles, that would

1 also be stricken.

2 MR. MENDOZA: If I may?

3 EXAMINER SEE: Yes.

4 MR. MENDOZA: Well, I would first like
5 to, you know, counsel has not even made a basis for
6 striking any of the testimony. She has -- any of his
7 actual testimony, putting aside the footnotes.
8 Mr. Goggin has personal knowledge of every sentence
9 of his testimony. And if counsel would like to
10 cross-examine him about that, she could have done it
11 at the deposition. She chose not to. She could do
12 it -- she could do it today if she would like. But I
13 will go through each of her points.

14 First of all, with respect to Footnote 4,
15 the Lawrence Berkeley laboratory, that is part of the
16 Department of Energy, it's a federal agency. It's
17 very common for this Commission to take
18 administrative notice of federal-agency documents.
19 My understanding is the Lawrence Berkeley laboratory
20 produces information about renewable energy and other
21 energy issues, and experts in the field rely on it.
22 If Ms. Bojko would like to test Mr. Goggin's
23 knowledge of what the Lawrence Berkeley laboratory
24 does, she could do that.

25 But it's the Commission -- and I would

1 reiterate that for all these points that Mr. Goggin
2 has personal knowledge of the information in his
3 testimony and, in this case, can rely on what the
4 Lawrence Berkeley laboratory has said on these
5 topics.

6 Footnote 5, I believe, is the same
7 federal government agency, the department -- an
8 agency of the Department of Energy.

9 Footnote 6 is the PJM Market Monitor. I
10 think it's fairly common in Commission proceedings
11 for this -- the Commission to take administrative
12 notice of Market Monitor Reports. The Market
13 Monitor's job is to monitor the PJM market and
14 provide information to stakeholders. It's obviously
15 valuable for the Commission to have that information.

16 As to -- SPP is a ISO that serves another
17 part of the country. A core part of this case is
18 whether the PJM markets are adequately developing
19 renewables and so some comparison to what is going on
20 in other ISOs is valuable and relevant. The
21 Commission can give it the weight it sees fit.

22 The next document is to -- the Market
23 Monitor of one of those other ISOs, and if the
24 Commission can take administrative notice of PJM
25 market documents, surely it can do the same for the

1 Market Monitors of other ISOs whose job is to monitor
2 the market and provide information to people like the
3 Public Utilities Commission of Ohio and stakeholders.

4 As for Footnote 9, that's the Energy
5 Information Administration of the United States
6 Government. Its job is to provide information about
7 energy issues. The Commission routinely takes
8 administrative notice of information from that
9 government agency. I don't think more discussion of
10 that is merited.

11 The next one is another document from the
12 Lawrence Berkeley laboratory which again is a federal
13 agency.

14 Footnotes 11 through 13, again, we're
15 talking about a Market Monitor Report. Very common
16 to take administrative notice of Market Monitor
17 Reports. It is the job of the Market Monitor.

18 Footnote 12, I think she mentioned. Mr.
19 Goggin worked at the American Wind Energy Association
20 for many years. Many of the documents he cites to,
21 via website, are documents he himself wrote. Others
22 rely on criteria for collecting information that he
23 developed himself and so, therefore, can verify.
24 Even when the collection went on after -- after his
25 time there, he can verify the accuracy of that

1 information, how it was collected, why it was
2 reliable.

3 Footnote 15, I believe was another one.
4 So this is a citation to a document on the PJM
5 website about the stakeholder process at PJM.
6 Mr. Goggin has participated in the PJM stakeholder
7 process, dozens of times, is my understanding Mr.--
8 Ms. Bojko, excuse me, could ask him about his
9 experience participating in the PJM stakeholder
10 process over the many years he has done that if she
11 would like to do so.

12 And, again, the actual testimony
13 statement is something that he can support with his
14 own personal knowledge. The Commission can give the
15 document the Kleinman Energy article such -- whatever
16 weight it sees fit, but Mr. Goggin is very familiar
17 with the PJM stakeholder process.

18 I think Footnote 19 was the next motion.
19 Again, this is an AWEA blog that Mr. Goggin wrote and
20 so she can ask him about if she would like.

21 Footnote 23 is a MISO document which is,
22 again, another ISO. If the Commission can take
23 administrative notice of PJM documents, surely it can
24 take administrative notice of MISO documents and it
25 can take -- it can afford those documents the

1 appropriate weight. Again, it goes to how the
2 competitive markets in Ohio are developing renewable
3 energy in a comparison to other ISOs is, I would,
4 argue relevant.

5 Footnote 25. Footnote 25 relates to --
6 supports a statement that describes the operational
7 parameters of wind turbines. Mr. Goggin has personal
8 knowledge of every bit of information in that -- in
9 the sentence to which it relates. If they would like
10 to cross-examine him on that topic, surely they can
11 do that today. As to the document itself, the Hirth
12 Mueller article, the Commission can give that
13 document the weight it deems appropriate.

14 Footnote 29, again, relates to a
15 statement of which Mr. Goggin has personal knowledge
16 and can be cross-examined on. There's no prejudice
17 to any party to the inclusion of that footnote, and
18 the Commission can give the appropriate weight to it.

19 Footnote 37, I believe, was the next one.
20 So this is a blog written by expert -- I'm sorry.

21 EXAMINER SEE: Just --

22 MR. MENDOZA: Footnote 37 relates to an
23 analysis by another expert. Mr. Goggin -- and I may
24 not have the facts exactly right and counsel could
25 cross-examine him on this topic if she would like, my

1 understanding is Mr. Goggin interacted with this
2 expert as he was developing the analysis, verified
3 his methodology, found it reasonable, and therefore
4 included this information in his testimony. And the
5 Commission can give it the appropriate weight.

6 MS. BOJKO: Your Honor, may I quickly
7 respond?

8 MR. MENDOZA: I would like to get
9 through -- I think you had some other motions.

10 Footnote 39 is a consulting firm's
11 report, I believe, and Mr. Goggin has personal
12 knowledge of the information in the sentence to which
13 that relates, and the Commission can give the
14 footnote the appropriate weight.

15 I think Footnote 45 was -- oh, no, there
16 was a few more. Footnote 45 relates to an ERCOT
17 document. That's the ISO that serves Texas. Again,
18 if the Commission can take administrative notice of
19 PJM documents, surely it can take administrative
20 documents of ERCOT documents.

21 Footnote 55, I believe, was the next one.
22 This is the Environmental Protection Agency of the
23 United States Government. It's fairly common to cite
24 to federal government agency documents as reliable
25 sources. Mr. Goggin used a tool provided by the

1 Environmental Protection Agency to offer some
2 predictions on the public health impact -- excuse me,
3 the emissions impact of renewable -- building generic
4 renewable projects in Ohio. If counsel would like to
5 cross-examine him on the way he used that tool, they
6 are free to do so. I don't think there is any doubt
7 that the EPA document is a reliable source and, of
8 course, the Commission can give it the weight that it
9 sees fit.

10 Footnote 56, so this is the Facebook
11 decision-making around siting projects in Texas over
12 Ohio. my understanding is that Mr. Goggin interacted
13 with Facebook personnel at the time and has personal
14 knowledge of that -- of that information, and I would
15 add that CNN is a reputable news source and the
16 Commission can give it the weight it sees fit. The
17 same arguments apply to the Energy News article.

18 MS. BOJKO: Your Honor, quickly, the
19 standard for hearsay in the state is -- 801 is the
20 rule -- is an out-of-court statement made by somebody
21 that is not here in order to testify and verify the
22 accuracies of their statement. There are exceptions
23 to the hearsay rule. The one -- the footnotes that I
24 did not ask to be stricken are exceptions. Things
25 like CNN news is not a learned treatise. LBL is not

1 a federal agency. It is not a learned treatise. It
2 operates on behalf of --

3 MR. MENDOZA: Your Honor, that was a
4 false representation.

5 MS. BOJKO: It's not a federal agency.
6 It works on behalf of a federal agency. It's not --
7 it doesn't fall within one of the exceptions.

8 Additionally, a Market Monitor's report,
9 the Market Monitor is an advocate. This Commission
10 has received comments and intervention status from
11 PJM's Market Monitor. This Commission has
12 historically held that the Market Monitor is not the
13 same as a government agent or PJM itself.

14 As for Texas and ECOT -- ERCOT, those
15 Texas statements are irrelevant to the case here.
16 So, under 401 those are irrelevant.

17 MR. MENDOZA: Your, Honor, all those
18 motions --

19 EXAMINER SEE: Just a minute,
20 Mr. Mendoza.

21 MS. BOJKO: It's classic hearsay.

22 EXAMINER SEE: You will have your
23 opportunity.

24 MS. BOJKO: He can testify to information
25 of his personal experience, but he cannot use this

1 Commission as a document dump. This is not a comment
2 period. This is not a place where we're accepting
3 all kinds of research that the witness himself did
4 not conduct. He can talk about his personal
5 experience. He can talk about his expertise. He can
6 testify to his expertise, but he cannot dump
7 documents in the record from other experts that are
8 not here to testify. They do not fall within the
9 exceptions of the hearsay and they are inadmissible
10 and a lot of them are irrelevant.

11 MR. MENDOZA: May I respond, your Honor?

12 EXAMINER SEE: Yes.

13 MR. MENDOZA: I would just note that she
14 started out her motion to strike for hearsay and now
15 has invented a relevancy motion, you know, on reply
16 or something. The Commission can decide what is
17 relevant.

18 I would argue that -- if you are going to
19 understand the competitive market in Ohio is
20 developing adequate renewable energy to serve Ohio
21 customers, it's worth considering what's going on in
22 other markets. Those -- you know, people who work in
23 this industry think about how PJM relates to other
24 ISOs all the time. I think it's relevant. In any
25 case, the Commission can decide what it considers

1 relevant. There is no point in spending all morning
2 debating that issue.

3 As for -- I would just point out, you
4 know, the hearsay rule applies to statements. As I
5 said, every statement in his testimony is something
6 that Mr. Goggin can support with personal knowledge
7 or cites to a reputable source of which -- for which
8 this Commission routinely takes administrative
9 notices. And I think that's enough on this topic for
10 now.

11 MR. OLIKER: Your Honor, can I respond to
12 something?

13 EXAMINER SEE: Briefly.

14 MR. OLIKER: What does the capacity
15 factor of a wind turbine in Texas have to do with
16 this case? It's simply irrelevant. It provides no
17 probative value except for misstating the record.

18 EXAMINER SEE: Thank you, Mr. Olikier.

19 MR. KURTZ: Your Honor? No. Okay.

20 EXAMINER SEE: Ms. Bojko, your motion to
21 strike the numerous footnotes in Mr. Goggin's
22 testimony is denied. You had other motions?

23 MS. BOJKO: Your Honor, just for the
24 record, I take it you're similarly denying the motion
25 to strike associated with the testimony?

1 EXAMINER SEE: And the testimony in the
2 footnotes as well as the testimony related to.

3 MS. BOJKO: No, your Honor. I assume I
4 am free to cross Mr. Goggin on every single one of
5 these articles that he cites to and claims to have
6 used, and I would just note for the record this is a
7 departure from your prior rulings, and for appeal
8 purposes would like to --

9 EXAMINER SEE: Ms. Bojko, your motion has
10 been denied. You can cross-examine him.

11 Mr. Kurtz, you had--

12 MR. KURTZ: Excuse me. You've ruled, so
13 I have nothing further.

14 EXAMINER SEE: Okay. Was there a --
15 okay.

16 Cross-examination for -- of this witness.
17 Mr. Dove.

18 MR. DOVE: No, your Honor.

19 EXAMINER SEE: Ms. Leppla.

20 MS. LEPLA: No, your Honor.

21 EXAMINER SEE: Mr. Kurtz.

22 MR. KURTZ: I do, just very briefly.

23 - - -

24

25

CROSS-EXAMINATION

By Mr. Kurtz:

Q. Good morning, Mr. Goggin.

A. Good morning.

Q. Your testimony runs through a whole series of perceived flaws in the PJM market as it relates to renewable generation; is that correct?

A. That's correct.

Q. That would include the Minimum Offer Price Rule, capacity performance penalties, calculation of capacity value for renewables, energy price caps and other things?

A. That's correct.

Q. Do you think it's the Commission's job here to fix perceived flaws in the PJM energy and capacity markets?

A. I don't. The purpose of the statements in my testimony was to illustrate why renewable development in the wholesale market and PJM has lagged that of other regions, pointing out that these aspects of the market design are disincentivizing the development of renewable energy that would be economic for customers.

Q. Do you agree that it's the Commission's job here to enforce Ohio law given the realities of

1 the PJM market?

2 MS. BOJKO: Objection. Your Honor, this
3 witness has not been established as an attorney and
4 now Mr. Kurtz is asking him to opine on Ohio law and
5 what the Commission should or should not do under
6 that Ohio law.

7 MR. KURTZ: Do I need to respond? I am
8 not asking for a legal opinion. The question is
9 whether there is a capacity need, et cetera, under
10 that provision of the Revised Code, so I am asking my
11 question in that context.

12 EXAMINER SEE: Well, rephrase your
13 question, Mr. Kurtz.

14 Q. (By Mr. Kurtz) Do you think it's the
15 Commission's job here to make a determination of need
16 given the realities of the PJM market?

17 MS. BOJKO: Objection. Again, it calls
18 for a legal conclusion. This witness has not been
19 established even to be a regulatory expert in Ohio on
20 Ohio law. He has not been asked -- there is no
21 foundation that he even knows what the law says and
22 now you are asking him to opine upon what the
23 Commission should or shouldn't find under that law.

24 MR. KURTZ: Do I need to respond to that?
25 This whole case is about need.

1 MS. BOJKO: I think he needs to establish
2 foundation, your Honor, which he has not done. I
3 don't recall Mr. Goggin citing to the statutory
4 provision that Mr. Kurtz is asking about.

5 MR. KURTZ: All the Orders in this case
6 made this Phase I about need. So if it's not about
7 need, the testimony is not relevant. Maybe it isn't,
8 but --

9 MS. WHITFIELD: There you go.

10 MS. BOJKO: I support that motion to
11 strike, your Honor.

12 MS. WHITFIELD: Ding, ding, ding.

13 EXAMINER SEE: You can answer the
14 question, Mr. Goggin.

15 THE WITNESS: Could you repeat the
16 question?

17 Q. (By Mr. Kurtz) Do you believe that it's
18 the Commission's job here to make a determination of
19 need based upon the realities of the PJM market as
20 those realities currently exist? With --

21 A. So while I am not an expert on Ohio
22 statute, I believe that AEP Ohio has done an economic
23 analysis of the value of these projects and I found
24 it compelling and reasonable. My testimony notes a
25 number of reasons why PJM market design is not

1 allowing the development of the
2 economically-efficient renewable resources and that's
3 the point of my testimony.

4 MR. MICHAEL: Your Honor, I would move to
5 strike Mr. Goggin's response regarding his views on
6 what AEP has done. It's irrelevant. That's not what
7 his testimony is about and it's also nonresponsive to
8 the question, so the extent to which Mr. Goggin
9 thinks what AEP has done is reasonable or compelling
10 should be stricken.

11 EXAMINER SEE: Denied.

12 Q. (By Mr. Kurtz) You're aware that the
13 Federal Government has various investment tax credits
14 and production tax credits that are designed to
15 incentivize the development of renewable generation,
16 are you not?

17 A. That is correct. Although, those are
18 currently in the process of phasing down or have
19 almost entirely phased out at this point.

20 Q. Should those federal tax incentives be
21 taken into account by the Commission as a reason for
22 denying a need finding?

23 MS. WHITFIELD: Just note my objection to
24 this.

25 MR. KURTZ: This is a question you should

1 like.

2 MS. WHITFIELD: Again, it's calling for a
3 legal conclusion. You are wanting him to put himself
4 in the position of the Commission.

5 MS. BOJKO: Witnesses aren't supposed to
6 say what the Commission is going to do.

7 MR. KURTZ: There is a reason these
8 hearings go until 8:30 at night. I am not asking for
9 a legal conclusion. This is not friendly. This is
10 anti-friendly, Ms. Bojko.

11 EXAMINER SEE: Mr. Goggin, you can answer
12 the question.

13 A. I believe -- again, I'm not a legal
14 expert, but I believe the Commission's mandate is to
15 serve the best interest of Ohio customers, and the
16 availability of federal tax credits that reduce the
17 cost to Ohio customers of procuring renewable energy
18 would be in those consumers' interests.

19 Q. But why should the Commission take into
20 account in this case all the bad things you cite
21 about PJM and renewables and not take into account
22 all the good things the federal tax code does for
23 renewables? Aren't they equally as --

24 MR. MENDOZA: Objection.

25 Q. Why should the Commission do that?

1 MR. MENDOZA: Objection. It misstates
2 his previous answer. He said the Commission should
3 consider the production tax credit and the investment
4 tax credit.

5 Q. (By Mr. Kurtz) Well, let me rephrase.
6 Should the PTC and ITC be a reason to
7 deny a need?

8 A. The federal production tax credit and
9 investment tax credit were created to incentive the
10 development of renewable energy, accounting for the
11 value that those resources provide, economics,
12 environment benefits, public health benefits, et
13 cetera. The market-design flaws that I've identified
14 in the PJM market were not intended to serve any such
15 public need and, therefore, are different and they
16 are not correcting for an externality unlike the PTC
17 and ITC at the federal level.

18 Q. I am not asking for a legal conclusion.
19 But isn't it the role of a Commission to enforce
20 it -- its responsibilities, given the realities of
21 PJM and the realities of the federal tax code, you
22 are not suggesting the Commission has any re --
23 any -- any way to change those realities, are you?

24 A. No, I am not.

25 MR. KURTZ: Okay. Thank you, your Honor.

1 EXAMINER SEE: Mr. Michael.

2 MR. MICHAEL: Thank you, your Honor.

3 - - -

4 CROSS-EXAMINATION

5 By Mr. Michael:

6 Q. Good morning, Mr. Goggin. I am over here
7 on the far right. There is a great deal of
8 uncertainty regarding how capacity value of
9 renewables will be treated with regard to the pending
10 MOPR rule, correct?

11 A. That's right.

12 Q. And it's possible that the renewables
13 proposed by AEP here will not clear the capacity
14 market, correct?

15 A. At this point that's highly speculative
16 given that, as we just noted, the Federal Energy
17 Regulatory Commission has not yet ruled on how what
18 it deems subsidized resources will be treated in
19 PJM's capacity market; that ruling is pending,
20 expected any day.

21 And beyond that, there's always
22 significant uncertainty about how any individual
23 resource would clear the capacity market. There's
24 the expectations of bidding behavior and all types of
25 things that go into that.

1 I would note that the proposals that PJM
2 put forward to the Federal Energy Regulatory
3 Commission for the Minimum Offer Price Rule contained
4 a number of options including the, you know, fixed
5 resource requirement or the resource carve-out option
6 that would allow AEP Ohio to potentially value the
7 capacity that renewable resources would provide even
8 if those resources don't clear the capacity market.

9 Q. Mr. Goggin, you recall that I took your
10 deposition within the last 10 days, correct?

11 A. That's correct.

12 Q. And you were under oath during that
13 deposition?

14 A. That's correct.

15 MR. MICHAEL: Your Honor, may I approach?

16 EXAMINER SEE: Yes.

17 Q. (By Mr. Michael) Mr. Goggin, I've handed
18 you a copy of the transcript from your deposition
19 that was taken January 10, 2019. Just review that
20 document real quick and confirm that's what it is,
21 please.

22 A. It is.

23 Q. And I am going to draw your attention to
24 page 9.

25 A. Okay, I'm there.

1 Q. Line 10. And the Question is: "Okay, but
2 I guess the question I'm asking is there's no doubt
3 that some renewables have but it's possible that
4 these will not, correct?"

5 A. That's correct. That's what it says.

6 Q. And then Mr. Mendoza and I have a
7 discussion, and I would draw your attention now,
8 Mr. Goggin, to page 10, line 9. Are you there with
9 me?

10 A. Yes.

11 Q. And it states -- or you state, during the
12 deposition, "Yeah, I would say I mean the rules for
13 the capacity market are influx at the moment, and you
14 know, PJM has delayed its capacity market option
15 until FERC -- it provides certainty and finalizes
16 what the rules are going to be. So, it's difficult
17 to say so certainly yes, it is possible that they
18 would not clear, again, because the rules have yet to
19 be determined."

20 Did I read that correctly?

21 A. That's correct.

22 MR. MENDOZA: Objection, your Honor.
23 This is improper impeachment. There seems to be a
24 misunderstanding of a deposition in this hearing. If
25 a witness gives a slightly varying answer to a

1 question that is open-ended, it is not appropriate
2 impeachment to show this witness answered the same
3 question slightly differently a week ago. We are --
4 human beings are not capable of giving the exact same
5 answer from memory to a complex question.

6 Mr. Michael asked this witness if there
7 is uncertainty in the PJM market rules. It is a --
8 it is a -- it's a paradigmatically open-ended
9 question. Excuse me. Mr. Goggin's answer in both
10 cases focused on how there is flux in what the market
11 rules will say, there is uncertainty. And I would --
12 and besides what Mr. Kurtz said a few moments ago
13 that there is reason why these hearings go on until
14 8:30 at night, because people are unwilling to, in
15 this case, use depositions for the appropriate
16 purpose.

17 MS. BOJKO: Your Honor, I am going to
18 object.

19 MR. MICHAEL: Your Honor, let me respond
20 first since I was the one crossing. I think
21 Mr. Mendoza ought to pay closer attention to my
22 questions because the question that I asked him was
23 very specific, very to the point, and it was "It's
24 possible that the renewable proposed by AEP here will
25 not clear the capacity market, right?" Very clear.

1 In his deposition testimony, he said it's
2 possible they won't clear. That is not the answer he
3 just gave. It wasn't even close, all right? So if
4 the Commission wants to decide whether --

5 EXAMINER SEE: We're off the record.

6 MR. MICHAEL: -- impeachment was proper,
7 that's fine.

8 EXAMINER SEE: Thank you, Mr. Michael.

9 We're off the record. Everybody needs a
10 break.

11 (Recess taken.)

12 EXAMINER SEE: Let's go back on the
13 record.

14 Ms. Michael.

15 MR. MICHAEL: Thank you, your Honor.

16 Q. (By Mr. Michael) Mr. Goggin, most of
17 PJM's proposed rules, that are being discussed right
18 now, will effectively exclude renewables from
19 receiving capacity market clearance, correct?

20 A. As proposed, yes, that's correct. But,
21 again, the Commission has not yet ruled on, the
22 Federal Energy Regulatory Commission, has not yet
23 ruled on what rules it will accept.

24 MR. MENDOZA: Can I just clarify,
25 Mr. Michael, you are asking about the MOPR rules?

1 MR. MICHAEL: Yes. Thank you.

2 Q. Setting aside -- you're familiar with the
3 fixed resource requirement, correct, Mr. Goggin?

4 A. That's correct.

5 Q. And if I refer to that as FRR, you will
6 understand to what I am referring, correct?

7 A. That's correct.

8 Q. Setting aside FRR and self-supply, if the
9 renewables don't clear the capacity market, the cost
10 of the Renewable Generation Rider will increase,
11 correct?

12 A. That is correct. If you again set aside
13 those two possible exemption routes that PJM
14 proposed, the FRR and the resource carve-out or
15 self-supply option, that's correct.

16 Q. Thank you.

17 If -- if the renewables that we are here
18 discussing, Mr. Goggin, were designated a fixed
19 resource, the renewables output would be used for
20 AEP's own customers, correct?

21 A. That's correct.

22 Q. And Mr. Goggin, those customers would
23 come from one of two places, either current SSO
24 customers, or customers being served by competitive
25 retail electric suppliers, correct?

1 A. That's my understanding, yes, but I am
2 not an expert on retail rates in Ohio.

3 Q. Mr. Goggin, I would like to draw your
4 attention to page 4 of your testimony, if I might.

5 A. Okay. I'm there.

6 Q. And you assert, on page 4 of your
7 testimony, that the PJM market is falling short of
8 the level that would primarily serve the economic
9 interests -- excuse me -- optimally serve the
10 economic interests of AEP Ohio's customers, correct?

11 A. That's correct.

12 Q. And you believe that the Public Utilities
13 Commission of Ohio has the authority to determine
14 what is in -- what is necessary to optimally serve
15 the economic interests of AEP Ohio service customers,
16 correct?

17 A. That's correct.

18 Q. You are aware, Mr. Goggin, that a number
19 of certified retail electric suppliers provide
20 renewable energy options to Ohioans, correct?

21 A. That's correct.

22 Q. And you are aware, Mr. Goggin, that some
23 of those options are 100-percent renewable energy,
24 correct?

25 A. That's correct.

1 Q. So in the State of Ohio, Ohioans are
2 empowered to decide for themselves what level of
3 renewable energy optimally serves their economic
4 interests, correct?

5 A. That is correct. I would note that many
6 of the options offered and many of the options
7 procured by customers through these renewable energy
8 credit purchases either rely on national renewable
9 energy credits that are produced somewhere else in
10 the country, typically not in this region, and,
11 therefore, the environmental, economic, and
12 job-creation benefits tend to accrue outside of this
13 region.

14 Even the renewable credit offerings that
15 are sourced from PJM, via a regional energy credit,
16 that would have less in-state economic development
17 benefits, potentially other less smaller benefits, as
18 opposed to direct procurements of renewable energy in
19 the State of Ohio.

20 MR. MICHAEL: And, your Honor, I would
21 move to strike everything after his answer to my
22 question which was yes or correct. I forget
23 precisely what word he used but he acknowledged that
24 I was accurate. Everything after that statement, I
25 think, is nonresponsive. We -- I didn't ask him

1 anything about the economic development or where the
2 resources were located. Obviously, if Sierra Club's
3 counsel would like to bring those facts out, he is
4 free to do so on redirect examination.

5 MR. MENDOZA: Your Honor, if I may?

6 EXAMINER SEE: As with the other
7 witnesses, we are going to allow him to put some
8 context around his answer.

9 MR. MICHAEL: Thank you, your Honor.

10 EXAMINER SEE: Move on, Mr. Michael.

11 MR. MICHAEL: Thank you, your Honor.

12 Q. (By Mr. Michael) Mr. Goggin, you're not
13 offering an opinion whether the AEP proposal is
14 needed from a resource planning perspective, right?

15 A. No, I am not an expert in need as defined
16 in Ohio law. I, you know evaluated their proposal
17 and found it reasonable, but I am not offering that
18 as a demonstration of need.

19 Q. Thank you.

20 There's more than enough generating
21 capacity in PJM to serve customers in the PJM states,
22 correct, Mr. Goggin?

23 A. That is correct.

24 Q. If you would turn to pages -- let's start
25 with page 4, Mr. Goggin, of your testimony if we

1 could, please.

2 A. Okay.

3 Q. And you'll see in response to Question 6
4 there's a paragraph that begins with "Second, I
5 discuss how capacity markets," et cetera. Do you see
6 that?

7 A. That's correct.

8 Q. And I wanted to draw your attention to
9 what I will describe as 2.1, which would be the first
10 numbered paragraph under that. Are you with me?

11 A. Yes, I am.

12 Q. And there you talk about the tendency of
13 capacity market payments to incentivize, et cetera,
14 correct?

15 A. That's correct.

16 Q. And it's true, Mr. Goggin, that in that
17 particular point you are taking issue with the
18 current PJM market construct, correct?

19 A. That's correct.

20 Q. And if could I draw your attention to
21 Item 2.2, Mr. Goggin. It begins with "A proposal to
22 deny...."

23 A. Yes.

24 Q. And once again, Mr. Goggin, there, you
25 are critiquing the current PJM market construct,

1 correct?

2 A. That is a critique of the MOPR proposal
3 that is pending, so it is not yet in force. Last
4 summer, the Federal Energy Regulatory Commission
5 rejected PJM's proposals and so there's not yet a
6 proposal in place on this. So it is not a current
7 aspect. It is a proposed aspect of the PJM market.

8 Q. Well put, Mr. Goggin. So, in any event,
9 it is a critique of a potential alteration to the PJM
10 market construct, correct?

11 A. That's correct.

12 Q. And Item 2.3, Mr. Goggin, on the top of
13 page 5.

14 A. Yes.

15 Q. Once again, that is a critique by you of
16 existing and proposed PJM market constructs, correct?

17 A. That is correct.

18 Q. And Item 2.4 is a critique that you have
19 of a PJM market construct issue, correct?

20 A. That is correct.

21 Q. And if we could go to the sentence
22 beginning third, still on page 5, Mr. Goggin.

23 A. Yes.

24 Q. And once again, that is a statement by
25 you that your testimony is aimed at critiques of the

1 PJM market construct, correct?

2 A. That's correct.

3 Q. And the same could be said or you would
4 say for paragraph "Fourth"?

5 A. Yes. To the extent that you consider the
6 transmission planning and cost allocation and
7 generator interconnection processes to be an aspect
8 of the market design, it is a part of PJM, yes.

9 Q. And it sets up the fact that your
10 testimony is a critique of PJM market construct,
11 correct?

12 A. Yes.

13 Q. Thank you.

14 Mr. Goggin, in your testimony you say
15 that PJM has good wind and solar resources, correct?

16 A. That's correct.

17 Q. And then you also discuss taller towers
18 and longer blades on wind turbines, correct?

19 A. That's correct.

20 Q. And that is taller towers and longer
21 blades as compared to turbines in other regions,
22 correct?

23 A. Yes.

24 Q. So PJM has as, you say, good wind and
25 solar resources so long as taller towers with longer

1 blades are built in the PJM region, correct?

2 MR. MENDOZA: Mr. Michael, would you mind
3 pointing him to the testimony you are referring to?

4 MR. MICHAEL: Certainly. He may be able
5 to get it faster than I, Tony, and if you are
6 Mr. Goggin --

7 A. Yes, page 6, Question 8, looks like lines
8 5 through 13.

9 Q. That's correct. That's the portion of
10 the testimony I'm discussing, thank you.

11 A. Sorry, the question was?

12 Q. I was going to request that it be reread
13 if I could, please.

14 (Record read.)

15 A. Yes, that's correct.

16 Q. And how do the costs, Mr. Goggin, of the
17 taller towers with longer blades compare with the
18 cost of towers with the blades in other regions?

19 A. They tend to be slightly higher.
20 Department of Energy data indicates that costs in
21 this region are I think in the range about 10 to 15
22 percent higher on an installed-cost basis than they
23 are in many other regions, some of the other regions
24 that have lower costs. That said, you know, the
25 higher productivity more than offsets that cost and

1 so it does reduce the cost of -- on net of the wind
2 resource.

3 Q. And it's correct they are building these
4 taller towers with longer blades in other regions,
5 correct, Mr. Goggin?

6 A. That's correct. Other regions are also
7 utilizing these larger turbines and larger towers and
8 longer blades.

9 Q. And it's true that if you build a taller
10 tower with longer blades in the other regions, that
11 increases the output of those wind turbines, correct?

12 A. It does but to a lesser extent it does in
13 this region. The wind resource in PJM tends to
14 increase more as you go higher above the earth
15 surface as opposed to in other regions. There is
16 more gain in this region than in other regions.

17 Q. Lower capacity payments, Mr. Goggin,
18 under current PJM structure, is a function of the
19 variability of the output of the renewables, correct?

20 A. That is one factor. I mean, the aspects
21 in which -- by which PJM calculates the capacity
22 value are also a significant factor.

23 Q. If I could direct your attention to page
24 32 of your testimony, Mr. Goggin.

25 A. Yes.

1 Q. In response to Question 36, you mention
2 large corporations' interest in renewables, correct?

3 A. That's correct.

4 Q. And you believe that, based upon their
5 track record, those large corporations have the
6 credit ratings sufficient to procure renewables,
7 correct?

8 A. In some cases. I mean, obviously the
9 ones that have developed renewable or procure
10 renewable energy did have a sufficient credit rating
11 to do so. Whether it would be as good as the credit
12 rating or the other qualifications that AEP Ohio has,
13 I would be skeptical in many cases but not
14 necessarily all.

15 Q. And based on those large corporations'
16 track record, Mr. Goggin, they have the experience
17 and access to capital to build those projects,
18 correct?

19 A. Again, reflective of the fact they have
20 completed those projects, that indicates that they
21 were able to. Whether they did so at a higher cost,
22 it seems likely they would have incurred higher costs
23 than other entities that have better access to
24 capital.

25 Q. All right. I would like to ask you a

1 hypothetical question, Mr. Goggin. So I am going to
2 ask you to assume for the purpose of the question the
3 truth of certain factors and if, at any time, you
4 don't understand one of the assumptions I am asking
5 you to make, you just ask me to clarify it, okay?

6 A. Okay.

7 Q. Okay. So first, I would like you to
8 assume that there is no fixed resource requirement
9 option? And then I would like you also to assume the
10 institution of the Minimum Offer Price Rule. And I
11 would lastly like you to assume, Mr. Goggin, the
12 renewables we are here discussing don't clear the
13 market. Okay?

14 A. Okay.

15 Q. Given those --

16 MR. MENDOZA: Objection, your Honor.
17 Incomplete hypothetical. Bill, could you define what
18 you mean by "Minimum Offer Price Rule" in your
19 question?

20 Q. Certainly, and I would like to do so, if
21 I could, by: You're familiar with the Minimum Offer
22 Price Rule being discussed at FERC and PJM, correct,
23 Mr. Goggin?

24 A. PJM has put forward a proposal of what
25 that would be, but I think the details of how that

1 would be calculated and what the minimum offer price
2 would be for different resources have not yet been
3 determined, and certainly this is still pending the
4 final rulemaking at the Commission, the Federal
5 Energy Regulatory Commission.

6 Q. Certainly. Is it true, Mr. Goggin, that
7 you are familiar with the concept of what is a
8 Minimum Offer Price Rule?

9 A. Yes.

10 Q. Okay. And could you just give a short
11 description of what that is, please?

12 A. A Minimum Offer Price Rule in an attempt
13 to account for out-of-market incentives for the
14 development of resources; sets a price floor at which
15 the resources must offer into the market that
16 subtracts out the cost of the value of those
17 incentives and if -- because it institutes a price
18 floor that tends to make it more difficult for
19 resources to clear the market because they are forced
20 to bid at a higher rate than they might have
21 otherwise.

22 Q. Okay. Thank you.

23 And, Mr. Goggin, I appreciate you going
24 back and defining that term. Do you recall the
25 assumptions I asked you to make, Mr. Goggin, or do

1 you need me to go through those again?

2 A. You said no fixed resource requirement,
3 the use of MOPR.

4 Q. And the renewables don't clear the
5 market.

6 A. And the renewables don't clear, yes.

7 Q. If those -- given those assumptions,
8 consumers would be paying twice for generation were
9 AEP's plan to be approved; once for cleared
10 generation and then again through the Renewable
11 Generation Rider, correct?

12 A. I would point out that there is another
13 option, the self-supply or the resource carve-out
14 option that PJM proposed to the Federal Energy
15 Regulatory Commission and that would be another
16 option than the fixed resource requirement that AEP
17 Ohio could use to realize the capacity value that new
18 renewable resources would provide even if they were
19 subject to the MOPR and did not clear the market.

20 Q. Okay. That's a fair point, Mr. Goggin.
21 Let's set aside the self-supply option. So we'll add
22 that to the number of assumptions I asked.

23 A. Okay.

24 Q. So, given those assumptions, you would
25 agree that consumers would be paying twice for

1 generation; once for generation that cleared the
2 market and then once for generation through the
3 Renewable Generation Rider, correct?

4 A. Yes, assuming all those hypotheticals are
5 true, yes.

6 Q. And, Mr. Goggin, in a deregulated state,
7 designating a resource as a fixed resource
8 requirement with dedicated customers, you would
9 agree, is a return to vertical integration of
10 electric utilities, right?

11 A. It would be a move to move more in that
12 direction. The FRR construct in PJM is typically
13 used in more vertically-integrated states. I would
14 note that the resource carve-out or self-supply
15 option does not have that limitation. It could be
16 used more freely by entities that are not in a
17 vertically-integrated state.

18 Q. Mr. Goggin, you're familiar with the fact
19 that, stated generally, the way the Renewable
20 Generation Rider would work would be that the
21 renewable resources would be bid on to the PJM
22 wholesale markets and then consumers would either be
23 charged or credited the different -- the net of the
24 revenue and the cost of the REPAs, correct?

25 A. That's my understanding based on the AEP

1 filing in this case.

2 Q. And given that construct, Mr. Goggin,
3 isn't it true that that would transfer the business
4 risks associated with the renewable generation
5 resources from AEP to consumers?

6 A. I would note that renewable resources are
7 available to offer, typically, a fixed-price
8 contract, a PPA that has a fixed price that is known
9 upfront and over, typically, a significant duration,
10 10 or 20 years in many cases, and so I think it tends
11 to net reduce the risk that consumers face due to
12 fuel prices and other factors that could affect the
13 economics of other resources because renewables don't
14 have to procure fuel and have very low ongoing
15 operating costs. In this case, there would be a PPA
16 in place, that risk would be minimized. But, yes, in
17 terms of the -- the other type of risk of price
18 deviations in the PJM market, then, yes, that would
19 be potentially for the customers.

20 Q. Transferring the risk from AEP to
21 consumers, correct?

22 A. Just as any -- any type of resource has
23 that risk, as PJM prices fluctuate and that's
24 inherent in the wholesale market, yes.

25 MR. MICHAEL: Thank you, Mr. Goggin. I

1 have no further questions.

2 MS. BLEND: Your Honor, I don't know, I
3 think you may have missed AEP in your order, unless
4 you were planning to get to us at the end.

5 EXAMINER SEE: The plan was for AEP to go
6 last.

7 MS. BLEND: Okay. Just wanted to check.
8 Thank you.

9 EXAMINER SEE: Ms. Glover.

10 MS. GLOVER: No questions, your Honor.

11 EXAMINER SEE: Mr. Nugent.

12 MR. NUGENT: My colleague, Mr. Olikier,
13 will.

14 EXAMINER SEE: Good timing.

15 Mr. Olikier.

16 MR. OLIKER: Thank you, your Honor.

17 - - -

18 CROSS-EXAMINATION

19 By Mr. Olikier:

20 Q. Good morning, Mr. Goggin.

21 A. Good morning.

22 Q. Just a few questions for you this
23 morning.

24 A. Okay.

25 Q. Going to your testimony and I believe

1 this is on page 6, Question 8, where you identify a
2 capacity factor of 39.3 percent. Am I correct this
3 is from the Great Lakes region?

4 A. That's correct.

5 Q. And would you agree that the Great Lakes
6 region includes states besides Ohio?

7 A. That's correct.

8 Q. And some of those other states are
9 windier than Ohio, correct?

10 A. Some are, yes.

11 Q. Okay. And, for example, there are
12 portions of Indiana and Illinois that are windier
13 than the windiest part of Ohio?

14 A. Certainly I think those states have a
15 total larger resource and I do believe that, yes,
16 there are likely to be sites that would at least be
17 comparable if not better than those in Ohio, but
18 again it's difficult to say there is no place in Ohio
19 has a -- is worse than -- I'm sorry -- is better than
20 any place in those other states.

21 Q. Okay. And turning to your testimony
22 where you cite to PJM in Footnote 5. You've
23 identified a 20 percent capacity factor for a fixed
24 utility solar resource.

25 A. That's correct, yes.

1 Q. Am I correct that the 20 percent capacity
2 factor is not specific to Ohio alone?

3 A. That's correct.

4 Q. And am I correct also that you are not an
5 engineer?

6 A. That's correct.

7 Q. And what is your degree?

8 A. Social studies.

9 Q. And with respect to the potential
10 capacity factor of a solar resource in Ohio -- and am
11 I correct you have not done any specific engineering
12 modeling?

13 A. I have not.

14 Q. And the type of modeling that would have
15 to be done for that type of projection would utilize
16 something like a helioscope model and predicting the
17 irradiance of the sun coupled with the location of a
18 unit?

19 A. That's correct, yes.

20 Q. It's true you haven't performed that type
21 of analysis?

22 A. I have not. I have used historical data
23 to reflect past performance.

24 Q. And earlier you were discussing the
25 proposals before PJM, correct?

1 A. That's correct.

2 Q. Are you familiar with any of the history
3 behind FERC's decision to reexamine the capacity
4 markets?

5 A. So you are referring to the decision in
6 July 2018, I believe it was, to reject the PJM
7 proposals?

8 Q. Yes. That's part of my question.

9 A. Yes.

10 Q. And are you familiar with --

11 MR. MENDOZA: Mr. Olikar, would you
12 explain the other part of your question, please, so
13 we are all on the same -- just so we know what order
14 proposal you are talking about.

15 MR. OLIKER: We will get there in due
16 course, Mr. Mendoza.

17 MR. MENDOZA: Okay.

18 Q. (By Mr. Olikar) Are you familiar with the
19 complaint that was filed by Calpine at FERC,
20 regarding the Minimum Offer Price Rule?

21 A. I'm generally aware that that was filed,
22 but I don't believe I've read it in detail.

23 Q. Am I correct that one of the reasons why
24 FERC is reexamining the capacity markets is because
25 there have been concerns raised that subsidized

1 resources could, in the long term, jeopardize
2 reliability of the transmission grid?

3 A. That has been one of the stated reasons.
4 The other is, you know, would result in rates that
5 are not just and reasonable.

6 Q. And the conclusion is that if rates are
7 not just and reasonable, then capacity resources
8 won't be paid enough to continue to operate?

9 A. That was the argument that was made by
10 some entities, yes.

11 Q. And I believe you indicated some
12 familiarity with the proposal that PJM has pending
13 before FERC now?

14 A. That's correct.

15 Q. And if I were to present that proposal to
16 you, would you be able to identify it?

17 A. I think so, yes.

18 MR. OLIKER: May I approach, your Honor?

19 EXAMINER SEE: Yes.

20 MR. OLIKER: And I would like to mark the
21 document I've placed in front of the witness as IGS
22 Exhibit 6.

23 EXAMINER SEE: So marked.

24 (EXHIBIT MARKED FOR IDENTIFICATION.)

25 Q. (By Mr. Oliker) Mr. Goggin, am I correct

1 that the document that's marked as IGS Exhibit 6
2 contains the initial submission of PJM
3 Interconnection, LLC, from October 2, 2018, in FERC
4 Docket No. EL16-49-000, et al.?

5 A. That's correct.

6 Q. And does this appear to be PJM's initial
7 submission to FERC, regarding potential modifications
8 to the capacity market?

9 A. That's correct.

10 Q. And earlier you spoke with counsel for
11 the -- the Consumers' Counsel about a fixed resource
12 requirement alternative; is that correct?

13 A. That's correct.

14 Q. And am I correct that in your analysis of
15 PJM's submission, you were focused on how
16 fixed-resource-requirement resources would be
17 compensated as opposed to how PJM would perform the
18 capacity auction outside of that compensation?

19 A. That was one element. I also was talking
20 about self-supply or resource carve-out option.

21 Q. Okay. And there is also an extended
22 resource carve-out that would apply to a
23 fixed-resource-requirement resource, correct?

24 A. My understanding is that the -- while
25 they are similar, the resource carve-out option and

1 the extended resource carve-out option would -- could
2 be eligible -- more resources could be eligible for
3 that.

4 Q. And the extended resource carve-out is
5 discussed at page 64 of the filing, correct?

6 A. That's correct.

7 Q. Could you turn to that page.

8 A. I'm there.

9 Q. And am I correct that the opening
10 sentence reads: "As noted in the Overview to this
11 submittal, the terms and conditions PJM proposes for
12 the Resource Carve-Out will not fully protect
13 capacity clearing prices from the effects of awarding
14 capacity commitments to uneconomic resources"?

15 A. That's correct what it says.

16 Q. And then if you go down to the last
17 sentence on the page, it says "Extended RCO is
18 designed to preserve competitive clearing prices
19 notwithstanding RCO's assignment of capacity
20 commitments to resources whose owners are required by
21 MOPR to submit a competitive offer price, but instead
22 elect the Resource Carve-Out."

23 A. That's what it says.

24 MS. BLEND: Your Honor, at this point, I
25 am going to raise an objection. It's one thing for

1 Mr. Olikier to put this document in front of the
2 witness and to ask him about it and to ask him about
3 his understanding of it. We are now passed that
4 point and Mr. Olikier is just reading various
5 sentences of the document, which was prepared by PJM
6 and not prepared by this witness, into the record,
7 and asking the witness only that the document says
8 that.

9 MR. OLIER: Your Honor --

10 MS. BLEND: It's inappropriate.

11 MR. OLIER: I am sorry to interrupt,
12 Christine.

13 I am laying a foundation to ask some
14 questions what that means and, to be clear, he does
15 cite to this proposal selectively in his testimony,
16 so I am trying to determine what the rest of the
17 proposal may have in store for Ohio.

18 MS. BLEND: And I'll just briefly, Your
19 Honor. The witness has already testified he is
20 familiar with the document and he has read it, so I
21 believe it would be appropriate for Mr. Olikier to
22 just ask his question and then if he needed to
23 establish further foundation he could do so with the
24 document.

25 EXAMINER SEE: Mr. Olikier, go ahead with

1 your questioning.

2 MR. OLIKER: Is there a pending question
3 or did he answer my last question?

4 EXAMINER SEE: There is no pending
5 question. There is not a pending question,
6 Mr. Oliker.

7 MR. OLIKER: That's what I thought.

8 Q. (By Mr. Oliker) Now, if we turn to page
9 65, there is a header that says "Basic Elements of
10 the Extended RCO Proposal." Am I correct this
11 section describes how the capacity auction would be
12 operated in the event of an extended resource
13 carve-out?

14 A. That's correct.

15 Q. And below the graph, can you tell me
16 if -- if you know -- where it describes a second
17 stage to the auction to determine a competitive
18 price? Am I correct that PJM would add the demand
19 associated with the carved-out resource back into the
20 auction for purposes of establishing the capacity
21 price?

22 MR. MENDOZA: And you are referring to
23 the graph on page 66 or page 67?

24 MR. OLIKER: 66.

25 MR. MENDOZA: Thank you.

1 A. Yes, that's what it says. I would note
2 this is, again, the extended resource carve-out
3 option. Immediately prior to this, PJM had put
4 forward the general resource carve-out option that
5 did not have that price-correction element.

6 Q. Okay. And to be clear, if the extended
7 resource carve-out option is approved by FERC, the
8 second stage of the auction would, all else being
9 equal, result in higher capacity prices?

10 A. So I would note that I know PJM has put
11 two proposals to the Commission, one is the resource
12 carve-out, the second is the extended resource
13 carve-out. You are correct that under the extended
14 resource carve-out, it would have the effect of
15 driving capacity market prices higher. I would note
16 on that element that even if that were to happen,
17 that would be widespread throughout the PJM
18 footprint. It would not be localized to Ohio or
19 even, you know, AEP Ohio service territory.

20 Q. But you would agree that those higher
21 capacity prices would be paid by customers in Ohio?

22 A. Yes. If the extended resource carve-out
23 option was utilized instead of the plain resource
24 carve-out option. And that would apply to all PJM
25 customers, not just Ohio customers; but yes, to the

1 extent Ohio, because Ohio is part of PJM, then yes.

2 Q. And earlier you discussed the eligible
3 self-supply entities; is that correct?

4 A. Was it with regard to the fixed resource
5 requirement discussion or?

6 Q. You mentioned self-supply. Is that
7 outside of the fixed resource requirement?

8 A. So I was using self-supply to kind of
9 refer to this -- the resource carve-out as --

10 Q. So let's turn to page 32 of the filing.

11 A. Okay.

12 Q. So when you use the term "self-supply,"
13 you are not referring to the one that is described on
14 page 32 that states "PJM is proposing to limit the
15 exemption to "Public Power Entities," which include
16 cooperatives and municipal utilities, "Single
17 Customer Entities," and Vertically Integrated
18 Utilities."

19 MR. MENDOZA: Mr. Olier, I don't see the
20 sentence you are referring to. Could you help me?

21 MR. OLIKER: Very last paragraph.

22 MR. MENDOZA: The one that starts with
23 "Just like"?

24 MR. OLIKER: Yep.

25 MR. MENDOZA: Okay. Thank you.

1 A. Yes. This is a separate provision than I
2 was directly referring to.

3 Q. Okay. Good. And you agree that there's
4 utility-scale solar projects which are in front of
5 the meter and then there are behind-the-meter
6 distributed generation projects as well?

7 A. That's correct.

8 Q. And one of the concerns that you have
9 described in your testimony is the treatment of
10 in-front-of-the-meter distributed generation
11 resources in the capacity market, correct?

12 A. Yes, that would -- they would be
13 potentially affected by these rules, yes.

14 Q. Would you agree that one of the benefits
15 of behind-the-meter distributed generation is that it
16 may allow a customer to avoid their capacity
17 obligation without actually having to bid into the
18 capacity market?

19 A. So that gets complex because it deals
20 with the retail rate structure that's used to assign
21 demand charges and other things to individual
22 customers. You know, my testimony is focused on the
23 bulk -- bulk power system impacts and so it's --
24 there is a retail rate question there that I am not
25 really equipped to answer.

1 Q. Do you know how PJM assigns capacity
2 obligations to customers or load-serving entities?

3 A. Vaguely. I think it's based on
4 historical data.

5 Q. Do they use the five highest hours of
6 usage between the months of June and September?

7 A. That sounds correct, yes.

8 Q. And if a customer reduces their demand in
9 the five highest hours of usage through a distributed
10 generation resource, would you agree that they'll
11 have a lower capacity obligation in the following
12 year?

13 A. I believe for most -- well, it depends on
14 the customer class and things like that, but I think
15 it's typically aggregated at the load-serving entity
16 level so, again, it gets into a question of the
17 retail rate structure that I am not equipped to
18 answer.

19 Q. So the answer is it could?

20 A. Yes, that's fair.

21 Q. And my apologies for jumping around, but
22 on page 28 of your testimony you identify that
23 MISO -- first, can you identify what MISO stands for?

24 A. It's the Midcontinent Independent System
25 Operator.

1 Q. And that's the transmission system to the
2 west of Ohio, correct?

3 A. That's correct.

4 Q. And you identify the way that MISO
5 allocates transmission costs, correct?

6 A. That's correct.

7 Q. In a nutshell, your testimony criticizes
8 PJM because it imposes interconnection costs on the
9 generator; whereas, MISO allocates more
10 interconnection costs across the entire footprint?

11 A. That's one element. The other advantage
12 of MISO is -- the primary advantage of MISO's
13 approach is that it plans transmission to serve
14 multiple purposes simultaneously; hence, the term
15 "multi-value projects." Whereas, PJM transmission
16 planning is segregated into different categories, one
17 being generator interconnection.

18 Q. And have you done any comparative
19 analysis of transmission rates in MISO against
20 transmission rates in PJM?

21 A. I have not.

22 Q. And going back to the multi-value
23 statement you just made, is what you're saying in
24 another way that all of MISO benefits from all of the
25 transmission projects that are undertaken within

1 MISO?

2 A. MISO designates projects as
3 multiple-value projects and they create a portfolio
4 of those projects that are designed to provide net
5 benefits across the MISO footprint. I don't think
6 MISO has ever claimed that any individual element of
7 that, any individual line or project would
8 necessarily benefit all of MISO, but the portfolio of
9 those projects does.

10 Q. Okay. Do you know whether any Ohio
11 utilities were formerly members of MISO?

12 A. My recollection is that they were, but I
13 don't recall exactly the history there.

14 Q. And so, to be clear, you don't recall if
15 one of the reasons why Ohio utilities left MISO was
16 concerns that multi-value projects would
17 significantly increase transmission rates for
18 customers?

19 A. I'm not sure.

20 Q. And are you familiar with any of the
21 litigation that has occurred within PJM regarding the
22 allocation of transmission costs between the east and
23 the west?

24 A. Not particularly. I think I vaguely
25 heard about it, but I haven't followed it closely.

1 Q. Moving to the portion of your testimony
2 where you discuss congestion.

3 A. Do you have a page number?

4 Q. If you give me one minute, I should be
5 able to give it to you.

6 A. I see it. It's further down that page.
7 I see it. Page 28.

8 Q. Perfect. And regarding the congestion
9 you discuss in your testimony, have you performed a
10 load flow analysis for any transmission line or
11 resource in Ohio?

12 A. No, I have not.

13 Q. And are you familiar with what a load
14 flow analysis is?

15 A. Yes.

16 Q. Could you give a description of it for
17 the court reporter?

18 A. Sure. I think it's also commonly called
19 a power flow analysis. It involves studying the
20 physical flow of power on the transmission system for
21 the variety of potential assumptions for supply and
22 demand.

23 Q. Okay. And turning back to page 9 in your
24 testimony, where you discuss the renewable energy
25 credit market?

1 A. Yes.

2 Q. And am I correct that you're citing
3 higher renewable energy credit prices as the basis
4 for there being insufficient renewable development in
5 PJM?

6 A. My explanation is that the price of
7 renewable energy credits reflects the balance of
8 supply and demand and so, therefore, if the demand
9 for renewable energy credits is greater than the
10 suppliers, the price will be higher, which is the
11 case in PJM.

12 Q. And you cite New Jersey, in Footnote 14,
13 as one of those REC references, correct?

14 A. That's correct.

15 Q. And that's for the price of a solar REC
16 in New Jersey?

17 A. That's correct.

18 Q. And am I correct that New Jersey's
19 statutory structure has a relatively aggressive
20 renewable portfolio standard that requires in-state
21 development of solar resources?

22 A. That's correct.

23 Q. And so that we can understand what that
24 means, if I were to construct a solar resource in
25 Pennsylvania, I could not receive the REC price in

1 New Jersey, correct?

2 A. That's correct.

3 Q. And you have some familiarity with the
4 statutory structure for the retail electric market in
5 Ohio, correct?

6 A. A relative small amount but yes.

7 Q. And that understanding is largely related
8 to the renewable portfolio standards that are in
9 place in Ohio?

10 A. That's correct.

11 Q. And am I correct that although Ohio has a
12 renewable portfolio standard, there is not
13 specifically a requirement to source renewable power
14 or renewable energy credits from resources that are
15 physically located within the state of Ohio?

16 A. That's my understanding, yes.

17 Q. Although Ohio previously had that
18 requirement in place, did it not?

19 A. That's correct.

20 Q. You do agree there are currently options
21 available to customers to access renewable energy in
22 the competitive market in Ohio?

23 A. Yes.

24 Q. And some of those options may involve
25 products that are actually sourced within the state

1 of Ohio and some of them may involve products that
2 are sourced from outside of Ohio, correct?

3 A. I am not sure exactly what products are
4 offered. As I noted earlier, my general impression
5 is that most of the offerings and the most popular
6 offerings tend to be the ones that either utilize, in
7 most cases, national RECs and, to a lesser extent,
8 regional RECs.

9 Q. And to the extent that there was a
10 consumer preference for more locally-based products,
11 would you agree that that would be the product that a
12 customer would choose?

13 A. If that preference overrode the
14 potentially different costs, then, yes.

15 Q. And likewise if -- if it determined --
16 let me strike that question.

17 If it turned out that there was a
18 specific consumer preference for locally-sourced
19 products, the competitive market would likely be
20 scrambling to provide those to customers, correct?

21 A. If customers were aware of the value of
22 that and were -- yes.

23 Q. And turning back to page 31 in your
24 testimony.

25 A. Okay.

1 Q. You discuss corporate renewable goals?

2 A. Yes.

3 Q. And isn't it true that many corporations
4 are bilaterally contracting for renewable energy when
5 they have a specific renewable target?

6 A. That's correct.

7 Q. And some corporations are doing that in
8 Ohio, correct?

9 A. Yes.

10 Q. And some municipalities are doing that in
11 Ohio as well, correct?

12 A. I believe that's the case. I can't say
13 for certain.

14 Q. Are you familiar with the 4 megawatt
15 solar facility that my company is constructing in
16 Cleveland?

17 A. I am not.

18 Q. Are you familiar with any of the solar
19 facilities that are being constructed by Cleveland
20 Public Power?

21 A. I don't believe so.

22 Q. And on page 3 when you discuss credit
23 ratings.

24 A. Yes.

25 Q. Do you have any experience working for a

1 credit rating agency?

2 A. No. My explanation here is informed by
3 the work I've done at the American Wind Energy
4 Association and elsewhere on the policy-design side
5 to make sure that sufficient creditworthy entities
6 were able to sign contracts and things like that. I
7 haven't done that type of work myself.

8 Q. And am I correct that you are not
9 familiar with any of the financial structures that
10 are often used to develop behind-the-meter
11 generation?

12 A. I have some vague familiarity with it,
13 but I am not an expert in it.

14 Q. And are you aware that many rooftop
15 residential solar projects are financed through
16 purchase power agreements between the developer and
17 the customer?

18 A. I have heard of that, but I am not an
19 expert in it.

20 Q. And earlier there was a discussion with
21 Mr. Michael, I think you indicated you are not an
22 expert in Ohio, correct?

23 A. That's correct.

24 Q. And so I understand, you did not do any
25 independent analysis of whether the 900 megawatts of

1 solar or wind that have been proposed by Ohio Power
2 Company will result in additional cost or credits to
3 customers?

4 A. I have not.

5 MR. OLIKER: Thank you, Mr. Goggin.
6 Those are all the questions I have.

7 THE WITNESS: Thank you.

8 EXAMINER SEE: Ms. Bojko?

9 MS. BOJKO: Thank you, your Honor.

10 - - -

11 CROSS-EXAMINATION

12 By Ms. Bojko:

13 Q. Good morning, Mr. Goggin.

14 A. Good morning.

15 Q. As I am sure you expected, I would like
16 to go through some of your footnotes and some of the
17 reports that you cite in your testimony.

18 A. Okay.

19 Q. Mr. Goggin, let's start with page 5,
20 Question 7. In this question you cite a figure
21 regarding a national percentage of generation for
22 wind and solar; is that correct?

23 A. That's correct.

24 Q. And you obtained that statistic from the
25 EIA, correct?

1 A. That's correct, that's the Energy
2 Information Administration of the Department of
3 Energy.

4 Q. And throughout your testimony, you also
5 site statistics that you obtained through the PJM's
6 website regarding the amount of wind and solar that
7 is in the PJM territory, correct?

8 A. That's correct. I believe all the PJM
9 numbers were on the share of generation, not
10 capacity.

11 Q. Thank you for that clarification. And
12 you are not involved -- you have not worked at PJM
13 and you are not involved in the PJM research that led
14 to the data that you regurgitate in your testimony,
15 correct?

16 A. I did not.

17 Q. And on page 6 of your testimony, line 11,
18 it's Footnote 4. First of all, you would agree with
19 me that Lawrence Berkeley lab is not a federal
20 agency, correct?

21 A. It is not. This report is a joint
22 product of the Department of Energy and the Lawrence
23 Berkeley National Laboratory. Lawrence Berkeley
24 National is totally, I believe totally a DOE-funded
25 national laboratory.

1 Q. Thank you for that clarification.

2 You are not the author of the report that
3 developed the statistics that you cite in Footnote 4
4 in the corresponding testimony, correct?

5 A. So in prior -- this report is issued by
6 the Department of Energy and Lawrence Berkeley
7 National lab every year. During my tenure at the
8 American Wind Energy Association that extended until
9 February of 2018, I was typically a reviewer of this
10 report and listed in the acknowledgments of it.

11 I did not review the absolute latest
12 version of this report because it was published in
13 August of last year after I had left the American
14 Wind Energy Association. However, the data
15 collection methods and analytical methods that go
16 into the report carry over from year to year, so I
17 am -- I have been a reviewer of the methods that were
18 used in this analysis.

19 Q. But as far as this specific report goes,
20 you were not listed in the acknowledgments and you
21 are not an author, correct?

22 A. The most recent report, that's correct.

23 Q. And just for clarity, you have not worked
24 at the Department of Energy previously or the
25 Lawrence Berkeley lab, correct?

1 A. In the job I had prior to the American
2 Wind Energy Association, I was a consultant to the
3 Department of Energy but I did not directly work
4 there.

5 Q. And you have not directly worked at the
6 Lawrence Berkeley lab; is that correct?

7 A. That's correct.

8 Q. On page 7, Footnotes 6 through 10, you
9 cite numerous reports. And first, you state that
10 coal set PJM's energy market clearing price only 32
11 percent of the time 2017, is that correct, on the
12 bottom of page 7?

13 A. That's correct.

14 Q. I'm sorry. I don't have line numbers on
15 my version, but if you need line numbers, please let
16 me know and I'll find those for you.

17 A. Okay.

18 Q. And you -- you received the report that
19 you cite to that particular data, that was created by
20 Monitoring Analytics; is that correct?

21 A. That's correct.

22 Q. And you were not involved in the creation
23 of the report, were you?

24 A. No.

25 Q. And the same would be true for a southern

1 power pool report or a MISO report that you cite in
2 the footnotes; is that correct?

3 A. That's correct.

4 MR. MENDOZA: Just for the record, it's
5 Southwest Power Pool.

6 MS. BOJKO: I'm sorry, did I say
7 "southern"? My apologies. Southwest Power Pool.

8 Q. (By Ms. Bojko) And in Footnote 10 from
9 the Lawrence Berkeley lab, you -- you are supporting
10 your testimony about the average annual -- average
11 energy market value of solar; is that correct?

12 A. That's correct. And again, this is a
13 report that's co-issued by the Department of Energy
14 and Lawrence Berkeley National Lab which is a
15 DOE-funded lab.

16 Q. And turning to page 8 of your testimony,
17 related to Footnote 11, so it's at the top of the
18 page, you cite a Monitoring Analytics report to
19 support your testimony that the average energy market
20 price for solar should be significantly higher than
21 the PJM average entry price, correct?

22 A. That's correct.

23 Q. And you had no involvement in the
24 creation of this report, correct?

25 A. That's correct.

1 Q. Let's turn to page 10 now. The Kleinman
2 Energy report that's cited in Footnote 15 and at the
3 top of page 10, you had no involvement with the
4 creation of the Kleinman Energy report; is that
5 correct?

6 A. I did not. The reason I was citing this
7 is to illustrate the point, which I do have personal
8 knowledge, is that stakeholders use the PJM
9 stakeholder process to pursue their own economic
10 self-interest and that was simply this is an academic
11 article documenting the fact I have personal
12 knowledge and have observed myself.

13 Q. Right. But you don't have personal
14 involvement in the drafting of the report.

15 A. I do not.

16 Q. Your point is you have participated in
17 the PJM market as a market participant, correct, or
18 representative.

19 A. Representative of market participants,
20 yes.

21 Q. And that market participant was AWEA?

22 A. That's correct.

23 Q. On page 17 of your report, Footnote 29,
24 this is a document used to support testimony at the
25 bottom of page 17. Do you see that?

1 A. Yes.

2 Q. And for this statement that renewable
3 resources are disadvantaged in capacity accrediting
4 rules. This report is from -- or conclusion is from
5 the EconPapers that you cite in Footnote 29, correct?

6 A. Yes. I have done work with at least two
7 of the authors of that report and I discuss their
8 methods as they are working on this paper, and I, you
9 know, have personal knowledge of the methods that are
10 used to account for the capacity value contributions
11 of conventional generators, namely that their
12 correlated outages are not accounted for. Basically
13 you just use the standard forced outage rate and
14 assume that those events are statistically
15 independent.

16 And as we have seen and as I've observed
17 from MISO and PJM data during the polar vortex,
18 events like that, the actual outages greatly exceeded
19 those, so do I have those levels that are assumed
20 under the statistical independent forced outage rate
21 of method, so I do have personal knowledge of that
22 based on my own observations.

23 Q. Right. But my question went to did you
24 author or are you listed as a contributing author of
25 this report?

1 A. I am.

2 Q. Let's turn to page 23, please. Page 23
3 footnote 37 which is a citation to a testimony at the
4 top of page 23. Do you see that?

5 A. Yes.

6 Q. And one of the citations is a blog; is
7 that correct?

8 A. That's correct.

9 Q. And these sources are regarding coal
10 plants operating at a loss; is that correct?

11 A. That's correct.

12 Q. The other report is from the United
13 States Association for Energy Economics, correct?

14 A. Yes. It's an article that was accepted
15 in the academic group, yes.

16 Q. And then the third source is a -- is a --
17 appears to be -- is that the same source?

18 A. Yes, that's two sources that's all part
19 of that.

20 Q. Thank you. And you were not involved in
21 writing either of these sources; is that a fair
22 characterization?

23 A. I corresponded with the author when he
24 was working on this analysis and I've done some
25 similar analysis myself but no, I am not a listed

1 author of the report.

2 Q. You didn't attach your personal written
3 analysis to this footnote response, did you?

4 A. I did not.

5 Q. On page 32, Footnotes 54 and 55, you cite
6 to two reports in support of the testimony regarding
7 pollution; is that correct?

8 A. That's correct.

9 Q. And you did not authorize -- author
10 either of these reports, did you?

11 A. I consulted with the authors as they were
12 developing their methodology and to provide advice on
13 how to -- what data sources to use as inputs into the
14 EPA tool. I did my own analysis for the purposes of
15 this testimony using that same EPA tool. But I was
16 not a listed author of either of those reports.

17 Q. All right. And you didn't attach your
18 analysis or cite to your analysis in this footnote,
19 did you?

20 A. Not in this footnote. The preceding page
21 outlines my analysis that I did using the same tool.

22 Q. I was talking about those two reports in
23 the footnote. You were not an auth -- you were not a
24 listed author or acknowledged as a contributor in
25 those reports, correct?

1 A. I certainly wasn't a listed author. I
2 have been cited in the acknowledgments, I'm not sure.

3 Q. Let's look at page 33, Footnotes 56 and
4 57 are newspaper articles; is that correct?

5 A. That's correct.

6 Q. And you are not the author of those
7 newspaper articles?

8 A. That's correct. These citations were
9 used to refer to information that I also have
10 personal knowledge of from my own experience working
11 for the American Wind Energy Association.

12 Q. I can appreciate that, but I was asking
13 if you are an author of the two newspaper articles
14 that you cite to.

15 A. I was not.

16 Q. And is it your understanding that through
17 the Application in this case, AEP is seeking to enter
18 into generation supply contracts with customers?

19 A. Yes.

20 Q. And it's your understanding that AEP will
21 retire associated RECs?

22 A. I believe that's correct, yes.

23 Q. And I believe you mentioned this to
24 Mr. Olikier, but you would agree that the companies
25 can currently, today, purchase renewable energy

1 credits or RECs through the GATS system or the
2 Generation Attribute Tracking System that is housed
3 with PJM?

4 A. Yes, that's correct.

5 Q. And you have not researched to determine
6 the number of Ohio-sited RECs that are currently
7 available in the market for purchase, have you?

8 A. I have not.

9 Q. And, sir, do you know the price of an
10 Ohio solar renewable energy credit sitting here
11 today?

12 A. I don't.

13 Q. And you did not do any analysis of the
14 price of Ohio's specific solar renewable energy
15 credits, correct?

16 A. I did not.

17 Q. And you cannot offer testimony today as
18 to whether or not there is sufficient Ohio renewable
19 energy credits that could be purchased by customers
20 to satisfy their desires, correct?

21 A. I could not.

22 Q. And you are also not testifying today as
23 to whether there is sufficient Ohio renewable energy
24 credits available sited -- excuse me -- Ohio-sited
25 renewable energy credits available to satisfy

1 customers' desires?

2 A. I could not.

3 Q. On pages 32 and 33 of your testimony,
4 sir, you mention specific companies and the
5 companies' activities associated with renewable
6 energy projects; is that correct?

7 A. That's correct.

8 Q. And, sir, you are aware that companies,
9 such as those listed in your testimony, large
10 corporations, are able to obtain renewable energy
11 through on-site generation, correct?

12 A. Yes, but as I noted a little bit later on
13 the next page, often that's done at a significantly
14 higher cost than it would be under this type of
15 procurement.

16 Q. Well, you haven't done any analysis to
17 determine to what extent Ohio companies have
18 satisfied their renewable desires through on-site
19 generation, correct?

20 A. I have not.

21 Q. And you are though, however, aware that
22 some customers -- companies have already implemented,
23 developed, installed on-site generation, correct?

24 A. Yes.

25 Q. You also have not reviewed the extent to

1 which companies have entered into power purchase
2 agreements to satisfy their renewable energy desires,
3 have you?

4 A. Not specific to Ohio. When I was at the
5 American Wind Energy Association, I did work on a
6 report that documented trends in corporate purchases
7 of renewables on a national basis.

8 Q. In your testimony on page 33, you
9 reference that Facebook's Data Center in Columbus
10 will cover 100 percent of its electricity through
11 renewable energy purchases, that's correct?

12 A. That's correct.

13 Q. But you have not researched that
14 particular project to determine from where Facebook
15 is purchasing the renewable energy, correct?

16 A. I have not.

17 Q. You also don't know what form of
18 renewable energy Facebook intends to use to satisfy
19 its desires, do you?

20 A. I don't.

21 Q. You would also agree that Facebook made
22 the announcement of this -- of its plan to procure or
23 purchase renewable energy in August 2017, correct?

24 A. I think that's correct, yes, yeah.

25 Q. So it's your understanding Facebook made

1 this announcement without any regard or knowledge of
2 AEP's application to develop at least 900 megawatts
3 of renewable power in this case, correct?

4 A. I guess not assuming it was before that,
5 yeah.

6 Q. You talked a little bit about the state
7 of renewable portfolio standards in Ohio with
8 Mr. Oliker. Are you familiar with 4928.64?

9 A. Not that specific -- I don't know that
10 specific number but I am familiar with the renewable
11 portfolio standard.

12 Q. Fair enough. And your understanding is
13 that there was legislation passed in 2014, known as
14 Senate Bill 310, that modified the then renewable
15 portfolio standards in the State of Ohio?

16 A. That's correct.

17 Q. And I think you would accept my
18 representation, subject to check, that Senate Bill
19 310 eliminated the in-state requirement for renewable
20 energy.

21 A. That's my understanding, yes.

22 Q. And, sir, are you familiar with what
23 AEP's Ohio position was on that issue?

24 A. I don't recall.

25 Q. You actually were involved in Senate Bill

1 310 on behalf of AWEA, correct?

2 A. That's correct. I testified before the
3 Senate Committee, I believe it was the Public
4 Utilities Committee, in support of -- or I guess in
5 opposition to freezing the RPS. In support of the
6 status quo at that point. I wasn't engaged on the
7 in-state requirement issue because that was a legal
8 issue outside the area of my expertise.

9 Q. And do you not recall or you were not
10 aware of AWEA's position on the removal of the
11 in-state requirement was at that time, are you?

12 A. I don't recall.

13 Q. And you explained to us just now that
14 Senate Bill 310 had to do with freezing the renewable
15 energy standards too, correct?

16 A. That's correct.

17 Q. And are you aware of AEP Ohio's position
18 at the time with regard to the freezing of Ohio's
19 renewable portfolio standards?

20 A. I don't recall.

21 Q. And you would agree with me, sir, that if
22 renewable portfolio standards were increased for
23 Ohio, such a development could have similar benefits
24 as the ones you identified for AEP's particular
25 projects?

1 A. It would be similar but it would be less.
2 And that's because once the in-state requirement has
3 been removed from RPS, that renewable development can
4 occur. Typically, in most PJM states the rule is it
5 must be somewhere within the PJM footprint and that
6 means that the renewable resources would, in many
7 cases, not be developed in the State of Ohio and,
8 therefore, the economic development benefits but also
9 some of the consumer savings and potentially
10 reliability benefits of renewables would be realized
11 less by Ohio consumers than they would be relative to
12 a procurement such as under -- such as proposed here
13 by AEP Ohio.

14 Q. And you talked with Mr. Olikar about the
15 New Jersey renewable portfolio standard requirements.

16 A. That's correct.

17 Q. Are you -- and the in-state requirement
18 that New Jersey has, correct?

19 A. For solar. The solar element, yes.

20 Q. Thank you for that clarification.

21 You are also aware that PJM -- excuse me.
22 You are also aware that Pennsylvania recently enacted
23 a new law that creates an in-state requirement for
24 Pennsylvania solar renewable energy credits.

25 A. I don't think I actually was aware of

1 that.

2 Q. Although your testimony criticizes the
3 PJM market construct, you are not testifying here
4 today that PJM does not have sufficient energy and
5 capacity to meet AEP's customers' load, correct?

6 A. That's correct.

7 Q. And you would agree with me that Ohio --
8 the Ohio Commission, Public Utilities Commission of
9 Ohio's role in PJM is that of a stakeholder, correct?

10 A. Can you repeat the question?

11 Q. Sure.

12 You would agree that the Public Utilities
13 Commission of Ohio's role in PJM is that of a
14 stakeholder, they file comments, just as any other
15 stakeholder would file comments.

16 A. That's correct.

17 Q. It's fair to say that the Ohio Commission
18 has no jurisdiction over -- over PJM, correct?

19 A. Not total certainly, but through the
20 stakeholder process they, you know, do have some
21 input.

22 Q. But they cannot order PJM to change its
23 market construct in the manner that you suggest in
24 your testimony, correct?

25 A. Well, no, they cannot, but just to

1 clarify, my testimony was not directed at
2 recommending the Ohio Commission do anything to PJM
3 market rules. It was simply pointing out the ways in
4 which the PJM market rules disadvantage renewable
5 resources.

6 Q. Fair enough. And my comment is that the
7 Ohio Commission does not have jurisdiction to order
8 PJM to modify or address the concerns that you
9 outline in your testimony, correct?

10 MR. MENDOZA: Asked and answered.

11 EXAMINER SEE: It was.

12 MS. BOJKO: Okay. Thank you, your Honor.
13 With that, may I have just one minute,
14 please?

15 EXAMINER SEE: Sure.

16 MS. BOJKO: That's all I have. Thank
17 you, your Honor.

18 Thank you, Mr. Goggin.

19 THE WITNESS: Thank you.

20 EXAMINER SEE: Ms. Whitfield.

21 MS. WHITFIELD: Yes, your Honor. I don't
22 have any further or additional questions for this
23 witness.

24 EXAMINER SEE: Mr. Collier? Mr. Stock?

25 MR. STOCK: No witness -- no questions.

1 EXAMINER SEE: Mr. Darr?

2 MR. DARR: Thank you, your Honor.

3 - - -

4 CROSS-EXAMINATION

5 By Mr. Darr:

6 Q. I would like to return to page 9 of your
7 testimony. There you state that the capacity markets
8 tend to reduce the prices in wholesale markets for
9 energy, correct?

10 A. That's correct.

11 Q. And on page 7 of your testimony, you
12 provided renewable energy prices for various regions,
13 correct?

14 A. That is the energy market prices that are
15 realized by wind resources in specific regions, yes.

16 Q. And one of those that you provide prices
17 for energy or wind energy is for ERCOT, correct?

18 A. That's correct.

19 Q. And that would be for the Texas region,
20 correct?

21 A. That's correct.

22 Q. ERCOT does not have a capacity market,
23 correct?

24 A. That's correct.

25 Q. In your testimony you indicate that the

1 average wind price is \$17.10 per megawatt-hour?

2 A. That's correct.

3 Q. Also on page 7, you reference the
4 Southwest Power Pool, correct?

5 A. That's correct.

6 Q. Now, Southwest Power Pool has a day-ahead
7 energy market, a realtime energy market, and a
8 process called reliability assessment, correct?

9 A. That's correct.

10 Q. And reliability assessment is a
11 day-to-day evaluation of the need for additional
12 capacity to meet energy needs, correct?

13 A. I believe so, yes.

14 Q. It is not a three-year forward capacity
15 market, correct?

16 A. It is not. However, the Southwest Power
17 Pool does have resource adequacy requirements that it
18 requires to be maintained which is a distinction to
19 the ERCOT market which does not have such a
20 construct.

21 Q. But, again, there is no capacity,
22 three-year forward capacity market, in the Southwest
23 Power Pool, correct?

24 A. There is no centralized market, but there
25 is a resource as a requirement that is imposed on

1 entities.

2 Q. And that is implemented through the
3 reliability assessments, correct?

4 A. I'm not sure.

5 Q. And you note on page 7 of your testimony,
6 that the average wind energy price is \$14.05 per
7 megawatt-hour in the Southwest Power Pool, correct?

8 A. That's correct.

9 Q. You also provide a price for wind energy
10 in the PJM marketplace, correct?

11 A. That's correct.

12 Q. And the average wind energy price that
13 you identify is \$24.59 a megawatt-hour, correct?

14 A. That's correct.

15 Q. And PJM has both a day-ahead, realtime
16 and, as we've just discussed repeatedly over the last
17 few hours, a forward capacity market, correct?

18 A. That's correct.

19 Q. So at least with respect to the
20 information that you've provided in your testimony,
21 the rank order of wind-based energy prices, from
22 highest to lowest, is PJM which has a capacity
23 auction, ERCOT which does not have a capacity
24 auction, and the Southwest Power Pool which also does
25 not have a capacity auction.

1 A. So one clarification is that --

2 Q. Is the answer to my question -- am I
3 correct in those statements, sir?

4 A. Yes, but as outlined in the paragraph
5 above this and below this, there are a number of
6 other factors that go into energy market prices.

7 As I outlined in the paragraph above, the
8 price of fossil fuels, the price of coal is a
9 critical determinant of energy prices in these
10 regions; the Southwest Power Pool and ERCOT, given
11 their geographic proximity to lower-cost coal
12 resources, tend to have lower-cost coal available
13 than PJM does.

14 The other relevant number is the share of
15 time that a resource is setting the marginal fuel
16 price, and those regions have coal, which tends to be
17 lower priced than natural gas, setting the market
18 clearing price at a much higher rate than PJM does --

19 As I outlined in the paragraph below this
20 one, in those markets, particularly the Southwest
21 Power Pool and in ERCOT, you have more renewable
22 generation setting market clearing prices which tends
23 to suppress them. Whereas, PJM, because of its
24 less -- lower penetration of renewable resources,
25 does not have that as a significant -- as a large --

1 as a phenomena as those regions.

2 And then I also would clarify, as I just
3 explained in answer to a prior question, the
4 Southwest Power Pool does have a resource adequacy
5 requirement.

6 Q. Okay. So the bottom line is the region
7 with the resource adequacy requirement, the Southwest
8 Power Pool, has the lowest price, correct?

9 A. And again, that's heavily driven by coal
10 price, the coal being a shared generation mix, and
11 the wind penetration, and that's particularly because
12 these prices are -- the wind realized price, and so
13 localized transmission congestion, for example in
14 western SPP, has driven this wind-realized price to a
15 much lower level. The annual energy price in SPP for
16 all load is significantly higher. It's not as high
17 as PJM's, but it's certainly higher than the \$14
18 number.

19 Q. Given the amount of additional
20 explanation that you've provided to the explanation
21 of the rank ordering, is it fair to say that the rank
22 ordering is essentially meaningless in determining
23 whether or not a capacity market does or does not
24 have an effect on the price of energy in that
25 particular market?

1 A. It's certainly not meaningless. It's a
2 very relevant factor.

3 Q. But it's more complicated than that,
4 isn't it, sir?

5 A. There are a number of factors --

6 MR. MENDOZA: Your Honor, I would ask
7 that the witness be allowed to answer his question.

8 MR. DARR: He paused. I thought that was
9 the case. If he has more to add, certainly under the
10 rules we are operating under, he can add to it.

11 A. I would say there are a number of factors
12 that go into it and the capacity market design for or
13 lack thereof is a very important factor. Obviously
14 fundamental economic factors such as fuel prices, the
15 share of the generation mix for each fuel, and other
16 factors like that are also very relevant factors.

17 Q. On page 10 of your testimony you note a
18 concern about the effect of capacity markets
19 producing excess capacity, correct?

20 A. That's correct.

21 Q. And you allege that due to capacity
22 markets, there is an adverse effect on energy prices,
23 correct?

24 A. That's correct.

25 Q. And we discussed the Southwest Power Pool

1 has a reliability assessment process and a
2 reliability requirement but no forward three-year
3 market, correct?

4 A. That's correct.

5 Q. You are aware of the fact that Southwest
6 Power Pool currently has a reported capacity that is
7 30 percent higher than the peak load, with planning
8 capacity level of 12 percent, correct?

9 A. I wasn't aware of that. That was in
10 regard to SPP?

11 Q. Yes.

12 A. Okay. I haven't studied those numbers.
13 I can't testify to that.

14 Q. You prepared a report entitled "Customer
15 Focused and Clean...." You are one of the coauthors
16 of that; is that correct?

17 A. That's correct.

18 MR. DARR: I'm not intending to mark this
19 as an exhibit but, for purposes of the record, may I
20 approach and provide the witness with a copy of the
21 report?

22 EXAMINER SEE: Yes.

23 MR. MENDOZA: Mr. Darr, could you
24 identify, if it was in a footnote, what footnote it
25 was, just so I can track it down, or if you have

1 another copy? Thank you.

2 Q. (By Mr. Darr) Do you have in front of you
3 your report that we were just talking about?

4 A. Yes.

5 Q. And could you turn to page 33 of that
6 report?

7 MS. BLEND: Mr. Darr, would you mind
8 identifying what the report is?

9 MR. DARR: I thought I had, but I'll do
10 it again.

11 MS. BLEND: I don't know that you did.

12 MR. DARR: Yes. It's called "Customer
13 Focused and Clean: Power Markets for the Future."

14 MS. BLEND: And do you have additional
15 copies for other parties?

16 MR. DARR: Again, I am not intending to
17 move it, but if I may, your Honor?

18 EXAMINER SEE: Sure.

19 Q. (By Mr. Darr) I directed your attention
20 to page 33. This is a list of citations, correct?

21 A. Yes.

22 Q. Do you see a citation to the Market
23 Monitor's Report for the Southwest Power Pool?

24 A. Yes.

25 Q. So in preparation of this article or

1 report that you prepared called "Customer Focused and
2 Clean....," you had an opportunity to review that
3 report, did you not?

4 A. That's correct.

5 Q. Now, do you have in front of you the
6 Southwest Market -- sorry -- Southwest Power Pool
7 State of the Market Report?

8 A. Yes.

9 MS. BLEND: Mr. Darr, do you have a copy
10 of that for counsel for the Company?

11 MR. DARR: Yes. It's on its way.

12 Q. And would you turn to page 10, Section
13 1.7, first paragraph, and review that and see if that
14 refreshes your recollection.

15 A. Yes.

16 Q. And is it fair to say that currently and
17 is it your understanding that currently the Southwest
18 Power Pool, according to the Market Monitor,
19 estimates that capacity is 30 percent higher than the
20 peak load in 2017 and, at that time, the planning --
21 the planning capacity was 12 percent?

22 A. Yes, that's what it says. And I would
23 note that SPP has a resource adequacy requirement, as
24 I discussed.

25 Q. Based on your testimony that's been

1 prefilled and the discussions we've had today, I
2 believe your conclusion is the PJM transmission
3 organization is not an environment that supports the
4 development of renewable resources. That's the gist
5 of your testimony, correct?

6 A. That's correct.

7 Q. And this conclusion is based on several
8 factors that lead to a lower energy revenue, as
9 reflected in the Minimum Offer Price Rule,
10 disadvantage in terms of calculating capacity
11 credits, capacity performance penalties that you
12 identify, and the energy market transmission rules,
13 correct?

14 A. Yeah. I will just clarify that's it's a
15 lower capacity market revenue. I think you said
16 "energy revenue" but, yes.

17 Q. Well, you also indicate that it
18 suppresses energy revenues, correct?

19 A. That's definitely true as well.

20 Q. And all of these effects are likely to
21 have a suppressed -- revenue suppressive effect in
22 general, correct?

23 A. It would reduce the revenue for renewable
24 generators, yes.

25 Q. Okay. So if I take all those factors

1 together, the solution you're advocating to the
2 Commission today is to assign the risk of the price
3 suppression, under a contract for differences
4 approach -- contract for differences approach, to the
5 customers of AEP Ohio, correct?

6 A. When you say "price suppression," you're
7 referring to the impact of renewables on the market
8 price?

9 Q. No. I am referring to the impact of the
10 capacity rules that -- and all the other rules that
11 you've identified, that if those result in price
12 suppression that the risk of that price suppression
13 is to be borne by the customers of AEP Ohio.

14 A. To the extent that the PJM market rules
15 continue to procure excessive levels of capacity and,
16 again, many of those rules are currently being
17 determined at the Federal Energy Regulatory
18 Commission, then, yes, excess levels of capacity will
19 reduce energy market prices.

20 Q. And under the paradigm that is being
21 presented in this case, the risk of that price
22 suppression is to be borne by the customers of AEP
23 Ohio, correct?

24 A. Yes.

25 MR. DARR: Thank you. Nothing further.

1 EXAMINER SEE: Mr. McNamee.

2 MR. McNAMEE: Mr. Michael has already
3 asked my questions, so I have nothing further.

4 EXAMINER SEE: Ms. Blend.

5 MS. BLEND: Thank you, your Honor. Just
6 a couple of questions.

7 - - -

8 CROSS-EXAMINATION

9 By Ms. Blend:

10 Q. Mr. Goggin, do you recall questions
11 you've answered regarding the currently-pending
12 Minimum Offer Price Rule --

13 A. Yes.

14 Q. -- proceeding at FERC?

15 A. Yes.

16 Q. And you answered some questions in
17 response -- some questions from counsel for IGS
18 regarding an initial submission that PJM filed in
19 that proceeding, correct?

20 A. That's correct.

21 Q. PJM's -- you would agree that PJM's
22 position in that proceeding is being contested by
23 other parties in that proceeding?

24 A. That's correct.

25 Q. And you would agree that FERC has not

1 issued any ruling on any of the merits of the issues
2 in that proceeding?

3 A. That's correct.

4 Q. And do you recall some questions that you
5 received from Ms. Bojko, counsel for OMAEG, regarding
6 SB 310?

7 A. Yes, that was the RPS freeze, yes.

8 Q. And you answered a question that she
9 asked about the in-state requirements, and I believe
10 you said that you considered those requirements to be
11 a legal issue?

12 A. That's correct.

13 Q. What did you mean when you used the term
14 "legal issue"?

15 A. So I am not a lawyer but my understanding
16 is that there have been concerns that in-state
17 renewable requirements run afoul of the Dormant
18 Commerce Clause and, therefore, could arguably not be
19 within the state's right to implement.

20 MS. BLEND: I have no further questions.
21 Thank you.

22 EXAMINER SEE: Any redirect, Mr. Mendoza?

23 MR. MENDOZA: Your Honor, I would like to
24 note, in the legal argument that we had this morning,
25 I made a comment about Mr. -- Ms. Bojko representing

1 that the Lawrence Berkeley Laboratory was not an
2 agency of the Federal Government. And for the
3 record, I would like to say she was correct, and my
4 comment was unfortunate. It's contracted with the
5 Department of Energy. It is not an agency of the
6 U.S. Government, although it does have a .gov web
7 address, and I just wanted to clear the record on
8 that.

9 And, yes, I would like to have a few
10 minutes with my witness.

11 EXAMINER SEE: Certainly.

12 Let's go off the record.

13 (Discussion off the record.)

14 EXAMINER SEE: Let's go back on the
15 record.

16 Mr. Mendoza.

17 MR. MENDOZA: Thank you, your Honor.

18 - - -

19 REDIRECT EXAMINATION

20 By Mr. Mendoza:

21 Q. Mr. Goggin, do you recall questions from
22 various counsel about the opportunity for residential
23 people in Ohio to develop rooftop solar and for
24 companies to develop, you know, on-site solar?

25 A. Yes.

1 Q. Might there be economic advantages to a
2 utility's development of solar in Ohio as opposed to
3 those options that customers have?

4 A. Certainly. There is a large cost
5 difference in the scale of installation. Larger
6 installations are much cheaper, typically around --
7 utility-scale solar is running around \$1 per watt
8 installed cost today. Most rooftop solar is in the
9 \$2 to \$3 per watt cost range, depending on the size
10 of the installation and things like that.

11 And moreover, as I outlined in my
12 testimony, there's specific cost advantages for
13 companies like AEP Ohio in terms of their cost of
14 capital, their ability to, you know, expertise
15 involving projects like this and other factors like
16 that that also tend to reduce the cost.

17 MR. MENDOZA: Thank you, your Honor. We
18 have no further questions.

19 EXAMINER SEE: Mr. Dove, any recross?

20 MR. DOVE: No, your Honor. Thank you.

21 EXAMINER SEE: Ms. Leppla?

22 MS. LEPLA: No, your Honor. Thank you.

23 EXAMINER SEE: Mr. Michael?

24 MR. MICHAEL: No, thank you, your Honor.

25 EXAMINER SEE: Ms. Glover?

1 MS. GLOVER: No, your Honor.

2 EXAMINER SEE: Mr. Olikar?

3 - - -

4 RECROSS-EXAMINATION

5 By Mr. Olikar:

6 Q. Mr. Goggin.

7 A. Yes.

8 Q. You agree that, in general, solar costs
9 are trending down over time, correct?

10 A. That is correct. I would note that the
11 difference in cost for utility-scale generation and
12 rooftop generation is actually increasing over time
13 and that utility-scale costs are coming down faster
14 than rooftop and that's because there are higher
15 fixed costs and other things associated with rooftop
16 installations that have not been coming down as fast
17 as the module costs that are a much larger share of
18 the total cost in utility-scale projects.

19 Q. And you're not specifically in the
20 business of developing solar, are you?

21 A. No. I consult for companies that do,
22 though.

23 Q. And did you read witness Torpey's
24 testimony?

25 A. I don't recall. Who was that on behalf

1 of?

2 Q. Do you know who witness Torpey works for?

3 A. I don't.

4 Q. And do you know if any AEP witness
5 provided projections of solar resources over time?

6 MR. MENDOZA: Your Honor, I think this
7 goes beyond redirect.

8 MR. OLIKER: Your Honor, he just brought
9 into the record cost trends over time. And I am
10 laying a foundation of whether he looked at any of
11 the other evidence in this case.

12 MR. MENDOZA: And I would be happy to
13 have Mr. Oliker asking questions about costs changing
14 over time, but talking what about AEP witnesses say,
15 I think is outside the scope.

16 EXAMINER SEE: And I agree, Mr. Mendoza.

17 Q. (By Mr. Oliker) And am I correct you have
18 not read Bloomberg New Energy's Forecast of Solar
19 Resources?

20 A. I've read it in previous years. I can't
21 say for sure I have seen the most recent one.

22 MR. OLIKER: Those are all the questions
23 I have, your Honor. Thank you.

24 EXAMINER SEE: Ms. Bojko?

25 MS. BOJKO: No, thank you, your Honor.

1 EXAMINER SEE: Ms. Whitfield.

2 MS. WHITFIELD: No questions, your Honor.

3 EXAMINER SEE: Mr. Collier? Mr. Stock?

4 MR. STOCK: No, your Honor.

5 EXAMINER SEE: Mr. Darr?

6 - - -

7 RECROSS-EXAMINATION

8 By Mr. Darr:

9 Q. In your answer to the question from
10 counsel concerning the -- you mentioned utility-scale
11 solar projects. What do you consider a utility-scale
12 solar project?

13 A. It's typically the size and where it's
14 deployed. That would be in contrast to a
15 customer-sited project that's typically -- they're
16 often behind-the-meter but often -- it's located at
17 the, you know, on the customer's premises. Whereas,
18 utility scale would typically be not that. It would
19 be developed somewhere else and serving the whole
20 power system.

21 Q. And some of these would be developed by
22 utility companies, correct?

23 A. Some of which?

24 Q. AEP, for example, or one of its
25 subsidiaries?

1 A. The utility-scale projects?

2 Q. Yes.

3 A. Yes.

4 Q. And there are also private developers
5 that develop utility-scale projects, correct?

6 A. That's correct.

7 Q. And, in fact, are you aware that there
8 are currently pending or approved eight utility
9 scale -- what are called major utility facilities
10 here in the State of Ohio?

11 A. I was not aware of that.

12 MR. DARR: Thank you. Nothing further.

13 EXAMINER SEE: Mr. McNamee.

14 MR. McNAMEE: No questions. Thank you,
15 your Honor.

16 EXAMINER SEE: Ms. Blend?

17 MS. BLEND: No further questions, your
18 Honor. Thank you.

19 EXAMINER SEE: Mr. Mendoza.

20 MR. MENDOZA: No further questions, your
21 Honor.

22 EXAMINER SEE: No, no.

23 MR. MENDOZA: I'm sorry?

24 EXAMINER SEE: The exhibit.

25 MR. MENDOZA: I would move for the

1 admission of Sierra Club 1, yes.

2 EXAMINER SEE: Are there any objections
3 to the admission of Sierra Exhibit 1?

4 MS. BOJKO: Your Honor, I would just
5 renew my objections to the footnotes and the articles
6 and related testimony where the witness agreed on the
7 stand that he had not authored those articles; and
8 that the Commission review those, if my motion to
9 strike is not granted, that the Commission review
10 those and give them the weight that they desire.

11 EXAMINER SEE: Sierra Club Exhibit 1 is
12 admitted into the record.

13 MS. BOJKO: Thank you.

14 EXAMINER SEE: The motion is denied.

15 MR. MENDOZA: Thank you, your Honor.

16 (EXHIBIT ADMITTED INTO EVIDENCE.)

17 EXAMINER SEE: Mr. Olier.

18 MR. OLIER: Your Honor, IGS would move
19 for the admission of Exhibit 6.

20 EXAMINER SEE: Are there any objections
21 to the admission of IGS Exhibit 6?

22 MS. BLEND: Yes, your Honor. AEP Ohio
23 objects to the admission of IGS Exhibit 6. As I
24 indicated during Mr. Olier's questioning of
25 Mr. Goggin regarding this document, PJM's -- the

1 entirety of PJM's submittal in this case is not
2 relevant to -- relevant to the case. It's not
3 relevant to the scope of Mr. Goggin's testimony. And
4 it's inappropriate to just dump in, wholesale,
5 several -- an over 100-page document in connection
6 with relatively limited questioning in response to
7 one sentence of this witness's testimony.

8 And alternatively, your Honor, the
9 Company would request that the Commission take
10 administrative notice of the entire FERC MOPR docket,
11 not just this one limited filing.

12 Mr. Goggin's testimony, that I believe
13 was the basis for Mr. Oliker's use of this document,
14 discusses the numerous flaws in PJM's assumptions
15 contained in this document. And the other filings in
16 the MOPR docket, made by other parties to that
17 docket, discuss those flaws as well. And so, if this
18 document is within the scope, then the remainder of
19 the filings in the docket are also in the scope and
20 they should be taken administrative notice of.

21 MR. OLIKER: Your Honor, may I respond?
22 The document that I asked the witness to look at was
23 the specific document that he cites to in his
24 testimony. He criticizes PJM's proposal. I showed
25 him the document. We had the discussion about it.

1 And we cleared up the record from some statements
2 that were made.

3 Now, what I am hearing from counsel for
4 AEP is they now want to bring all of the other
5 provisions of that case which were not talked about
6 and which they could have offered in their own
7 testimony or Mr. Goggin could have asked for in his
8 testimony. So now to just dump all of those
9 documents, which were not discussed at all, into this
10 case, really blows the door open for AEP to cite to
11 anything it wants when we didn't have a chance to
12 discuss it here in this record. We would oppose it,
13 your Honor. I limited the questions to the specific
14 document he referred to.

15 MS. BLEND: We're simply suggesting, your
16 Honor, if we are going to start dumping in filings
17 from the MOPR proceeding, that a holistic view of the
18 MOPR proceeding be available in the record for the
19 Commission.

20 MR. OLIKER: And again, they could have
21 showed those documents to the witness which he may or
22 may not have seen. I mean, now we're potentially
23 bringing in documents the witness can't even
24 identify.

25 MS. BLEND: Mr. Olikier was reading things

1 into the record just out of the brief from PJM that
2 the witness didn't testify that he had -- could
3 identify.

4 EXAMINER SEE: Thank you, both.

5 IGS Exhibit 6 is admitted into the
6 record, but I remind the parties that the only
7 portions that were -- are part of the record were
8 those pages -- those limited number of pages and
9 references that were referred to, I believe on three
10 or four pages within the document, not -- not other
11 portions of IGS 6 or the entire docket, the entire
12 FERC docket.

13 (EXHIBIT ADMITTED INTO EVIDENCE.)

14 MR. OLIKER: Your Honor, the one thing I
15 will say, we are trying to determine whether the
16 witness has cited to the specific link in his
17 testimony to know if that's consistent. I am
18 objecting with that ruling, your Honor. But it may
19 be creating some confusion, that's the only thing I
20 would -- I am concerned about.

21 MS. BOJKO: Your Honor, my point was you
22 already admitted his testimony in its entirety, over
23 my objections, the exact objections that are being
24 raised again. So if it is in a footnote and it's
25 linked, it would already be admitted.

1 EXAMINER SEE: So the entire docket is
2 what you --

3 MS. BOJKO: No. That particular document
4 that IGS used. He just printed off the link that was
5 cited.

6 MR. OLIKER: I can't confirm that because
7 my computer is rebooting. I'm trying to --

8 MS. BLEND: Your Honor -- I don't mean to
9 cut you off, Mr. Oliker. Sorry about that. It's my
10 understanding the document is not linked. I believe
11 the discussion is on page 12 of Mr. Goggin's
12 testimony, beginning at line 11. And he -- while he
13 generally characterizes PJM's proposed assumptions
14 for the calculation of the minimum offer price, he
15 does not cite to a link to PJM's filing in that
16 docket.

17 MR. MENDOZA: Your Honor, would it be
18 helpful to ask Mr. Goggin if that document is linked
19 in his testimony? I think that might move us along.

20 MS. BOJKO: I was trying to shortcut.
21 It's not.

22 MR. OLIKER: So no problem from the
23 ruling from my perspective, your Honor.

24 EXAMINER SEE: Mr. Goggin, does your
25 testimony link to --

1 THE WITNESS: I don't believe it does.

2 EXAMINER SEE: -- FERC ER18-1314.

3 THE WITNESS: I don't believe it does.

4 EXAMINER SEE: Thank you. You can step
5 down, Mr. Goggin.

6 THE WITNESS: Thank you.

7 EXAMINER PARROT: Mr. Dove, are you ready
8 to call your witness?

9 MR. DOVE: Yes, your Honor.

10 MR. OLKER: And, your Honor, just to
11 clarify the question, I heard the motion for
12 administrative notice was denied, correct? I believe
13 that was the intent of your ruling but it was not
14 specific.

15 MS. BLEND: She said it was denied.

16 EXAMINER SEE: I am only hearing pieces
17 of what you are asking.

18 MR. OLKER: I just want to confirm and I
19 believe this is the case, there was a request for
20 administrative notice of the entire document, that
21 was denied, and only specific pages that were
22 referenced have been permitted into the record.

23 EXAMINER SEE: That is correct.

24 MR. OLKER: Thank you, your Honor. I
25 appreciate it.

1 EXAMINER PARROT: Ms. Stebbins, please
2 raise your right hand.

3 (Witness sworn.)

4 EXAMINER PARROT: Thank you.

5 MR. DOVE: Your Honor, before I introduce
6 and offer the witness for cross, in light of your
7 January 14 ruling and in the interest of
8 administrative efficiency, I would like to withdraw
9 portions of her testimony and reserve the right to
10 offer them in the second phase. So if you don't
11 mind, I can go through that now.

12 EXAMINER PARROT: Very good.

13 MR. DOVE: We'll just go page by page.

14 On the List of Attachments, we are going
15 to withdraw Attachment 2.

16 MR. WHITFIELD: I am sorry, Robert, what
17 did you say?

18 MR. DOVE: Attachment 2. I'm sorry. And
19 if I go too fast, please tell me.

20 On page 4, line 2, starting with the word
21 "entering" and going through line 5, ending at the
22 word "charge," and then I would pick back up on line
23 5 at "the cost-effectiveness" and end at "solar
24 projects" on line 6.

25 Going to the next page, page 5, I would

1 start on line 1 and end on line 4, that entire
2 paragraph of the provision marked 1.

3 Moving to page 6. Page 6, through line
4 20 on page 10, including the footnotes, would all be
5 withdrawn at this time.

6 MR. COLLIER: Can we get that again?

7 MR. DOVE: Page 6, starting on line 2,
8 through page 10, line 20.

9 MR. COLLIER: Through?

10 MR. DOVE: Through. Withdrawn with the
11 option to offer it in the second phase.

12 MR. COLLIER: Through page 10?

13 MR. DOVE: Line 20.

14 On page 11, line 2, starting with
15 "Mr. Torpey," going through line 8 of that page and
16 then ending with the word "But." As well as the
17 footnotes associated with that which are marked.

18 Moving to page 14, line 17 through
19 page 15, line 10.

20 MR. HEALEY: I'm sorry, Robert, can you
21 just say that one again?

22 MR. DOVE: Sure. Page 14, line 17,
23 through page 15, line 10. And that would encompass
24 Footnote 16 which references to the Attachment B
25 already marked.

1 We move to page 19, line 3 starting with
2 "Mr. Fetter" through line 7, ending on "operation."
3 And the footnote attached to that.

4 Continuing on line 19, line -- or I'm
5 sorry, page 19, lines 15 through 18, and the
6 associated footnote.

7 Moving to page 22, line 4, just the
8 beginning of that sentence through line 6 ending at
9 "energy." On the same page, line 9, the sentence
10 starting "By approving" through line 15.

11 On page 23, line 12, starting "The
12 proposed" and ending with the footnote on line 15.

13 Page 24, line 1, starting with "For
14 these" through line 3.

15 On page 25, line 5, the phrase "As
16 mentioned earlier." And on line 8, the last three
17 words of that line "in Highland County."

18 On line 12, starting with "the Company's"
19 and ending on line 14 with "as well as."

20 And then on the last page, page 26, on
21 line 4, we would strike -- or withdraw the "1" and
22 the parentheses. And then on line 5, starting with
23 the "(2)."

24 So just to be clear, on line 4, we are
25 only withdrawing the number "1" and the parentheses

1 around it. On line 5, starting with the parentheses
2 around "2," through line 15.

3 And again, we are doing this in light of
4 your order on the 14th and in the interest of
5 efficiency, and we thank you for that opportunity.

6 EXAMINER PARROT: Thank you, Mr. Dove.

7 - - -

8 GABRIELLE STEBBINS

9 being first duly sworn, as prescribed by law, was
10 examined and testified as follows:

11 DIRECT EXAMINATION

12 By Mr. Dove:

13 Q. Ms. Stebbins, would you please state and
14 spell your last name -- state your full name and
15 spell your last name for the record.

16 A. For the record, my name is Gabrielle
17 Stebbins, and Stebbins is spelled S-t-e-b-b as in boy
18 i-s.

19 Q. Do you have in front of you what's been
20 marked as Natural Resources Defense Council Exhibit
21 1?

22 A. Yes.

23 Q. Is this the direct testimony you have
24 provided in this case?

25 A. Yes.

1 Q. Was this testimony drafted by you or at
2 your direction?

3 A. Yes.

4 Q. And if I asked the same questions today,
5 would your answers be the same?

6 A. Yes.

7 MR. DOVE: Okay. With that, I offer the
8 witness for cross-examination.

9 MR. HEALEY: Your Honor, would now be a
10 good time for motions? I'm sorry.

11 EXAMINER PARROT: Just a moment.

12 NRDC Exhibit 1 has been marked. Thank
13 you, Mr. Dove.

14 (EXHIBIT MARKED FOR IDENTIFICATION.)

15 MR. HEALEY: I apologize for jumping.

16 EXAMINER PARROT: Go ahead.

17 MR. HEALEY: First, I would like to thank
18 NRDC for withdrawing those other portions of the
19 testimony. We agree with those withdrawals and it
20 saves me some time.

21 I did have one other one that might fall
22 within the same exception. Perhaps NRDC can
23 stipulate to this or we can discuss it.

24 It's on page 5, line 16, starting with
25 "In 18-1392" and going to the end. It's just

1 background but it's a summary of the RGR filings,
2 Green Tariff RGR and this specific project, so I
3 would ask that also be withdrawn.

4 MR. DOVE: It is a summary. We have no
5 objection to that being withdrawn.

6 EXAMINER PARROT: All right. Thank you.

7 MR. HEALEY: I do have some separate
8 motions to strike if that's all right, your Honor.

9 EXAMINER PARROT: Go ahead.

10 MR. HEALEY: Generally speaking, there
11 are various portions of Ms. Stebbins' testimony that
12 are either straight recitations or summaries of AEP
13 Ohio testimony. This testimony would be both
14 hearsay -- sorry -- this testimony would be both
15 hearsay and therefore inadmissible and would also be
16 inadmissible for her lack of personal knowledge.

17 You will have to bear with me for a
18 second because some of these examples are ones that
19 have already been withdrawn, but I can provide the
20 page references of those that were not.

21 The first example would be on page 14,
22 starting on line 10 with the word "However" and
23 continuing through line 12 with the word "million."
24 Here she is just summarizing testimony of an AEP
25 witness. This is hearsay and she does not have

1 personal knowledge of the information that she is
2 providing.

3 Likewise, on page 16, there is a Table 1
4 with economic benefits. This is -- Ms. Stebbins is
5 simply cutting and pasting information from
6 Mr. Buser's testimony, I believe, which we will get
7 to later today or perhaps next week. She lacks
8 personal knowledge of this information and did not
9 contribute to creating this information. It's
10 hearsay and inadmissible for that reason as well.

11 And page 20, starting at line 1,
12 continuing through page 21, line 2. Here she is
13 simply summarizing the testimony that we heard
14 yesterday from Ms. Horner and Ms. Fry. Again,
15 Ms. Stebbins lacks personal knowledge of this
16 information. She is not the source of this
17 information and it is an out-of-court statement and
18 therefore hearsay as it pertains to Ms. Stebbins.
19 Thank you.

20 MR. DOVE: Your Honor, may I respond?

21 EXAMINER PARROT: You may.

22 MR. DOVE: I would agree that, in large
23 part, these are summaries that set up her questions
24 as an expert witness. She is entitled to rely on the
25 evidence presented by other expert witnesses under

1 the Rules of Evidence. These -- many of these
2 statements, with the exception of I believe
3 Mr. Buser, have already been entered into evidence,
4 and counsel has had the opportunity to cross-examine
5 the witnesses that made them, so I would disagree
6 with the characterization of hearsay. But I believe
7 she's just offering them as summaries to set up her
8 additional conclusion in the portions after this.
9 And therefore, should be included in the record as
10 they are already part of the record.

11 EXAMINER PARROT: Mr. Healey, your motion
12 to strike is denied.

13 MR. HEALEY: May I make another motion to
14 strike, your Honor?

15 EXAMINER PARROT: Go ahead.

16 MR. HEALEY: Thank you.

17 On page 11, starting at line 14, and
18 continuing through page 12, line 4. Here,
19 Ms. Stebbins is simply summarizing a report that was
20 prepared by someone else. She's not the author of
21 this report. The author, which is a company called
22 Synapse, is not part of this case. They are not here
23 to be cross-examined. She is not even stating she
24 relied on this report to develop any of her own
25 opinions. She is simply providing a summary of the

1 report and therefore it is hearsay and inadmissible.

2 MR. DOVE: Your Honor, this is a
3 publicly-available report and, in fact, we provided a
4 link in Footnote 12. It is a type of report that is
5 commonly relied upon by experts, and it is within the
6 hearsay exception of 803.17, and I would argue that
7 it should be included as a basis of her opinion.
8 Additionally, based on the way we have admitted
9 evidence thus far, I think this would apply.

10 MR. HEALEY: Your Honor, if I may
11 respond, at a minimum, to the first comment that this
12 being publicly available makes it somehow relevant.
13 Almost everything in the universe is publicly
14 available. It has no bearing on whether it is or is
15 not hearsay. Hearsay is an out-of-court statement
16 asserted for the truth of the matter; that will often
17 be a publicly-available statement.

18 MR. DOVE: As I noted, it does fall
19 within a hearsay exception and that is supported by
20 the fact that it is publicly -- publicly available
21 and therefore available to all parties. She is not
22 citing to a report, she is not providing and
23 expecting you to take potentially anything it says at
24 face value. She has provided it so you are welcome
25 to ask her questions about it if you wish.

1 MR. HEALEY: And if I may, your Honor,
2 one more time. Mr. Dove cited Rule 803.17 as the
3 exception. That exception applies to market
4 quotations, tabulations, lists, directories, or other
5 published compilations. This is an article. It is
6 not a quotation, a tabulation, a list, a directory,
7 or a published compilation, nor is there any evidence
8 or any assertion by this witness that it is generally
9 used and relied upon by the public.

10 MR. DOVE: You are welcome to ask her if
11 she generally relies on this in her position.

12 EXAMINER PARROT: Mr. Healey, your motion
13 to strike this portion of Ms. Stebbins testimony is
14 also denied.

15 MR. HEALEY: Thank you, your Honor.

16 In light of the Bench's rulings on these,
17 I will not make any more motions to strike. Thank
18 you.

19 EXAMINER PARROT: Any others?

20 MR. DRESSEL: Your Honor, could we have
21 just a moment to make sure we're not moving to strike
22 things that have not already been withdrawn?

23 EXAMINER PARROT: Go ahead.

24 MR. DRESSEL: Your Honor, we do have just
25 a few motions to strike. And I apologize if any of

1 these were covered by the earlier withdrawal. If
2 that's the case, just let us know.

3 The first would be on page 20, line 1,
4 through page 21, line 10. Now, was there anything in
5 there that had been withdrawn?

6 MR. DOVE: No.

7 MR. DRESSEL: Okay. So this -- this
8 motion to strike is just renewing the arguments that
9 have been stated throughout this proceeding and in
10 the motion in limine filed by a number of the
11 parties. And so, for those same reasons, we would
12 renew those objections that -- that have already been
13 stated a number of times to this testimony and the
14 footnotes included therein.

15 MR. DOVE: Your Honor, I will just point
16 out this is a similar -- you've already ruled on this
17 several times, as well as it's similar to the motion
18 to strike Mr. Healey made earlier, and I would
19 reiterate the same arguments that have been made
20 throughout this hearing as well.

21 EXAMINER PARROT: Consistent with the
22 earlier ruling in the case -- rulings at this point,
23 the motion to strike is denied.

24 MR. DRESSEL: Thank you, your Honor.

25 Next is on page 23 through 25. Obviously

1 excepting the portions of those sections that have
2 already been withdrawn, we would move to strike these
3 under Rule 702 of the Ohio Rules of Evidence as
4 Ms. Stebbins, in these portions of her testimony, is
5 offering improper legal opinions. She is not a
6 lawyer. She's not explained how she has the
7 background knowledge, experience, training, skill,
8 expertise to interpret provisions of the Ohio Revised
9 Code, and given that lack of foundation, this is an
10 improper opinion -- these are improper opinions
11 offered by Ms. Stebbins to the extent she's giving
12 her insights on how this -- this proposal relates to
13 the state policies outlined by Ohio law.

14 MR. DOVE: I would respond that he is
15 welcome to ask her questions as to her foundation. I
16 would not necessarily characterize her as
17 interpreting Ohio law so much restating it. State
18 policy happens to be codified and she is simply
19 explaining how this proposal would line up with state
20 policy and not offering any additional interpretation
21 as to the meaning of those statutes.

22 MR. DRESSEL: Your Honor, may I respond
23 briefly to that? By offering her testimony as to how
24 this project lines up with state policy, she is
25 inherently making an assessment of what that state

1 policy means and interpreting it because she would
2 need to interpret it in order to determine whether or
3 not the information she talks about here is
4 consistent with state policy or it isn't. And given
5 that, we would maintain this is an improper opinion.

6 MR. DOVE: I would just respond, the
7 Commission routinely allows witnesses, who are not
8 testifying as attorneys, to address state policy and
9 discuss how particular projects may impact or fall in
10 line with that, and she should not be precluded from
11 discussing state policy simply because it's codified.

12 EXAMINER PARROT: I agree, Mr. Dove. The
13 mention to strike is denied.

14 MR. DRESSEL: Thank you, your Honor.

15 Next, we would move to strike testimony
16 on page 6, lines 4 through 7. And Footnote 1 along
17 with that.

18 EXAMINER PARROT: That's withdrawn.

19 MR. DOVE: All of page 6 has already been
20 withdrawn.

21 MR. DRESSEL: I apologize. Thank you.

22 MR. DOVE: I shouldn't say "all." Line 1
23 is still technically.

24 MR. DRESSEL: I'm sorry. Could you
25 restate which portions of page 11 and 12 have been

1 withdrawn?

2 MR. DOVE: Sure. 11, line 2,
3 "Mr. Torpey," and then through line 8, ending at the
4 word "But." Including that word as well.

5 And then you asked about 12?

6 MR. DRESSEL: If there is anything on 12.

7 MR. DOVE: Nothing on 12.

8 MR. DRESSEL: Given that, we would move
9 to strike lines 11 through 13 on page 11 as hearsay.
10 This testimony relies on a manual from the
11 nationalefficiencyscreening.org. This manual is an
12 out-of-court statement. It wasn't authored by this
13 witness. We have no opportunity to cross-examine the
14 author of this document and, therefore, under Rule
15 801 of the Ohio Rules of Evidence, we would move to
16 strike this portion of Ms. Stebbins' testimony as
17 hearsay.

18 MR. DOVE: I would --

19 EXAMINER SEE: Just a moment for
20 clarification. Are the footnotes on page 12?

21 MR. DOVE: The footnotes are still in.
22 They are assigned to text in line 12. That mark was
23 in error. Just that one.

24 EXAMINER SEE: Okay.

25 EXAMINER PARROT: Mr. Dove, did you wish

1 to respond?

2 MR. DOVE: Yes. I would just reiterate
3 these are very similar arguments to -- objections
4 that Mr. Healey raised in response to page 11, line
5 14 through page 12, line 4. I would raise the same
6 defenses and just state that she has included it, it
7 falls within the hearsay exception, and your Honors
8 have already ruled on this issue as it relates to the
9 footnote below.

10 EXAMINER PARROT: And we will allow the
11 Commission to determine what weight to give the
12 testimony, so the motion to strike is denied.

13 Mr. Dressel.

14 MR. DRESSEL: Thank you, your Honor. We
15 had a similar motion to strike on page 12, lines 11
16 through 13, and corresponding Footnote 13. That's
17 the same source as this one, so we would just note
18 that for the record.

19 EXAMINER PARROT: Noted.

20 MR. DRESSEL: Now on to page 17, lines 6
21 and 17 and -- and the corresponding Footnote 19.
22 This would be the same argument that this is an
23 out-of-court statement, not authored by this witness,
24 hearsay. And then on that same page, lines 9 and 10,
25 and the corresponding Footnote 20, same argument that

1 it was an out-of-court statement, not authored by
2 this witness.

3 MR. DOVE: I would offer the same
4 responses as I have.

5 EXAMINER PARROT: And your motion to
6 strike is denied, Mr. Dressel.

7 MR. DRESSEL: And finally, your Honor,
8 same motion, page 21, lines 5 through 10. Moving to
9 strike that testimony and the corresponding Footnotes
10 27 and 28 as hearsay.

11 MR. DOVE: And same -- same response.
12 These are surveys we have routinely entered via
13 expert testimony that experts have relied on and have
14 been included and allowed in by the Commission.

15 EXAMINER PARROT: And what's the
16 reference again? Beginning on line 5 through what?

17 MR. DRESSEL: Line 10, your Honor, and
18 then 27 and 28.

19 MR. DOVE: You mean footnote?

20 MR. DRESSEL: Yes, I apologize. The
21 footnotes at 27 and 28.

22 EXAMINER PARROT: We are going to allow
23 the Commission to determine whether to give this
24 testimony any -- any weight, so the motion to strike
25 is denied, Mr. Dressel.

1 MR. DRESSEL: Thank you, your Honor. We
2 have -- we have no further motions.

3 EXAMINER PARROT: Any other motions?
4 Mr. Mendoza.

5 MR. MENDOZA: No questions, your Honor.

6 EXAMINER PARROT: Ms. Leppla.

7 MS. LEPPLA: No questions, your Honor.

8 EXAMINER PARROT: Mr. Kurtz.

9 MR. KURTZ: No questions.

10 MR. DARR: Your Honor, if I may, please?

11 Last time, with the witness, Mr. Goggin,
12 the Company was permitted to cross-examine somewhat
13 out of order. Given that they are the Applicant in
14 **** this order, as well as the environmentalists, we
15 would request that the Company be required to present
16 its cross-examination prior to either Switzerland or
17 the opposing parties.

18 MR. KURTZ: I like that. That's good.

19 MR. DARR: Nice country.

20 MS. BLEND: Your Honors, as the
21 Applicant, the Applicant bears the burden of proof in
22 this proceeding and traditional practice is the
23 Company crosses last, intervenor witnesses, so we
24 would request that tradition to be maintained here.

25 EXAMINER PARROT: As the Applicant with

1 the burden, that was the reason for the order with
2 the last witness. And we will continue in that
3 fashion.

4 Mr. Kurtz, did you have questions? I'm
5 sorry.

6 MR. KURTZ: No questions.

7 EXAMINER PARROT: Mr. Healey, are you
8 ready?

9 MR. HEALEY: Yes.

10 EXAMINER PARROT: Okay.

11 - - -

12 CROSS-EXAMINATION

13 By Mr. Healey:

14 Q. Hello, Ms. Stebbins. Thank you for being
15 here. You would not consider yourself an economist
16 by trade, correct?

17 A. Correct.

18 Q. And you have not performed an economic
19 development study in the past, correct?

20 A. Correct.

21 Q. And you are not an expert in statistical
22 analysis, correct?

23 A. Correct.

24 MR. HEALEY: Your Honor, I am going to
25 mark the next OCC Exhibit No. 12. This is an article

1 entitled "The Challenges of Comparing PV's Success to
2 Efficiency" of which Ms. Stebbins is one of the
3 authors. May I approach, please?

4 EXAMINER PARROT: You may, and it is so
5 marked.

6 (EXHIBIT MARKED FOR IDENTIFICATION.)

7 Q. (By Mr. Healey) Ms. Stebbins, I've now
8 just handed you what's been marked OCC Exhibit 12.
9 Do you recognize this article?

10 A. I do.

11 Q. And you are one of the authors, correct?

12 A. Yes.

13 Q. Before we get to the article, just some
14 other questions.

15 The technology necessary to convert
16 sunlight into energy with solar-photovoltaic panels
17 has been available for quite some time; is that fair?

18 A. That's fair; although it's been improving
19 over quite some time as well.

20 Q. Sure, but you would not consider solar PV
21 technology to be a new technology in 2019, would you?

22 A. There are components of it, tracking
23 systems and the efficiency that have improved
24 significantly and could be considered new compared
25 to, say, 1980.

1 Q. So, in 1980, solar-photovoltaic panels
2 were available in some form, correct?

3 A. Correct.

4 Q. Let's take a look at your article. I
5 assume, given that you are one of the authors, you
6 are familiar with this article?

7 A. Correct.

8 Q. And you didn't make any false statements
9 in this article, did you?

10 A. Correct.

11 Q. Can you turn to page 2, please. I guess
12 it's 2-2. In the first full paragraph you are
13 quoting the New York State Public Service Commission.
14 Do you see that quote there starting on the second
15 line?

16 A. Uh-huh. Yes.

17 Q. And starting about four lines down, there
18 is a sentence that reads "Where a program that
19 subsidizes well-established technologies and
20 practices is maintained indefinitely, market activity
21 outside of the program is at a disadvantage...." Do
22 you see that?

23 A. I do.

24 Q. Do you believe that statement to be true?

25 A. With the caveat. But yes, if a rebate

1 program extends for hundreds of years, yes, it can
2 impact market competition.

3 Q. Is the only time that it can impact
4 market competition when it extends for hundreds of
5 years?

6 A. No, sir.

7 Q. You support AEP's proposal in this case,
8 do you not?

9 A. I do, sir.

10 Q. And part of the reason for that support
11 is because you believe it will help AEP reduce the
12 amount that it pollutes the environment?

13 A. I support it for a number of reasons.
14 That is one of them.

15 Q. And you would agree that power companies,
16 like AEP, are one of the major polluters in this
17 country?

18 A. They are part of it. Ultimately they
19 provide a service to all of us, all of the customers,
20 so I would say we're all part of the problem and the
21 solution.

22 MR. HEALEY: Your Honor, I would like to
23 mark as OCC Exhibit -- sorry, 13, this is an article
24 entitled "Benchmarking Air Emissions." May I
25 approach the witness, please?

1 EXAMINER PARROT: You may.

2 (EXHIBIT MARKED FOR IDENTIFICATION.)

3 Q. (By Mr. Healey) Ms. Stebbins, you are
4 testifying on behalf of NRDC today, correct?

5 A. Correct.

6 Q. And you see, on the exhibit I just handed
7 you, that NRDC is one of the contributors of this
8 report entitled "Benchmarking Air Emissions of the
9 100 Largest Electric Power Producers in the United
10 States"?

11 A. Yes.

12 Q. Can you turn to page 10 of this report,
13 please. And page 10 provides a graph of NOx total
14 emissions and emission rates. What is NOx?

15 A. Nitrous dioxide.

16 Q. And is that a pollutant?

17 A. Yes.

18 Q. And if you look at the bottom of this
19 page, there's a long list of utilities. About the
20 20th from the top is AEP. Can you find that for me,
21 please?

22 A. Yes.

23 Q. And then if you look at the bars for AEP
24 on the top one, the top table is per thousand ton of
25 NOx emissions. You will see that AEP appears to be

1 the second highest in the country; isn't that right?

2 MS. BLEND: Your Honor, at this point,
3 I'll object. Mr. Healey has not established any
4 foundation for this document with this witness other
5 than that she's an outside consultant testifying on
6 behalf of NRDC in this proceeding.

7 MR. HEALEY: Your Honor, this is a
8 document produced by the NRDC for which she is
9 testifying. It's a party admission in that regard
10 given that NRDC and OCC are opposing parties in this
11 case.

12 MS. BLEND: I will disagree.

13 MR. HEALEY: And for the record, I have
14 asked multiple questions about this document already
15 and there have been no objections prior. I believe
16 AEP has waived the foundation objection in that
17 regard.

18 MS. BLEND: Well, your Honor, I was
19 trying -- in the interest of not further cluttering
20 this record with more objections and discussion and
21 wasting time, I was trying to give Mr. Healey a
22 little bit of leeway to see if he was going to
23 establish foundation before I objected. He failed to
24 do that and started asking substantive questions
25 about this document, at which point I did object to

1 respond to the assertion that this is a party
2 opponent admission of NRDC in this proceeding.
3 Mr. Healey is incorrect in that regard as this is not
4 a statement against NRDC's interest in this
5 proceeding and so, therefore, that exception to
6 hearsay is not applicable.

7 MR. HEALEY: Your Honor, if I may, I
8 would stand by my waiver argument. I asked multiple
9 substantive questions, not just foundational
10 questions, that were allowed to be asked by AEP and,
11 therefore, they have waived the objection as to the
12 additional questions on similar topics.

13 EXAMINER PARROT: I think we should at
14 least ask the witness if she has seen it, Mr. Healey,
15 so let's ask a few foundational questions.

16 MR. HEALEY: Sure.

17 Q. (By Mr. Healey) Ms. Stebbins, have you
18 seen this document previously?

19 A. No.

20 Q. Do you read these types of documents in
21 your current role?

22 A. Generally. It depends on the project but
23 yes, at times.

24 Q. Let's turn to page 20 of your testimony,
25 please. On page 20 of your testimony, you are

1 discussing the Navigant survey, correct?

2 A. Yes.

3 Q. Now, you did not play any role in
4 preparing this survey or sending it to customers or
5 anything like that, correct?

6 A. I did not.

7 Q. And so here in your testimony you are
8 essentially just summarizing the survey and the
9 corresponding testimony that AEP filed, correct?

10 A. Yes.

11 Q. And you can't personally verify that the
12 results of the survey are accurate, can you?

13 A. From my experience I can verify that this
14 is a trend that I've seen from customers and
15 businesses that they are seeking more renewables,
16 both from themselves directly on their property as
17 well as from their utilities or their EDUs. This
18 particular, no, but generally, from other customer
19 surveys that I've written, yes.

20 Q. And so, you can't say whether the
21 methodology that Navigant used would be consistent
22 with good statistical practices like some of the
23 other surveys you have more experience with, correct?

24 A. I did read through their approach and it
25 appears consistent with general practices. But

1 again, I was not actually within the survey
2 methodology practice itself for this study.

3 Q. And as we established earlier, you are
4 not an expert in statistical analysis, correct?

5 A. No.

6 Q. Let's look at page 21, line 5. Here you
7 cite a recent Consumer Reports survey. Do you see
8 that?

9 A. Yes.

10 Q. And you did not author this survey, did
11 you?

12 A. I did not.

13 Q. And so if mistakes were made in this
14 survey, you would have no way of knowing that, would
15 you?

16 A. No. My point on this survey was to
17 actually, by providing this, as well as the peer
18 research, was to show there are multiple different
19 surveys one can look at. So any one survey may have
20 mistakes, but with multiple surveys pointing in the
21 same direction, it provides a valid indication that
22 the findings from Navigant are real and accurate.

23 MR. HEALEY: Thank you.

24 Your Honor, in light of the withdrawal of
25 most of Ms. Stebbins' testimony, that's all I have.

1 EXAMINER PARROT: Thank you, Mr. Healey.
2 Ms. Glover?

3 MS. GLOVER: No questions.

4 EXAMINER PARROT: Mr. Nugent?

5 MR. NUGENT: Yes, thank you, your Honor.

6 - - -

7 CROSS-EXAMINATION

8 By Mr. Nugent:

9 Q. Good afternoon, Ms. Stebbins.

10 A. Good afternoon.

11 Q. Ms. Stebbins, it's your understanding
12 that AEP Ohio seeks Commission approval for a finding
13 of need for 400 megawatts of solar energy; correct?

14 A. The 900 megawatts, yes. In this filing,
15 yes.

16 Q. But 400 of solar, correct?

17 A. Yes.

18 Q. Thank you.

19 And is it also your understanding that
20 AEP Ohio seeks to recover costs associated with that
21 project through a nonbypassable customer charge?

22 A. Yes.

23 Q. And do you know what a nonbypassable
24 charge is?

25 A. Yes.

1 Q. And am I correct that as of the third
2 quarter of 2018, Ohio had just under 190 megawatts of
3 solar capacity?

4 A. Yes.

5 Q. And can you tell me whether, in the
6 course of preparing your testimony, you identified if
7 those 190 megawatts were adequate to meet customer
8 needs?

9 A. From the review of the Navigant study, it
10 is not. If one looks at the results from the
11 inquiries into the Fortune 100 companies that are
12 here and want to do renewables, and also from the
13 strong support for leaving a better future from the
14 residential PIPP and non-PIPP customers, it does not
15 appear that the 4.5 percent currently within AEP's
16 alternative energy compliance requirements, that
17 that's meeting what customers are looking for.

18 Q. I suppose I should probably rephrase.

19 Did you identify whether those
20 190 megawatts were sufficient to meet customer needs
21 as it relates to reliability?

22 A. That was provided at the outset that the
23 PJM market is providing those opportunities. This is
24 based off of other findings including price
25 stability, price advantage, customer interests,

1 economic local job benefits.

2 MR. NUGENT: Could you reread the
3 witness's answer, please?

4 (Record read.)

5 MR. NUGENT: Thank you.

6 Q. (By Mr. Nugent) Thank you. And staying
7 with those 190 megawatts that we've been discussing,
8 those 190 megawatts are not provided by AEP Ohio at
9 present, correct?

10 A. They are provided by multiple different
11 sources.

12 Q. Okay. And would you happen to know the
13 number of customers in the AEP service territory, if
14 any, that generate their supply from those 190
15 megawatts solar capacity?

16 A. No.

17 Q. But it would be fair to assume that some
18 customers in the AEP Ohio service territory receive
19 supply from those 190 megawatts produced, correct?

20 A. Certainly.

21 Q. Okay. And given your understanding of
22 nonbypassable charges, you would agree that those
23 customers would be required to pay an additional
24 charge to support AEP's proposal even though they are
25 obtaining renewable energy from another provider?

1 A. No. I don't. The -- a payment for
2 either renewable energy credit compliance or a
3 payment for one's rooftop solar is not the same thing
4 as what is being proposed through the Renewable
5 Generation Rider. In my experience as Chair of the
6 Burlington Electric Commission in Vermont, we
7 typically look at project PPA proposals to assess
8 what the overall total costs are.

9 And in this analysis, over the life cycle
10 of 20 years of the projects, it ends up being a
11 \$31 million net benefit. So maybe the first couple
12 of years, but over the entire 20 years, no, I would
13 not agree with it. It's looked at as a totality of
14 costs.

15 MR. HEALEY: Your Honor, I move to strike
16 the reference to the net benefit. That was withdrawn
17 from her testimony and that's part of the testimony
18 in Phase II of AEP's witnesses and should not be
19 entered into the record here. Those pertain to the
20 specific benefits of the Highland renewable
21 proposals.

22 MR. NUGENT: Could you please repeat the
23 question I asked?

24
25 MS. BLEND: Your Honors, the \$31 million

1 number is the generic benefit that is in this case in
2 Mr. Torpey's testimony.

3 MR. DOVE: And it was not withdrawn from
4 her testimony.

5 MR. HEALEY: I apologize if I was
6 mistaken in that.

7 May I add one more thing?

8 EXAMINER PARROT: Do you still need us to
9 repeat that for you, Mr. Nugent?

10 MR. NUGENT: Please.

11 EXAMINER PARROT: Let's do that first.

12 (Record read.)

13 MR. NUGENT: Your Honor, I would move to
14 strike the witness's response as nonresponsive.

15 MR. DOVE: I would just respond that he
16 asked if they would be paying a charge, and I believe
17 in her answer she said maybe in the beginning but not
18 overall. And, therefore, it would be responsive.

19 EXAMINER PARROT: I agree, Mr. Dove. The
20 motion is denied.

21 MR. NUGENT: Thank you, your Honor.

22 MR. DOVE: Thank you, your Honor.

23 Q. (By Mr. Nugent) And according to your
24 testimony, AEP's solar energy proposal, if approved,
25 would result in a 200-percent increase of the

1 capacity from current levels, correct?

2 A. Yes.

3 Q. Okay. And do you have a copy of your
4 testimony in front of you? If you could turn to
5 page 19 and look at lines 9 through 14. Are you
6 there?

7 A. Yes.

8 Q. Okay. So you believe that by approving
9 AEP's solar proposal, the Public Utilities Commission
10 of Ohio will send a message that Ohio is open to the
11 business of in-state renewable development that saved
12 money and strengthens the Ohio economy, correct?

13 A. Yes.

14 Q. But based on what we've just discussed,
15 AEP proposes to enter into a contract to own 400 out
16 of a total of 590 megawatts of solar energy in Ohio,
17 correct? And I do want to clarify something. They
18 don't propose -- AEP is no not proposing to own it
19 but rather to enter into a PPA with other customers.

20 A. That's correct.

21 Q. Okay. And just -- I don't know if you
22 have a calculator handy, but that would be 68 percent
23 of the solar energy produced in Ohio, correct?

24 A. It's a different type of solar energy.
25 They are larger -- yes, that's correct, it would be

1 68 percent. I would caution that it's really only
2 taking it from like 1.4 percent of a total wind and
3 solar combination in the Ohio Power portfolio overall
4 though. So 68 percent, 200 percent, really we are
5 looking at 1 to 2 percent growth.

6 MR. NUGENT: Your Honor, I would like to
7 move to strike everything after the word "yes."

8 MR. DOVE: She was just clarifying her
9 answer. I think she can add context to what she's
10 saying.

11 EXAMINER PARROT: The answer will stand.
12 Go ahead, Mr. Nugent.

13 MR. NUGENT: Thank you.

14 Q. (By Mr. Nugent) Ms. Stebbins, given,
15 again, your understanding of nonbypassable charges
16 and what we've just discussed, you would agree that
17 AEP's solar proposal could potentially, again
18 "could," crowd out other types of renewable programs
19 and discourage private investment in renewable energy
20 development in Ohio, correct?

21 A. No, I don't agree with that. In my
22 experience, running a renewable energy trade
23 association, different businesses provide different
24 services. I would also like to add, you know, the
25 largest solar project I believe right now in Ohio is

1 at 20 megawatts. This is a different -- this is
2 front of the meter. It's providing price
3 suppression. It's a different animal and it's
4 provided by different business minds. The folks, the
5 88 solar installers in Vermont right now, they do a
6 lot of smaller mom and pops, 500 kW, something on
7 your rooftop. This is a different -- if anything, it
8 could be -- you could argue that it might bring in a
9 new type of generation provider.

10 Q. Ms. Stebbins, do you know how many
11 utility-scale solar projects are before the Ohio
12 Power Siting Board?

13 A. I know that it's increased significantly
14 and that there are some comments that that is
15 precisely in response to AEP Ohio's announcement that
16 they would be looking for 900 megawatts of
17 renewables.

18 Q. But you do not know the number of cases,
19 correct?

20 A. I know that it's increased significantly
21 in the last two years.

22 Q. Ms. Stebbins, I believe in your last
23 response you referenced the State of Vermont. You
24 are aware that the Ohio energy market is a
25 competitive market, correct?

1 A. Yes, I am.

2 Q. Okay. And you are aware, through a
3 competitive market, that there are renewable products
4 currently offered by competitive retail electric
5 suppliers here in Ohio?

6 A. Yes.

7 Q. And you're aware that competitive
8 electric retail suppliers currently offer products
9 that are bundled with renewable energy, correct?

10 A. Bundled, yes, but offering this type of
11 product, it's a different product.

12 Q. And in the course of preparing your
13 testimony, you did not evaluate the Public Utilities
14 Commission of Ohio's Apples to Apples website,
15 correct?

16 A. After you asked me this at the
17 deposition, I did pull it up and look at it so I
18 could be more informed.

19 Q. But prior to, in the course of preparing
20 your testimony, you did not review it, correct?

21 A. I did not.

22 MR. NUGENT: Thank you. I have no
23 further questions.

24 EXAMINER PARROT: Thank you, Mr. Nugent.

25 Mr. Dressel?

1 MR. DRESSEL: Thank you, your Honor.

2 - - -

3 CROSS-EXAMINATION

4 By Mr. Dressel:

5 Q. Good afternoon, Ms. Stebbins. I have a
6 few questions for you. I apologize if any of these
7 go into territory that was already covered by
8 Mr. Healey. I'll do my best to keep it different.

9 A. Thanks.

10 Q. Can you go to page 13 of your testimony,
11 please. Here you talk about the effect that these
12 solar projects will have on locational marginal
13 pricing or LMP?

14 A. Yes.

15 Q. To be clear, you took the information you
16 used to prepare this portion of your testimony from
17 the testimony of Company witness Ali?

18 A. Yes.

19 Q. And to come to his conclusions, you would
20 agree that Company witness Ali used what's called the
21 PROMOD model?

22 A. Yes.

23 Q. You were not involved in that analysis,
24 were you?

25 A. No.

1 Q. And you've never actually used the PROMOD
2 model in the course of your work, right?

3 A. Not the PROMOD model, no.

4 Q. So you can't offer any opinion as to
5 whether or not Mr. Ali correctly used that model?

6 A. No, I can say that when you have a
7 lower-priced power supply at LMP, it does reduce the
8 LMP price; so, directionally, I can say that this is
9 correct in my experience.

10 Q. But, Ms. Stebbins, to be clear, you
11 cannot offer an opinion as to whether Mr. Ali
12 correctly used the model that he used to come to his
13 conclusions.

14 A. I cannot.

15 Q. Could you next go to page 21 of your
16 testimony. I believe Mr. Healey discussed the
17 Consumer Reports survey that you talked about in this
18 portion of your testimony at line 5. Shortly -- or a
19 little bit below that, at line 8, you talk about a
20 survey done by the Pew Research Center. Do you see
21 that?

22 A. Yes.

23 Q. Again, you didn't perform this survey?

24 A. No.

25 Q. And as you testified earlier, you don't

1 have any sort of experience in economic analysis or
2 that sort of thing?

3 A. No. I do have some experience in
4 economic analysis. I'm not an economic expert.

5 Q. But you wouldn't consider yourself an
6 economist.

7 A. No.

8 Q. And you've not conducted this sort of
9 survey like the Pew survey that you talk about in
10 your testimony?

11 A. I have conducted surveys similar. I did
12 not conduct this one.

13 Q. And in your testimony, you don't discuss
14 whether this survey found whether or not customers
15 preferred their renewable generation from a
16 distribution utility compared to the private market?

17 A. Sorry, can you repeat that question?

18 Q. Sure. You don't -- you don't testify to
19 any survey results regarding customer preference for
20 who develops renewable generation, do you?

21 A. I do. I comment on the Navigant survey
22 and the fact that they particularly say they want AEP
23 Ohio to do it.

24 Q. I'm sorry, with regard to the Pew survey.

25 A. I don't remember if -- if it asks that

1 specific question.

2 Q. Well, it's not in your testimony whether
3 or not it asks that --

4 A. No, it's not in my testimony.

5 Q. So the only survey that you reviewed that
6 did look into that issue is the one offered by AEP,
7 right?

8 A. Yes.

9 Q. And AEP is the Applicant in this case?

10 A. Yes.

11 Q. You also, in your testimony, do not cite
12 any data on the amount of customers who actually
13 choose to pay for renewable generation given the
14 opportunity to do so, right?

15 A. Not in my testimony, no.

16 Q. So your testimony is focused on what
17 customers say in response to a question, rather than
18 how customers behave in practice.

19 A. Yes. However, in my experience, I can
20 say that I know many people who have opted to
21 purchase renewable energy and to pay more for it,
22 both within my experience chairing my local
23 municipalities as well as heading up the trade
24 association.

25 Q. But you didn't include any of that

1 experience in your testimony here.

2 A. No.

3 Q. And those people that you know who have
4 chosen to purchase this renewable energy have chosen
5 to do so through a competitive market.

6 A. Yes. In Massachusetts and New York
7 State, yes.

8 Q. Now, could you next go to page 17 of your
9 testimony. Looking at line -- starting at line 14,
10 you testify as to the likelihood of renewable
11 generation being developed in Ohio, absent approval
12 of AEP's application, right?

13 A. Yes.

14 Q. And you conclude that it is unlikely that
15 renewable generation would be developed in Ohio on
16 this scale, absent approval of AEP's application.

17 A. It appears unlikely, yes.

18 Q. And a large part of your basis for that
19 conclusion is looking at the amount of renewable
20 generation currently in Ohio, right?

21 A. That's one part. The other part is my
22 experience understanding the critical nature of a
23 long-term contract for renewable developers.

24 Q. But focusing on the first part, the part
25 where you, on page 18, Table 2, you provide a chart

1 showing Ohio's generation mix over time, right?

2 A. Yes.

3 Q. This chart looks at coal, gas, nuclear,
4 wind and solar, and then other, right?

5 A. Yes.

6 Q. So -- and you would agree, as of right
7 now, most of the wind and solar generation in Ohio is
8 from the private sector or competitive market, right?

9 A. I believe so, yes.

10 Q. So your chart goes back to 1990, right?

11 A. Yes.

12 Q. In 1990, there was no wind and solar in
13 Ohio's generation mix, right?

14 A. From this chart, yes.

15 Q. And, in fact, as recently as 2010 there
16 was no wind and solar in OH generation mix according
17 to this chart.

18 A. Yes.

19 Q. Then the first year on your chart that
20 renewable generation appears in Ohio's generation mix
21 is 2012, right?

22 A. Yes.

23 Q. At that point, renewable generation made
24 up .8 percent of Ohio's generation mix.

25 A. Yes.

1 Q. Then three years later, in 2015, it made
2 up 1 percent, right?

3 A. Yes.

4 Q. 1 percent is an increase of .2 percent
5 from .8 percent, right?

6 A. Yes.

7 Q. Or, put another way, an increase of 25
8 percent.

9 A. Yes.

10 Q. Then from --

11 A. 20 percent.

12 Q. .2 divided by .8 would be 25 percent,
13 right?

14 A. Yes. Sorry. I thought you were saying
15 between 8 to 10 percent. Go ahead.

16 Q. Sorry.

17 Then from 2015 to 2017, the amount of
18 renewable generation in Ohio's generation mix
19 increased to 1.4 percent, right?

20 A. Yes.

21 Q. Or an increase of 40 percent over just
22 two years.

23 A. Yes. I would add most of this increase,
24 again, is not achieving the larger-scale-projects
25 benefits that these projects potentially would

1 achieve.

2 MR. DRESSEL: Your Honor, we would move
3 to strike. There was no question pending when
4 Ms. Stebbins provided that answer.

5 MR. DOVE: I think she was just adding
6 context to her prior answer since a question wasn't
7 pending.

8 EXAMINER PARROT: And the answer will
9 stand.

10 Q. (By Mr. Dressel) Ms. Stebbins, you
11 believe that PJM wholesale markets are adequately
12 supplying capacity and energy to the AEP Ohio load
13 zone, right?

14 A. Yes.

15 Q. In fact, you would say there's currently
16 an overcapacity in the supply from the wholesale
17 market?

18 A. Yes.

19 MR. DRESSEL: Thank you. I have no
20 further questions.

21 EXAMINER PARROT: Thank you, Mr. Dressel.
22 Ms. Whitfield?

23 MS. WHITFIELD: No questions for this
24 witness.

25 EXAMINER PARROT: Mr. Stock?

1 MR. STOCK: No questions.

2 EXAMINER PARROT: Mr. Darr?

3 MR. DARR: Very briefly, your Honor.

4 - - -

5 CROSS-EXAMINATION

6 By Mr. Darr:

7 Q. You mentioned, in response to a question
8 to Mr. Dressel just now, that you are now aware there
9 is several utility-scale projects either approved or
10 pending in Ohio; is that correct?

11 A. Yes.

12 Q. And that's a change in position from your
13 deposition when we took your deposition, correct?

14 A. I -- after the deposition, I did go back
15 and do some more research so I had a better sense of
16 the overall state market.

17 Q. And so, you are aware now that there are
18 914.9 megawatts of capacity either approved or
19 pending before the Public Utilities Commission of --
20 excuse me -- the state -- the Ohio Siting Board
21 currently?

22 A. I couldn't have recalled the exact
23 megawatts but, yes, I was aware there was an
24 increase.

25 Q. And that the smallest of these projects

1 which is currently pending is 75 megawatts, the
2 larger is 170 megawatts, and that the largest
3 approved project is 150 megawatts, correct, if you
4 know?

5 A. I would not have remembered that.

6 Q. I also noted in your response to a
7 question by Mr. Dressel that you said that -- or that
8 you characterized that these -- these projects were
9 initiated in response to the AEP Ohio commitment to
10 search out renewables. I would like to know where
11 you learned that.

12 A. From discussion with various people in --
13 from Ohio who live here.

14 Q. Okay. And who are these various people
15 in Ohio that live here that provided you this insight
16 into what AEP -- what these developers were doing?

17 A. I did ask two or three people including
18 Dan Sawmiller, but it's generally more of a -- it's
19 more of a postulation.

20 Q. So it's your surmise; is that correct?

21 A. Yes.

22 Q. Now, in regard to your testimony, on
23 page 6, you indicate that you believe that the
24 economics of these projects are sufficiently
25 beneficial as to provide customers -- page 6.

1 MR. DOVE: Starting on line 2.

2 EXAMINER PARROT: Just the heading
3 remains.

4 Q. Earlier in your response to a
5 cross-examination question, you indicated that you
6 recognize that the value of the generic projects
7 was -- was positive for customers, correct?

8 A. Yes.

9 Q. That's all I needed.

10 And based on your testimony, it's your
11 belief that the Navigant report indicates that
12 there's some pent-up demand on the part of customers
13 for renewable resources, correct?

14 A. Yes.

15 Q. So turning to your testimony on page 17,
16 you list what I believe are six, now five reasons why
17 you believe that this pent-up demand will not be
18 satisfied by utility-scale projects, correct? Or
19 that the renewable resources won't be available?

20 A. I stated that it was highly unlikely,
21 yes.

22 Q. Okay. So let's turn to the first one
23 where you say that there -- while there are
24 increasing amounts of wind and solar in Ohio, overall
25 wind and solar remain a minimum part of the

1 portfolio. That's essentially descriptive of what is
2 in the current portfolio right now, correct?

3 A. Yes.

4 Q. So isn't that like saying that because I
5 personally have not had cancer, I will never have
6 cancer in the future?

7 A. No. I don't understand how that's like
8 that.

9 Q. Well, the current condition is that
10 the -- that renewables make up roughly 1.4 percent,
11 correct?

12 A. Correct.

13 Q. And as Mr. Dressel pointed out, it's been
14 expanding at a rate of up to 40 percent, correct?

15 A. Correct.

16 Q. And you are now aware there are
17 utility-scale projects, either approved or pending
18 before the Power Siting Board, to the tune of about
19 914 megawatts, correct?

20 A. That does not mean they will be built.

21 Q. I understand that, ma'am. It also
22 doesn't mean that I will get cancer in the next five
23 years, correct, even though I don't have it now.
24 Isn't that the point?

25 A. I don't understand the cancer analogy.

1 Q. Is there a chance I may have cancer in
2 the next five years?

3 MR. MENDOZA: Objection, that's
4 irrelevant.

5 MR. DARR: No, it's not. She's presented
6 a post hoc ergo argument and I am testing whether or
7 not she understands that.

8 MS. LEPPLA: And I would just object
9 because she has already stated she doesn't understand
10 the question.

11 MR. DARR: And I am trying to inquire --
12 I apologize for over-speaking.

13 MR. DOVE: I would also note that she has
14 listed several reasons and I believe that she would
15 expect them all to be taken into context as a whole
16 as opposed to just cherry picking one without the
17 other four.

18 MR. DARR: I've just started, your Honor.

19 EXAMINER PARROT: She's already said she
20 doesn't understand your cancer analogy, so.

21 MR. DARR: Well, let me try another
22 that's probably more practical, your Honor.

23 EXAMINER PARROT: Maybe a different one
24 will work better.

25 MR. DARR: Let me try a more practical

1 one.

2 EXAMINER PARROT: That would be good.

3 Q. (By Mr. Darr) Would you believe -- do you
4 believe that there is a demand for, let's say,
5 smartphones?

6 A. Yes.

7 Q. And if you were sitting in Apple's
8 position in 2006, would you conclude, when there was
9 a relatively limited penetration of smartphones,
10 would you believe that that existing level of
11 penetration of smartphones meant that you should not
12 get into the smartphone business?

13 A. Sorry, can you repeat that question?

14 Q. Sure.

15 You are sitting in 19 -- in 2006 and you
16 are looking at whether or not to get into the
17 smartphone business. There aren't a whole lot of
18 smartphones out there at that point, right?

19 A. Right.

20 Q. Okay. And you're Apple, and you make the
21 conclusion "I am not going to get into smartphones
22 because nobody has a smartphone." Would that be the
23 conclusion that you would draw?

24 A. It's certainly not the conclusion they
25 drew.

1 Q. Right. And that's because they
2 recognized there was pent-up demand for smartphones,
3 correct?

4 A. Correct. I guess.

5 Q. Just as there's pent-up demand for
6 renewable generation, correct?

7 A. There is pent-up demand for renewable
8 generation, yes.

9 Q. Very good.

10 The next item you point out as a basis
11 for there not being a likelihood of the development
12 of projects is that these projects would increase the
13 current level of renewable project development in
14 Ohio -- or that's a reason why -- well, let me go
15 back.

16 You state, as your second reason, "these
17 projects would greatly increase the current level of
18 renewable project development in Ohio." Are you
19 saying that's a reason why they wouldn't develop?
20 And if so, I'm confused. Could you explain that for
21 us, please?

22 A. It's a five-point argument. It's, first,
23 there is not a lot here. Second, if you did say yes
24 to this definition of need and say yes to the
25 opportunity of more renewables, that you would see

1 more. Third, that right now there's no requirement
2 or mandate for it through the AEPS. Fourth, in my
3 experience, just because a developer goes and starts
4 the siting process and collects permits, does not
5 mean they can get financing. It's why a long-term
6 contract is so critical. It's why restructured
7 retail-choice states like New York and Massachusetts
8 have allowed the Public Utilities Commission to
9 approve long-term contracts by their EDUs.

10 Q. I appreciate that exegesis of your five
11 points. I want to focus on No. 2.

12 A. Okay.

13 Q. No. 2 says "these projects would greatly
14 increase the current level of renewable project
15 development in Ohio." Why is that a factor that
16 precludes the development of projects in Ohio? Can
17 you -- what is the explanation for that?

18 MR. DOVE: Your Honor, I don't know that
19 the characterization "preclude development" is
20 appropriate. The question is what is the basis for
21 your statement, and that is one of the points of the
22 basis for her statement.

23 MR. DARR: I don't know what the
24 objection is, your Honor. I don't know how to
25 respond to that.

1 MR. DOVE: I just believe you
2 mischaracterized her testimony.

3 MR. DARR: Well, she can explain what her
4 testimony is, your Honor, which is exactly what I am
5 asking her to do, by the way.

6 THE WITNESS: I did just explain the five
7 points, sir, and you said don't do that, focus on the
8 second.

9 MR. DARR: I believe there is an
10 objection pending.

11 EXAMINER PARROT: To the extent you are
12 able to address the second part of this five-part
13 argument, please do so, Ms. Stebbins.

14 A. If I had only written just the second
15 argument, I don't think that would flow into the
16 overall package of points in the argument.

17 Q. Fine. Thank you.

18 The next item is that the AEPS -- AEPS,
19 or the renewable standards, do not require any
20 portion of the standard be met by renewable projects
21 within Ohio. Are you saying then that -- well, first
22 of all, you have already indicated that you're aware
23 that there was a requirement for some time for
24 renewable projects to be -- a portion of the
25 renewable standard to be in Ohio, correct?

1 A. Yes.

2 Q. And that legislation requirement was
3 removed, correct?

4 A. Yes.

5 Q. And the reason why -- do you know the
6 reason why the sponsor of that legislation included a
7 provision removing the renewable requirement or
8 in-state requirement?

9 A. I do not remember.

10 Q. Were you part of that process?

11 A. I was not.

12 Q. But you are aware there is sufficient
13 renewable resources already in the state to meet the
14 renewable standards for some extended period of time,
15 correct?

16 A. Yes, but the standard is a floor and the
17 customers want more.

18 Q. Ah, yes, we are back to the pent-up
19 demand.

20 The fourth reason, and this goes to that,
21 is that you -- as to why renewables will not develop
22 in Ohio is that you need to find creditworthy buyers,
23 correct?

24 A. Correct.

25 Q. And you indicate on page 19 of your

1 testimony at this point and the factors that you
2 would consider as to creditworthiness include a
3 counterparty with a sufficient credit rating and a
4 history of being in business and significant income
5 and assets, correct?

6 A. Those are some of the components that
7 make a creditworthy entity.

8 Q. And you are aware that AEP Ohio has
9 operating revenues of approximately \$2.9 billion in
10 2017?

11 A. Now I am.

12 Q. You weren't before?

13 A. That it was exactly 2.9? No. I knew it
14 was in high 2s.

15 Q. And you are aware that AEP has a credit
16 rating, AEP Ohio -- AEP Ohio has a credit rating of
17 A-minus with Standard and Poor's?

18 A. Okay. I was not.

19 Q. You were not aware of that before?

20 A. I was aware that it was high, yes.

21 Q. But not what it was, what it specifically
22 is currently.

23 A. I could not have remembered if you had
24 asked me right now.

25 Q. Well, do you know what their net

1 income -- what the AEP Ohio net income is reported to
2 be in 2017?

3 A. I cannot remember.

4 Q. Well, you're aware that Amazon, for
5 example, has engaged in renewable contracts here in
6 Ohio, correct?

7 A. Yes.

8 Q. And would you find that Amazon would be a
9 creditworthy counterparty?

10 A. Yes.

11 Q. In fact, are you aware that Amazon had
12 reported income of 2-1/2 billion dollars in the
13 second quarter alone in 2018?

14 A. I am not aware, but I am not surprised.

15 Q. And it has a debt rating of A-minus, are
16 you aware of that?

17 A. Now I am.

18 Q. Well, did you survey any of the companies
19 that have credit ratings that are B or better to
20 determine whether or not they were engaged in
21 securing, privately, contracts for renewable
22 resources in Ohio?

23 A. I'm not certain how this pertains to my
24 testimony exactly.

25 Q. Well, your testimony is that there is not

1 a market for utility-scale or other projects for
2 renewable resources, and I am just trying to figure
3 out -- here in Ohio, and I am just trying to figure
4 out why you would think that there are not
5 creditworthy counterparties, rather than Amazon, that
6 would be available to enter into contracts for
7 renewable resources.

8 A. In my testimony it actually says exactly
9 that there are larger businesses that can do this
10 size project, but that doesn't mean it's equitable
11 and fair that all of the other customers in AEP
12 Ohio's territory base can't also achieve the benefits
13 of these large-scale utility projects, and I don't
14 think most of those people can have that
15 creditworthiness and do these large projects?

16 Q. And it's fair to say there is nothing in
17 your testimony that indicates a single customer,
18 residential customer, has been denied the opportunity
19 for a -- for the purchase of either a renewable base
20 contract for -- through a CRES -- let me start again.

21 Is there anything in -- there is nothing
22 in your testimony, correct -- one more time.

23 There is nothing in your testimony that
24 indicates that there is a single Ohio Power customer
25 that has been denied the opportunity to purchase a

1 renewable product, is there?

2 A. You're making all renewable products the
3 same. This is a 20-year investment with an LMP
4 benefit. You're correct. Customers can choose to
5 purchase a small percentage of renewable energy
6 credit or do solar on their rooftop. Customers
7 broadly -- residential, PIPP, non-PIPP -- cannot
8 enter into a 400-megawatt, long-term, fixed-price,
9 with the fuel-diversity risk-mitigation aspect. They
10 can't do that. That is something that a larger
11 entity like AEP Ohio can do and then transfer all of
12 those benefits to all customers.

13 Q. Let me ask the question again.

14 Are you aware of a single residential or
15 small commercial customer that has been denied the
16 opportunity to buy a renewable product in conjunction
17 with their electric service?

18 A. I can't agree to that question. You're
19 mixing two different product types.

20 MR. DARR: Would you directly -- would
21 you direct the witness to answer my question, your
22 Honor?

23 EXAMINER PARROT: I think she's tried as
24 best she's able to respond, Mr. Darr.

25 MR. DARR: Your Honor, my question -- I

1 am going to read and ask you to consider this. My
2 question was: Is there anything in her testimony
3 that indicates that a customer has been denied the
4 opportunity to purchase a renewable product. It's
5 either yes or no. There is nothing confusing about
6 that question. And if she is refusing to answer the
7 question, then I ask that there be a -- an imputation
8 that the answer is no. That it's adverse to the
9 position that she's taking.

10 EXAMINER PARROT: Again, I think she's
11 answered to the best of her ability as she feels she
12 is able to.

13 MR. DARR: And then I ask that because
14 she has not answered the question, your Honor --

15 EXAMINER PARROT: I said she has answered
16 the question.

17 Q. (By Mr. Darr) Given that on an aggregated
18 basis, Ms. Stebbins, you believe that there is a
19 pent-up demand and that there is a means for a
20 contractor to construct a facility that meets that
21 demand in an economically-viable way, is it your
22 belief that a willing -- a willing set of customers
23 and willing set of -- and a provider will somehow not
24 come together in a competitive market here in the
25 State of Ohio?

1 A. For this size project, we have not seen
2 proof of that. For broad renewable products, yes. I
3 think they will come together.

4 Q. So, in effect, what you're saying, ma'am,
5 is that, at least for the time being, some basic laws
6 of supply and demand have been suspended, correct?

7 A. Yes. I think the market is not perfect.

8 MR. DARR: Thank you. Nothing further,
9 your Honor.

10 EXAMINER PARROT: Thank you, Mr. Darr.

11 Mr. McNamee.

12 MR. McNAMEE: One minor thing.

13 - - -

14 CROSS-EXAMINATION

15 By Mr. McNamee:

16 Q. Ms. Stebbins, how many customers does the
17 Burlington Electric Department have, more or less?

18 A. It's in the high like 60,000s.

19 MR. McNAMEE: Okay. Thank you. That's
20 all I need. Thank you.

21 EXAMINER PARROT: Ms. Blend?

22 MS. BLEND: Thank you, your Honor.

23 - - -

CROSS-EXAMINATION

By Ms. Blend:

Q. Ms. Stebbins, do you have in front of you what's been previously marked OCC Exhibit 12 which is the article you coauthored regarding "The Challenges of Comparing PV's Success to Efficiency"?

A. Yes.

Q. If you'll please turn back to page 2 of that exhibit. Do you recall earlier, when Mr. Healey asked you to read a sentence from the full paragraph of page 2 into the record, or asked you some questions about the sentence in the first full paragraph?

A. Asked me questions, yes.

Q. Okay. If you could please read to yourself, and not aloud, the two sentences in the quote in that paragraph that precede the sentence that you were asked about and let me know when you are finished.

MR. DARR: Your Honor, given that I don't have a copy of that, of the document, I mean, I have no way to assess whether I should object or not. Does counsel for OCC have any additional copies?

MR. HEALEY: I passed out all the ones I had.

1 MR. DRESSEL: Your Honor, I would object
2 as well. It appears that counsel for AEP is
3 attempting to refresh the witness's recollection.

4 EXAMINER PARROT: I don't think she's
5 done anything just yet so. Hold that for now.

6 Do we have a copy?

7 MR. HEALEY: I'm sorry, your Honor.

8 EXAMINER PARROT: You said you don't have
9 any copies?

10 MR. HEALEY: I don't have any additional.
11 I don't know if somebody could possibly share with
12 Mr. Darr. I apologize I didn't bring enough.

13 A. Can you repeat the question? Read the
14 quotation sentence?

15 Q. If you could please just read to yourself
16 the two sentences of the quote that precede the
17 sentence that Mr. Healey asked you questions about.
18 And let me know when you've finished.

19 A. Yes. I'm done.

20 Q. And you would agree that the quote that
21 was the subject of Mr. Healey's prior questioning
22 relates to approaches that rely solely on rebates,
23 correct?

24 A. Yes.

25 MS. BLEND: Thank you. No further

1 questions.

2 EXAMINER PARROT: Thank you, Ms. Blend.

3 Any redirect?

4 MR. DOVE: May I take a moment?

5 EXAMINER PARROT: You may.

6 MR. DOVE: May I take a moment?

7 EXAMINER PARROT: You may.

8 (Discussion off the record.)

9 EXAMINER PARROT: Any redirect, Mr. Dove?

10 MR. DOVE: No, your Honor. At this time,
11 we would just ask for the admittance of NRDC Exhibit
12 1.

13 EXAMINER PARROT: Are there any
14 objections?

15 All right. NRDC Exhibit 1 is admitted.

16 (EXHIBIT ADMITTED INTO EVIDENCE.)

17 EXAMINER PARROT: And Mr. Healey.

18 MR. HEALEY: Yes, your Honor. OCC moves
19 for the admission of OCC Exhibits 12 and 13. Thank
20 you.

21 EXAMINER PARROT: Any objections?

22 MS. BLEND: Yes, ma'am. AEP Ohio objects
23 to the admission of OCC Exhibit 13. Mr. Healey did
24 not establish any foundation with this witness for
25 the document, as I noted in my objection during the

1 examination. And, for that reason, it should be
2 excluded from the record.

3 MR. HEALEY: Your Honor, I would
4 reiterate there are questions on the record that the
5 witness answered with regard to this exhibit prior to
6 any objections from Ms. Blend, and so for completion
7 of the record and proper reference, it should be
8 admitted. Thank you.

9 MS. BLEND: If I could just briefly
10 respond, your Honor. The questions Mr. Healey asked
11 about the document, at the top of page 10, provided a
12 graph of NOx total emissions and emission rates and
13 that there was a long list of utilities at the bottom
14 of the page and about the 20th from the top is AEP.
15 After that point, I objected.

16 EXAMINER PARROT: All right. The
17 Company's not objecting to OCC Exhibit 13 -- I'm
18 sorry, 12, correct?

19 MS. BLEND: Correct.

20 EXAMINER PARROT: Let's admit that one.

21 (EXHIBIT ADMITTED INTO EVIDENCE.)

22 EXAMINER PARROT: All right. And based
23 on the witness's testimony that she was not familiar
24 with the document or had previously seen it, I am
25 going to deny the request for admission of OCC

1 Exhibit 13.

2 With that, let's take a lunch recess.

3 We'll reconvene at 2:15. Thank you, all.

4 (Thereupon, at 1:39 p.m., a lunch recess
5 was taken.)

6 - - -
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1060

Friday Afternoon Session,
January 18, 2019.

- - -

EXAMINER SEE: Let's go on the record.
Mr. Nourse. Ms. Blend.

MS. BLEND: Yes, thank you, your Honor.
The Company calls Dr. Stephen Buser.

(Witness sworn.)

EXAMINER SEE: Thank you.

MS. BLEND: Your Honor, I would like to
mark as AEP Exhibit 12, the Direct Testimony of
Stephen Buser on Behalf of Ohio Power Company, filed
September 27, 2018.

EXAMINER SEE: So marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

EXAMINER SEE: Thank you.

- - -

STEPHEN BUSER, Ph.D
being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT EXAMINATION

By Ms. Blend:

Q. Good afternoon, Mr. Buser.

A. Good afternoon.

Q. Will you please state and spell your name

1 for the record.

2 A. Stephen Buser, B-u-s-e-r.

3 Q. And, Dr. Buser, by whom are you employed
4 and in what capacity?

5 A. I'm retired but I'm currently a Professor
6 Emeritus at the Fisher College of Business at Ohio
7 State University.

8 Q. And you were retained by AEP Ohio to
9 prepare direct testimony in connection with this
10 proceeding, correct?

11 A. Yes.

12 Q. And do you have before you a copy of your
13 direct testimony which has been marked as AEP Ohio
14 Exhibit No. 12?

15 A. Yes.

16 Q. Was this testimony prepared by you or
17 under your direction?

18 A. Yes. Together with my coauthor for the
19 study.

20 Q. And do you have any corrections or
21 changes to your testimony at this time?

22 A. Yes. Unfortunately, I've caught one
23 typographical error. Page 11 of 38.

24 Q. Of Exhibit SB/BL-1?

25 A. Yes. The Section B, Commercial Activity

1 Taxes, the third line, we say "\$15,000." It should
2 have been "\$150,000." For that, I apologize.

3 Q. Dr. Buser, is that your only correction?

4 A. Yes.

5 Q. And if I were to ask you the questions
6 contained in your prefiled testimony today, would
7 your answers be the same?

8 A. Yes. With one potential exception or
9 clarification. We received many interrogatories and
10 we responded to those as well.

11 MS. BLEND: Okay. Thank you, Dr. Buser.

12 At this time, the Company moves for the
13 admission of AEP Ohio Exhibit 12, subject to
14 cross-examination.

15 MR. DARR: Your Honor, we would request
16 to do a voir dire of the witness before we proceed.

17 EXAMINER SEE: Mr. Darr.

18 MR. DARR: Yes, your Honor. Thank you.

19 - - -

20 VOIR DIRE

21 By Mr. Darr:

22 Q. Dr. Buser, you are one of the coauthors
23 of the study that's been attached to your testimony,
24 correct?

25 A. Yes.

1 Q. And in preparation for this -- this
2 testimony, you prepared it by reference to what's
3 called the RIMS II methodology; is that correct?

4 A. Yes.

5 Q. And could you explain, for the record,
6 what the RIMS II methodology is?

7 A. Yes. It's an analysis based on -- an
8 economic analysis based on a specific region and
9 across various industries.

10 Q. As I understand the approach, there are
11 three fundamental components to this approach. The
12 first is to identify model inputs, then to
13 identify -- well, let me rephrase it.

14 You identify a final demand change, a
15 final demand industry, and a final demand region; is
16 that correct?

17 A. I guess in general that's correct. But
18 in this particular case the region we were talking
19 about was Ohio.

20 Q. Okay. That answers my third question. I
21 want to go back to my first question.

22 A. Okay.

23 Q. The final demand change is what? Could
24 you explain to us what that is?

25 A. Well, there are three components of final

1 demand. One is what we call the direct effect and
2 second of all is the indirect effect and the third is
3 the induced effect.

4 Q. Okay. And the first component of the
5 final demand change, the direct effect, could you
6 describe for us what that component consists of?

7 A. That consists of the construction or
8 operation of a new project.

9 Q. Okay. And for this particular study, the
10 new project consisted of two solar facilities; is
11 that correct?

12 A. Yes.

13 Q. And one of those solar facilities was
14 identified as the Willowbrook facility; is that
15 correct?

16 A. Yes.

17 Q. And one of those facilities was referred
18 to as the Hecate facility?

19 A. I am not sure how you pronounce it but
20 yes.

21 Q. H-e-c-a-t-e?

22 A. Yes.

23 Q. Now, with regard to those two facilities,
24 you had to estimate labor components and construction
25 components; is that correct?

1 A. I don't know if we had to but that's what
2 we did, yes.

3 Q. Okay. And to estimate the change in
4 labor component, what did you use?

5 A. We used the same RIMS multipliers.
6 That's one of the functions of that. It identifies
7 those as well.

8 Q. In terms of -- did you have to identify a
9 component of salaries or some numeric component that
10 went into the model?

11 A. Yes, and we also did -- should have noted
12 that we provided -- we asked AEP for certain costs
13 for the project. And they provided those to us.

14 Q. Okay. And when you are talking about
15 costs, you're talking about labor costs and
16 construction costs?

17 A. Yes.

18 Q. And these were specific to both
19 Willowbrook, these were specific to the Willowbrook
20 project; is that correct?

21 A. That's my understanding, although my
22 coauthor for the study carried out those, so he may
23 correct me, but that's my understanding, yes.

24 Q. And you used -- similarly, you used the
25 costs of the Hecate project to determine the

1 construction and labor inputs; is that correct?

2 A. Again, with the same qualification that
3 if -- that my coauthor can correct me if I'm mistake.
4 That's my impression, yes.

5 Q. As I understand it, there is the
6 potential for error associated with the RIMS II model
7 inasmuch as the general inputs may be too general and
8 result in either an overstatement or understatement
9 of the net effects; is that correct?

10 A. In any economic analysis, that's correct,
11 yes.

12 Q. And so, as a check on that, am I correct
13 that rather than applying the general construction
14 multiplier to the control -- to the total
15 construction costs and the general electric
16 generation multiplier to the total output, I assume
17 here you mean output of the plant, the specific
18 purchases made within Ohio and the construction and
19 operating budgets are related to multipliers relevant
20 to the industries supplying those goods and services,
21 correct?

22 A. Yes.

23 Q. And finally, because you were concerned
24 about the input data, you emphasized to AEP that the
25 accuracy of the budgeting data had to be as accurate

1 as possible, correct?

2 A. I don't recall that specific discussion,
3 but that makes sense, yes.

4 Q. And you worked closely with AEP staff as
5 they acquired budgeting data from the developers; is
6 that correct?

7 A. I don't know how closely we worked with
8 them but they provided that information to us, yes.

9 Q. And you understood that information was
10 coming from the developers; is that correct?

11 A. Again, I will defer that to my coauthor
12 for the study. He worked with AEP on those -- for
13 that data. He collected that data for us.

14 MR. DARR: If I may, your Honor, I would
15 like to have marked as IEU Exhibit, I think I'm up to
16 13.

17 EXAMINER SEE: 13.

18 MR. DARR: I apologize to the parties,
19 but I only have six copies of this one.

20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 Q. (By Mr. Darr) Mr. Buser, I handed -- or
22 Dr. Buser, excuse, me I have handed you what's been
23 marked as IEU No. 12.

24 EXAMINER SEE: 13, IEU 13.

25 Q. Could you identify that for us, please?

1 A. I'm sorry. What do you want me to do?

2 Q. Would you identify what it is?

3 A. It's the 12th set of interrogatories that
4 we received.

5 Q. And it includes your response, does it
6 not?

7 A. Yes, together with my coauthor, both of
8 us.

9 Q. Right. So you adopted the response of
10 your coauthor in this response; is that correct?

11 A. Yes.

12 Q. And would you turn to the -- to the last
13 paragraph on the second page.

14 A. Yes.

15 Q. And it indicates -- does that help
16 refresh your recollection in terms of the contacts
17 made with the developers?

18 A. Well, again, I don't dispute that, but
19 that -- my coauthor did that interaction with AEP.

20 Q. Okay. And it indicates that AEP was
21 working directly with the developers of the projects,
22 correct?

23 A. That's what it states, yes, and I have no
24 reason to dispute that.

25 Q. As part of your process, did you also

1 review the contracts associated with the Hecate and
2 Willowbrook projects?

3 A. I did not, no. Perhaps my coauthor did,
4 but I did not.

5 MR. DARR: You are not aware of that,
6 okay.

7 For purposes of my voir dire, that
8 completes it. I don't know if other parties have any
9 other questions with regard to Dr. Buser before we
10 move on.

11 EXAMINER SEE: Thank you.

12 MR. DARR: Given that loud silence, then
13 I would move to strike the testimony of Dr. Buser
14 and, by implication, the testimony of Dr. LaFayette
15 as well on the grounds that it relates specifically
16 to the construction, operation, and benefits of the
17 two specific projects identified in the second phase
18 of this proceeding; or in lieu of striking that
19 testimony, to defer it until the second phase, per
20 your Order on Tuesday, indicating that to the extent
21 a party is trying to get at specific projects that
22 have been proposed, that will be addressed in the
23 second phase of this case as proposed by the Company.
24 The intention here being -- the intention there was
25 to defer those issues to the second phase.

1 Based on that, your Honor, I would ask
2 that these two witnesses, while we appreciate their
3 testimony and willingness to be here this week, that
4 their testimony be deferred until the second phase or
5 that it be struck from this proceeding, this phase of
6 the proceeding.

7 MR. COLLIER: OCA joins.

8 MS. WHITFIELD: Your Honor, Kroger joins
9 as well, and I would also note since your Honors'
10 entry or explanation or clarification on the first
11 day of the hearing, we've been progressing under that
12 theory with all the witnesses. As you saw this
13 morning, NRDC voluntarily withdrew all information
14 related to the specific projects. Ms. Blend, in her
15 cross of Ms. Stebbins, in response to an objection,
16 said the 31 million was a generic amount and not tied
17 to any specific projects. And, thus, since it was
18 generic, it was allowed in this case.

19 Mr. Mendoza argued this morning, against
20 my motion to strike Mr. Goggin's testimony, that this
21 court previously ruled testimony on a generic basis
22 was allowed and that there was nothing specific about
23 his witness's testimony.

24 Consistent with this court's rulings and
25 the way we've been progressing, we would request also

1 that Mr. Buser's testimony and the report and
2 Mr. LaFayette be stricken or deferred to Phase II.

3 MR. DOVE: Your Honor, I would note that
4 NRDC did withdraw certain portions. We did not
5 withdraw portions that were relying on Witness Buser
6 or LaFayette under the expectation that given your
7 previous order, they would be included and admitted
8 into the record.

9 MR. NUGENT: IGS and IGS Solar join the
10 motion of Mr. Darr and Ms. Whitfield.

11 MR. HEALEY: OCC joins as well in the
12 motion to defer these witnesses to Phase II
13 consistent with the Attorney General's previous
14 rulings. Thank you.

15 MS. BLEND: May I respond, your Honor?

16 EXAMINER SEE: Yes.

17 MS. BLEND: Thank you.

18 The Attorney Examiners have already ruled
19 that Dr. Buser's and LaFayette's testimony is
20 relevant to and can be presented in this need phase
21 of the proceeding. They made that ruling on
22 January 14 in response to intervenors' motion in
23 limine seeking to exclude that testimony on the
24 grounds that it was irrelevant.

25 This is essentially another bite at that

1 apple by intervenors and the testimony is
2 distinguishable from the quote-unquote second phase
3 testimony that has been excluded so far in this phase
4 of the case. The intervenor testimony that was
5 deferred previously encompassed substantive analysis
6 regarding the request for proposals that led to the
7 execution of the REPAs, the specific terms and
8 conditions, the cost of the REPAs, the cost recovery
9 proposals, and the Green Tariff addressed in the
10 second phase in the rider cases.

11 Attorney Examiner Parrot clarified at the
12 hearing, on the 15th, that to the extent parties are
13 seeking to question the Company's witnesses about the
14 case and the economic analysis that was presented
15 there with respect to a need for generic
16 900 megawatts of unspecified projects, those
17 questions are permitted.

18 This testimony and the study that
19 Dr. Buser and LaFayette sponsor falls into that
20 category.

21 Initially, a significant portion of
22 Dr. Buser's testimony and the study that the
23 witnesses jointly authored relates to an evaluation
24 of social benefits of access to clean energy
25 generally and is not specific to the REPAs or to the

1 projects.

2 With respect to the economic impact
3 analysis discussed in both witnesses' testimony and
4 the study, while it, like AEP Ohio's Witness Ali's
5 testimony, references the two projects and used the
6 two projects as a starting point for modeling, it did
7 not substantially analyze the RFP, the REPA terms and
8 conditions, or rate or tariff-related issues. It
9 utilized general location, sizes of the project, and
10 general information that I believe Dr. Buser and
11 LaFayette would testify they would expect to be
12 comparable to any solar project of these sizes in
13 Ohio in order -- as inputs for their modeling.

14 And in fact, Dr. LaFayette's testimony
15 makes clear that specific REPA term-related benefits
16 like the jobs commitment and the Hecate REPA that is
17 the subject of the second phase of the proceeding are
18 in addition to the analysis provided in the study.

19 So, in summary, the evidence is of a more
20 general nature than the specific intervenor testimony
21 that was excluded or deferred in the January 14
22 entry, and consistent with your Honors' prior rulings
23 thus far in this case, including the January 15
24 clarification and the January 16 ruling denying a
25 similar motion -- a similar motion to strike

1 Mr. Ali's testimony, the motions to strike Dr. Buser
2 and LaFayette's testimony, or to defer the testimony,
3 should be denied. Thank you.

4 MR. DARR: Brief response?

5 EXAMINER SEE: Briefly.

6 MR. DARR: Ms. Blend's argument is kind
7 of like saying I stubbed my big toe, but the rest of
8 my foot is just fine. What we've got here is a
9 situation where clearly based on Dr. Buser's
10 testimony, the analysis is based on the two projects
11 which have been specifically deferred to the later
12 phase.

13 The fact that there was a prior ruling
14 here is not binding. First of all, it's a motion in
15 limine, and it's not binding in that regard. Second
16 of all, there was not the evidentiary basis
17 established for the motion that has been done by the
18 voir dire in this instance.

19 Finally, your Honor, there is a little
20 problem called the law -- or the rule of the case.
21 The rule of the case here is that we're going to
22 defer to the second phase the specific materials
23 with -- the materials that are specific to the two
24 projects. We've been told that repeatedly. Parties
25 have acted on that. Parties have reacted to that.

1 But the bottom line of it is the
2 consistency is apparent, it is real, and it is --
3 while unfortunate, it is a creation of AEP Ohio which
4 decided to try to rope in the two projects without
5 including them as part of their initial case.

6 If there is any prejudice here, the
7 prejudice falls on the intervenors who are now forced
8 to dance to two tunes simultaneously and that is not
9 proper, and in this case the evidence should be
10 excluded.

11 MS. BLEND: Your Honor, what I haven't
12 heard articulated is how there is any prejudice
13 associated with using budgets for two utility-scale
14 solar projects as the inputs for an economic
15 development model that generally provides what we
16 might expect would be the -- the economic impacts of
17 projects of this size in Ohio, or in this area of
18 Ohio.

19 Again, we're not talking -- Dr. Buser and
20 LaFayette did not utilize any of the specific terms
21 from the REPAs, as Dr. LaFayette's testimony explains
22 with respect to the jobs commitment from the Hecate
23 REPA, and as Dr. Buser testified a moment ago in
24 response to Mr. Darr's voir dire, he has not even
25 reviewed the REPAs.

1 So, you know, I think it is consistent
2 with the law of the case in this case that general
3 reliance upon the two projects as a proxy or a
4 starting point for analysis is appropriate and
5 permissible and that this does not rise to the level
6 of substantive analysis of the specific terms of
7 REPAs whose cost recovery the Company is seeking in
8 the second phase of the proceeding.

9 MR. HEALEY: Your Honor, if I may address
10 the prejudice issue, the testimony that's being
11 submitted by the Company here is purporting to create
12 a record on the benefits of these specific projects
13 to the State of Ohio. OCC and other intervenors
14 sought to include testimony about the costs of those
15 exact same projects, so we're getting a one-sided
16 record where all the benefits that the Company is
17 claiming are in the record, and the various costs
18 that would offset some of those benefits that all the
19 other parties are trying to put in, we're getting
20 told no, no, that comes in Phase II.

21 So that's the direct prejudice to our
22 clients and to our position and to other intervenors
23 who have made those same points; so the idea there is
24 no prejudice here, that's false.

25 MS. BLEND: Again, your Honors, we're not

1 seeking the approval of the two projects whose costs
2 OCC's witnesses may have addressed in their testimony
3 that was deferred in this phase of the proceeding.
4 We are seeking a finding of need for renewable
5 resources, and this study well supports the generic
6 need even though one of its predicates was some
7 information that relates to the two projects that
8 happen to be the subject of the Phase II
9 project-specific filing.

10 MS. LEPPLA: Your Honor, if I may, AEP
11 has a right to make their case on the finding of
12 need. If they choose to include benefits that are
13 not directly economic as the opposed intervenors wish
14 to do, they have the right to make that case. That's
15 what they are doing here and that's what these two
16 witnesses are doing and so we support AEP on this.

17 EXAMINER SEE: We are going to take a
18 minute.

19 Let's go off the record and take a
20 minute.

21 (Recess taken.)

22 EXAMINER SEE: Let's go back on the
23 record.

24 After a great deal of discussion and some
25 debate, considering all the arguments of the parties,

1 the Bench has determined that your motion to strike
2 the testimony of Mr. Buser and Mr. LaFayette are
3 denied based primarily on the arguments raised by AEP
4 Ohio and consistent with the January 14 Entry.

5 MR. HEALEY: Your Honor, I apologize.
6 The motion to defer to Phase II is similarly denied
7 for the same reasons?

8 EXAMINER SEE: Yes, it is.

9 MR. HEALEY: Thank you, your Honor.

10 MS. WHITFIELD: Your Honor, would you
11 entertain a few more motions to strike?

12 EXAMINER SEE: Sure.

13 MS. WHITFIELD: I'LL try to be relatively
14 quick.

15 First of all, because I viewed that
16 initial motion to strike or defer based on the law of
17 the case arguments and not a relevancy argument, I do
18 want to note for the record our standing objection
19 and motion to strike this type -- this information on
20 a relevancy ground because it has no impact or no
21 bearing on a need determination. I know you've ruled
22 on that many times but I just want to preserve that.

23 EXAMINER SEE: Okay. So noted.

24 MS. WHITFIELD: And then if we could look
25 specifically at Mr. Buser's testimony page 6, line 8,

1 through page 9, line 2, Mr. Buser testifies about
2 mining deaths which is irrelevant to this proceeding.
3 This is not a hearing about coal plants or oil or gas
4 or the inherent dangers of working in mining. This
5 is simply about need.

6 And so, we would move that on both
7 relevancy and Rule 602, that this be struck. Mr.
8 Buser -- Dr. Buser, my apologies, is not an
9 economist. He has no personal knowledge about public
10 health benefits and other issues that I am going to
11 go into. So that's my first motion to strike.

12 EXAMINER SEE: Do you have another?

13 MS. WHITFIELD: Yes. Do you want me to
14 do them all?

15 EXAMINER SEE: Go ahead.

16 MS. WHITFIELD: Page 9, lines 3 to 10,
17 Mr. Buser's testifying about the quote "measures of
18 well-being" which are irrelevant to these projects or
19 the general need of the 900 megawatts that is the
20 focus of this proceeding.

21 EXAMINER SEE: I'm sorry. Repeat that
22 for me again.

23 MS. WHITFIELD: It page 9, lines --

24 EXAMINER SEE: Line 3 through 10?

25 MS. WHITFIELD: Yes. I have that -- no.

1 That one is -- that one is line 13 through page 10,
2 line 5. The "Improved Standard of Living." I have a
3 different basis for page 9, lines 3 to 10. This is
4 where he testifies about women in the energy field
5 which is completely irrelevant to renewable projects
6 and the need for 900 megawatts. It's misleading,
7 prejudicial, and personally a little offensive.

8 And I have one more if you're ready. Are
9 you ready?

10 EXAMINER SEE: Yes.

11 MS. WHITFIELD: Page 10, line 6 to 21,
12 Mr. -- Dr. Buser testifies about the ongoing opioid
13 crisis and concludes "...there might very well be an
14 indirect link between improved standard of living and
15 a reduction in the nature and extent of the opioid
16 problem...." Again, that has nothing to do with the
17 need of 900 megawatts of renewable energy. Under
18 rule 402 and Rule 602, we would move that those
19 portions of his testimony be stricken.

20 MR. DARR: IEU would join in the motion
21 and add to that the related pages of the report which
22 includes page 14 of 38 through 20 of 38. These are
23 the parts of the report related to the sections that
24 counsel for Kroger has identified as being
25 irrelevant.

1 MR. COLLIER: OCA joins in the motions.

2 MR. NUGENT: IGS and IGS Solar also join
3 in the motions.

4 MS. WHITFIELD: And then I have more that
5 are along the lines of what Ms. Bojko and Mr. Dressel
6 did earlier today. I want to respect your Honors, I
7 know what your ruling is going to be, but just for
8 preservation of the record, can I just list out?
9 These would be various sections that relate to
10 footnotes in which they're not involved, where they
11 either are inadmissible hearsay, lack of foundation,
12 and lack of personal knowledge. I know you rejected
13 those arguments in the past, but I do just want to
14 put it on the record and the specific citations.

15 EXAMINER SEE: Let's first get these
16 motions -- these portions to strike out of the way.

17 MS. WHITFIELD: That's fine.

18 EXAMINER SEE: So response, Ms. Blend?

19 MS. BLEND: Yes, your Honor. Thank you.
20 I think, once again, we're back to a discussion of
21 the ultimate merits question of this case. That's
22 within the Commission's discretion to decide which is
23 what constitutes need for purposes of
24 4928.143(B)(2)(c). As was briefed in the motion in
25 limine briefing, as has been argued repeatedly over

1 the last several days, the Company believes that all
2 of the benefits associated with locating 400
3 megawatts of solar in Ohio, utility-scale solar in
4 Ohio, should be considered by the Commission in
5 making a determination, including the social impact
6 benefits that Dr. Buser discusses.

7 With respect to the argument that there's
8 a lack of personal knowledge or lack of foundation
9 for the testimony, that's not -- there's no basis for
10 that assertion. There was no deposition taken of
11 Dr. Buser. There's been no questioning. So it's
12 speculative at this point to conclude he does not
13 have personal knowledge of or foundation for his
14 opinion. And it's unfair to narrowly limit him or
15 box him in as one type of economist because he has
16 not even been questioned about what his experience
17 and expertise and what analyses he has done in the
18 past comprise.

19 So, for those two reasons, the Company
20 submits that the testimony should stand. The
21 Commission has the discretion to give it the weight
22 that the Commission determines it should be given in
23 connection with the overall assessment of whether the
24 Company has demonstrated need. And it's my
25 understanding that I -- we are not discussing any

1 hearsay or other arguments related to the footnotes
2 at this time, so I will reserve any response to
3 those.

4 EXAMINER SEE: That's correct, Ms. Blend.

5 MS. BLEND: Thank you.

6 MS. WHITFIELD: If I could just respond
7 for just one moment.

8 Referencing the opioid crisis or the
9 improvement of women in the industry in the light of
10 the "MeToo" context going on right now is
11 inflammatory and has little -- zero bearing on the
12 issues before this court and it's just meant to be a
13 catchy tagline. There's not even any reference to
14 renewables. If you look at their section on the
15 opioid crisis, for example, there's nothing about
16 renewable products there.

17 MS. BLEND: If I could just respond
18 briefly further. I think that the public hearing in
19 this case and the customers and the residents and
20 those who work in Appalachian Ohio, who testified on
21 the record in the public hearing, expressly refute
22 the assertion that the opioid crisis and the local
23 economy and whether there is access to jobs is
24 irrelevant here.

25 EXAMINER SEE: Okay. Thank you, both.

1 Thank you.

2 MS. BLEND: Thank you.

3 EXAMINER SEE: The motions to strike
4 Mr. Buser's testimony as well as portions of the
5 report are denied.

6 Ms. Whitfield, your other motions?

7 MS. WHITFIELD: Yes, your Honor. Do you
8 want me to list out them one at a time or do you want
9 me to just list them in whole and note that I am
10 reserving that we made this objection? How would you
11 like us to proceed? We can do them one at a time if
12 you would like, but . . .

13 EXAMINER SEE: You can -- go ahead. One
14 at a time.

15 MS. WHITFIELD: Okay. Page 5, lines 19
16 to 22 that relate to Footnote 1. Again, for the
17 reasons that have been cited numerous times before
18 this is -- he is citing a source on IRENA, Renewable
19 Energy Benefits. There's no foundation or reference
20 to Dr. Buser being involved in that or having any
21 personal knowledge or foundation on that, so. Do you
22 want to take them one at a time or do you want me to
23 proceed?

24 EXAMINER SEE: No.

25 MS. WHITFIELD: Page 6, lines 10 to 14,

1 it's the testimony that relies upon Footnotes 2 and
2 3. Again, those are fact sheets and websites that
3 there's no showing that he's the author of, that he
4 has personal knowledge of, or that is anything other
5 than inadmissible hearsay.

6 Page 7, lines 1 to 5, that also relates
7 to Footnote 3 for the same reasons I just cited.

8 Page 7, line 13 to page 8, line 5, that's
9 testimony that relates -- or that relies upon
10 Footnote 4 as a source. Again, for the same reasons
11 I've cited before. There's a lack of foundation and
12 lack of personal knowledge showing as to that source.

13 Page 8, lines 9 to 12, I'll just note
14 that relies on Footnote 3 which we've already
15 referenced.

16 Page 8, line 21, to page 9, line 2,
17 Footnotes 5 and 6, one of them is the World Health
18 Organization news release, press release, and the
19 other one is something by Fabio Caiazzo. Again, he
20 is not -- I don't see Dr. Buser listed as an author
21 in that document.

22 Page 9, lines 4 to 7, for the same
23 reasons I cited on Footnote 1. It refers to Footnote
24 1.

25 Page 9, line 16 to 18 -- no, actually

1 strike that one.

2 Page 10, lines 6 and 7 and then at 9 and
3 10, that testimony relies upon Footnotes 8 and 9.
4 Footnote 8 is an NBC News coverage regarding the
5 opioid addiction. And Footnote 9 is a source from
6 the CDC in which Dr. Buser is not an author or --
7 have any involvement with that.

8 That's it, your Honor.

9 EXAMINER SEE: Thank you, Ms. Whitfield.

10 And as you indicated, consistent with our
11 prior ruling, it's denied.

12 MS. WHITFIELD: Thank you, your Honor.

13 EXAMINER SEE: Now, any cross for this
14 witness?

15 Mr. Dove?

16 MR. DOVE: No, your Honor. Thank you.

17 EXAMINER SEE: Ms. Leppla?

18 MS. LEPPLA: No, your Honor. Thank you.

19 EXAMINER SEE: Mr. Kurtz?

20 MR. KURTZ: No cross.

21 EXAMINER SEE: Mr. Healey?

22 MR. HEALEY: Yes, your Honor.

23 - - -

24

25

CROSS-EXAMINATION

By Mr. Healey:

Q. Good afternoon. I would like to begin with a hypothetical. It has just two assumptions so I think it should be easy to follow. The first assumption is that the PUCO rejects AEP's proposal in this case. And the second assumption is that the 400-megawatt solar projects get built anyway, with no involvement from AEP. Do you understand those two assumptions?

A. I think so. Can you repeat them?

Q. Sure. The first one is that the Public Utilities Commission of Ohio rejects AEP's proposal in this case. And the second one is that the 400-megawatt solar facilities get built anyway with no involvement from AEP.

A. In the same locations?

Q. Yes.

A. Okay.

Q. With those two assumptions, and everything else the same in your analysis, you would agree that the economic impact from the projects that get built without AEP would be the same as the projects that you have projected, correct?

A. I would probably have to deliberate it a

1 little longer, but my first response would be yes,
2 that sounds reasonable, but I would have to
3 double-check all the inputs.

4 Q. Let's turn to page 15 of the report,
5 please, which is the Exhibit SB/BL-1.

6 MS. BLEND: Just for the record, when you
7 say page 15, do you mean page 15 of 38 as noted on
8 the exhibit?

9 MR. HEALEY: Sorry. Yes. I am going to
10 be referring to the pages at the top that says page
11 15 of 38 as opposed to the page numbers right below
12 that that are slightly different. So if I say "page
13 15," I mean page 15 of 38.

14 THE WITNESS: Oh, okay. Yes.

15 MR. HEALEY: Thank you.

16 Q. So on page 15 of 38 of Exhibit SB/BL-1,
17 there's a subheading "B. Public Health Benefits." Do
18 you see that?

19 A. Yes.

20 Q. And in the first paragraph you cite
21 various statistics related to injuries in the oil,
22 gas and coal mining industries, do you not?

23 A. Yes.

24 Q. Why did you cite these statistics in your
25 report?

1 A. Well, we're discussing public health
2 benefits of the renewable energy sources; so offering
3 a contrast between current and potential future.

4 Q. So are you suggesting that as a result of
5 building AEP's proposed solar projects, there will be
6 smaller number of hours worked in the oil, gas, and
7 coal mining industries?

8 A. Not necessarily. As previous witnesses
9 have testified, Ohio is a major importer of energy
10 sources. So it's conceivable that we would have a
11 different combination of the mix, so. Other states
12 might lose jobs, not necessarily within Ohio.

13 Q. Okay. So it's your testimony that there
14 would be no reduction in jobs or reduction in hours
15 in the oil, gas, and coal mining industries in Ohio
16 as a result of those proposed renewable projects?

17 A. We are not aware of any reductions. AEP
18 did not identify any reductions, potential. And the
19 construction, most of the jobs related to
20 construction, which are temporary, only 51 jobs would
21 be continuing, so it's difficult to imagine there
22 would be any significant reduction in -- in coal or
23 coal mining or oil extraction.

24 Q. So, for the same reason, there would also
25 be no impact on the number of job-related industries

1 in those fields, correct?

2 A. Well, not in the short term. And again,
3 I don't want to get into debate over short-term
4 versus long-term need, but in the longer term, as we
5 identified in the report, the resources are finite
6 coal mining resources and the oil extraction
7 resources are -- oil and gas extraction are finite;
8 and so, over time, we would expect there to be a
9 decrease in that delivery system.

10 Q. And as a result of that decrease, you
11 would expect some negative economic impact in those
12 industries, correct?

13 A. Not in Ohio.

14 Q. Not in Ohio?

15 A. Because we are importing. We import so
16 much. We import so much coal, oil and gas, so the --
17 we're a net importer of a substantial amount. I saw
18 one estimate I believe that was close to 1-1/2
19 billion dollars of imports net of exports. We
20 deliver -- Ohio delivers some of its coal and oil and
21 gas to other states, but the bulk of it it imports,
22 and so the net effect, if you offset the negative,
23 it's -- the import --

24 Q. Sure.

25 A. -- is 1-1/2 billion dollars.

1 Q. Are you done?

2 A. Yes.

3 Q. Thank you. I didn't mean to cut you off.

4 So your testimony then is, in the long
5 run, there will be no impact on the oil, gas, and
6 coal mining industries in Ohio as a result of these
7 renewable projects? It would be zero?

8 A. Again, no measurable impact. Again, you
9 are talking about 51 jobs, so it's hard for me to
10 imagine there would be 51 jobs lost when we are
11 importing so much. I can say a reduction in imports
12 but not necessarily be surprised. I can't say it
13 won't happen, it couldn't happen, but I would be
14 surprised if any of that reduced jobs in Ohio.

15 Q. Even by a single job?

16 A. Well, maybe a single job. I mean, I
17 don't mean to --

18 Q. Right. So what I am getting at is your
19 analysis assumes zero for purposes of your economic
20 development analysis, correct?

21 A. Yes. We did not receive any indication
22 from AEP that there would be any job losses in the
23 State of Ohio.

24 Q. And so, if there were no job losses in
25 the State of Ohio, then in the State of Ohio there

1 would be no impact on the workforce injuries in those
2 industries as well, correct?

3 A. Beyond what is currently projected, as
4 I've indicated before in my prior answer, we expect
5 there to be a reduction in coal mining, oil and gas
6 extraction, by virtue of those resources are finite
7 and, over time, there will be fewer and fewer of
8 them. That's what we're presuming.

9 Q. Let's turn to page 8 of the report,
10 please, 8 of 38.

11 A. Yes.

12 Q. And the very last sentence there states
13 "However, for goods manufactured in Ohio - solar
14 panels being the largest example here - the entire
15 process from manufacture through delivery can be
16 included". Do you see that sentence?

17 A. Yes.

18 Q. So for purposes of your economic
19 development study, you assumed that all of the solar
20 panels necessary for the 400 megawatts would be
21 manufactured in Ohio?

22 A. That's my reading of that, but I suggest
23 that you talk to my coauthor about that because
24 that's his phrase.

25 Q. Okay. I will ask him about that then.

1 A. Okay.

2 Q. I will move on with you. Let's move to
3 the next page, page 9 of 38, please.

4 A. Yes.

5 Q. Thank you.

6 And the very first sentence there says
7 "Care also must be taken to net out the impacts of
8 any operations for which these new facilities are a
9 replacement. For example, if an old plant were to be
10 decommissioned as a result of these facilities coming
11 online, the impacts of the old facilities would have
12 to be deducted from the new impacts." Do you see
13 that?

14 A. Yes.

15 Q. Now, decommissioning of an old plant
16 would not be the only example of an impact that would
17 have to be netted out, correct?

18 A. No. We meant to say "for example." An
19 example; not the only example.

20 Q. And would another example be not the
21 decommissioning of a fossil fuel plant but a ramping
22 down and production of less electricity?

23 A. Potentially, yes.

24 Q. And so, for example, let's say it takes
25 ten employees to produce 10 megawatt-hours at a coal

1 plant but only five employees to produce that same 10
2 megawatt-hours at a solar plant, that would be a loss
3 of five employees, correct?

4 A. Again, going back to the imports. It
5 depends on where these products are produced. Given
6 the size of the imports for Ohio, I would be
7 surprised if that is the consequence. I would expect
8 there to be loss of jobs, not in Ohio, in other
9 states.

10 Q. Now, the fact that Ohio is a net importer
11 just means Ohioans use more energy than Ohio
12 generates, correct?

13 A. Correct.

14 Q. But Ohio is still generating some energy,
15 correct?

16 A. Oh, a lot of energy, yes.

17 Q. Right. So let's say, for example, Ohio
18 produces 20 percent of the energy in PJM, just rough
19 number -- let's take a step back.

20 Are you familiar with PJM?

21 A. Yes.

22 Q. And you are aware that Ohio is part of
23 PJM?

24 A. Yes.

25 Q. And so let's assume, for purposes of

1 argument, that Ohio generates 20 percent of the
2 energy throughout the PJM market. Is that a
3 hypothetical that you understand?

4 A. A hypothetical, yes. I can't certify
5 that is the --

6 Q. Sure. I am not saying that's anywhere
7 accurate. I actually don't know the number.

8 A. Okay.

9 Q. Assuming it's 20 percent, wouldn't it be
10 reasonable to assume that approximately 20 percent of
11 any job reductions throughout PJM, as a result of
12 this renewable project, would be in Ohio?

13 A. I would have to discuss that with them.
14 It would depend on the economics of their decision
15 where the location of the job replacement would be.
16 Again, given that we are importing so much, I would
17 presume -- my presumption, which again I'm not saying
18 or certifying is absolutely correct, but my
19 presumption would be given the rate at which we are
20 importing and shipping it into Ohio from other
21 states, I would be very surprised if the job losses
22 occurred in Ohio. I would think that a more logical
23 conjecture would be that we would stop importing as
24 much.

25 Q. And you're not suggesting the fact that

1 Ohio is a net -- net importer means that there would
2 be zero negative impact on the Ohio fossil fuel
3 market, correct?

4 A. Can you repeat the question? I am sorry.

5 Q. Sure.

6 The fact that Ohio may be a net importer
7 of energy, doesn't mean any negative impacts would
8 have zero impact on Ohio as opposed to other states,
9 does it?

10 A. No. It just means I'm not prepared to
11 answer that question. And we asked AEP about that
12 and they did not give us any indication that there
13 would be any job loss from the construction of these
14 new facilities.

15 Q. Let's move to page 12 of the report,
16 please.

17 A. 12 or 13?

18 Q. 12 of 38.

19 A. 12 of 38, yes, okay.

20 Q. In the last paragraph you state that for
21 purposes of your report, you assumed that the direct
22 employees would be living in Brown, Highland, and
23 Adams Counties, correct?

24 A. Yes.

25 Q. And that would only be true if we are

1 talking about the specific Willowbrook and Hecate,
2 however you pronounce it, projects, correct?

3 A. Yes.

4 Q. And so if we were talking about some
5 generic solar resources and they were in a different
6 county, the economic impact would be in that county
7 and maybe the surrounding counties, correct?

8 A. Yes.

9 Q. Coming back to your assumption that the
10 employee -- the direct employees would live in these
11 three counties. Do you have any evidence that the
12 construction jobs would be filled by current,
13 permanent residents of those counties?

14 A. Again, I would defer that to my coauthor
15 for the study. He might have an opinion on that. I
16 do not have an opinion on that.

17 Q. Would you consider it likely that for the
18 construction phase, some of the jobs would be filled
19 by people who are imported into these regions to
20 build the facilities?

21 A. I would not be surprised that's the case
22 but, again, I have not had the discussions with AEP
23 on their plans and I would defer you to my coauthor.

24 Q. For purposes of your economic development
25 analysis, you did not consider any costs that AEP

1 Ohio customers might pay through a rider on their
2 electric bill, did you?

3 A. Again, you have to discuss that with my
4 coauthor. I am not aware of any involvement there
5 but I can't rule that out either.

6 MR. HEALEY: That's all I have, your
7 Honor. I will save the rest for Mr. LaFayette.
8 Thank you.

9 EXAMINER SEE: Ms. Glover?

10 MS. GLOVER: No questions, your Honor.

11 EXAMINER SEE: Mr. Olier or Mr. Nugent.

12 MR. NUGENT: Yes, your Honor.

13 - - -

14 CROSS-EXAMINATION

15 By Mr. Nugent:

16 Q. Good afternoon, Dr. Buser.

17 A. Good afternoon.

18 Q. You've included, in your prefled
19 testimony, a curriculum vitae which is labeled as
20 Exhibit SB-1, correct?

21 A. I assume I attached that. Yes.

22 Q. Okay. And according to that CV you
23 provided, you have no prior employment experience in
24 the energy industry, correct?

25 A. That's correct.

1 Q. And am I also correct that you've never
2 performed an economic impact analysis with respect to
3 solar energy projects?

4 A. That's correct.

5 Q. Can you tell me, did anyone else, besides
6 your coauthor, Mr. LaFayette, assist you in designing
7 the study?

8 A. My daughter, Amy Buser, assisted with
9 some of the initial background research but, other
10 than that, no. Well, I shouldn't say that. Other
11 than we contacted AEP people and they provided
12 certain inputs to us, so.

13 Q. And what inputs did AEP Ohio provide?

14 A. Again, you will -- you should check with
15 my coauthor on that. He is the one that interacted
16 with AEP on that.

17 Q. Okay. But you would agree that the study
18 does include an assessment of the social benefits of
19 renewable energy, correct?

20 A. Yes, correct.

21 Q. Okay. Does your study also include an
22 assessment of the impact that AEP Ohio's proposal
23 could have, of course if approved, on private
24 development of renewable energy projects in Ohio?

25 A. Could you repeat the question? I am

1 sorry.

2 Q. Does your study include an assessment of
3 the impacts AEP Ohio's proposal would have, of course
4 if approved, on private development of renewable
5 energy projects in Ohio?

6 A. Not that I'm aware of, but again, I would
7 refer you to my coauthor. It's possible, but I am
8 not aware of any such analysis.

9 Q. Thank you.

10 Does your study include an assessment of
11 the economic and fiscal impacts if AEP Ohio's
12 proposal were to possibly discourage private
13 developers of renewable energy projects from
14 investing in Ohio?

15 A. The same answer. Not to my knowledge,
16 but I would suggest that you discuss that with my
17 coauthor.

18 Q. Okay. If you could please turn to page 5
19 of Exhibit SB/BL-1.

20 A. Yes.

21 Q. And the first sentence in the
22 second-to-last paragraph on that page, you stated
23 "One immediate benefit of the development of the
24 proposed solar facilities is the increase in
25 available power in the areas where those facilities

1 would be developed."

2 A. I'm sorry, I was on the wrong number.

3 Q. Not a problem. It's page 5 to Exhibit
4 SB/BL-1.

5 A. Okay. Yes. Sorry. Sorry for that.

6 Q. Not a problem. I am looking at the
7 second-to-last paragraph on that page.

8 A. Yes.

9 Q. And the first sentence there. Do you see
10 that?

11 A. Yes.

12 Q. Okay. And that data was provided to you
13 by AEP Ohio, correct? And when I say "data," I'm
14 referring to the increase in available power.

15 A. Again, that's my understanding, but I
16 would suggest you speak with Mr. LaFayette who --
17 Dr. LaFayette who interacted with AEP.

18 Q. Okay. Thank you.

19 If we could then turn to page 9 of
20 Exhibit SB/BL-1. And in the first paragraph, the
21 second-to-last sentence that says "But no shutdowns
22 are planned as a result of these projects." Do you
23 see that?

24 A. Yes.

25 Q. Okay. Are you and/or do you consider

1 yourself to be an expert on the operation of
2 generation dispatch on the PJM grid?

3 A. No, I do not.

4 Q. Okay. So can you tell me, was that
5 assumption then provided to you by AEP Ohio?

6 A. That's my understanding but, again, I
7 would suggest you speak with my coauthor who
8 interacted with AEP staff.

9 Q. Okay. But in the course of preparing
10 this study, did you perform an analysis to assess
11 whether any generation plants would shut down as a
12 result of the AEP's proposed programs?

13 A. Not to my knowledge but, again, I would
14 suggest you speak with my coauthor.

15 MR. NUGENT: I have nothing further.
16 Thank you, Dr. Buser.

17 EXAMINER SEE: Ms. Whitfield.

18 MS. WHITFIELD: Thank you, your Honor.

19 - - -

20 CROSS-EXAMINATION

21 By Ms. Whitfield:

22 Q. Dr. Buser, what exactly did you do? You
23 are deferring a lot to your colleague, Mr. LaFayette.
24 What was your role and contribution to this report?

25 A. Well, I helped with some editing at the

1 very end, but my primary focus was on the social
2 benefits.

3 Q. Okay. That was your focus was the social
4 benefits?

5 A. Correct.

6 Q. Okay. Now, are you aware that you
7 initially filed your testimony in Case Nos. 18-132
8 and 18-13? Do those numbers mean anything to you?

9 A. I'm sorry, could you repeat the question?

10 Q. Sure. You initially filed your testimony
11 in Case Nos. 18-1392 and 18-133. Are you aware of
12 that?

13 A. Yes.

14 Q. And the primary purpose of your testimony
15 is to provide a summary of the economic impact study
16 that you conducted with your colleague or coauthor
17 Dr. LaFayette?

18 A. Yes.

19 Q. And the primary purpose of this study is
20 to determine the economic impact of two specific
21 projects, right?

22 A. That's the primary impact. The secondary
23 impact was the social impacts. But, yes.

24 Q. Okay. These specific projects are the
25 Highland solar and the Willowbrook solar projects,

1 correct?

2 A. Yes.

3 Q. And you would agree that the combined
4 size of those two projects is 400 megawatts?

5 A. That's my understanding, yes.

6 Q. Highland project was 300 megawatts?

7 A. That's my understanding, yes.

8 Q. And Willowbrook was 100?

9 A. Yes.

10 Q. And in your testimony and in your report,
11 your economic impact analysis considered just the
12 400 megawatts for those specific projects, correct?

13 A. Yes.

14 Q. You did not do any type of economic
15 impact analysis related to 900 megawatts, did you?

16 A. In the early stage of the study we did,
17 but then AEP asked us to ignore the wind project and
18 focus on the -- the solar. The 400 solar.

19 Q. Okay. Now, with respect to the social
20 benefits section of your testimony, Dr. Buser, you
21 are not a sociologist, are you?

22 A. No.

23 Q. And you are not a political scientist?

24 A. No.

25 Q. And you would not consider yourself an

1 expert in public health, would you?

2 A. I can't imagine that being the case, no.

3 Q. Okay. When you cite a study regarding
4 the mining accidents, on page 6 of your testimony,
5 you would agree that you did not conduct this study,
6 correct?

7 A. Correct.

8 Q. And that was created by the Bureau of
9 lab -- Labor Statistics?

10 A. U.S. Bureau of Labor Statistics, yes.

11 Q. And you had involvement in designing the
12 methodology of that study?

13 A. No.

14 Q. For purposes of your testimony here, you
15 took the study from the Bureau of Labor Statistics
16 and pasted it or copied it into your testimony?

17 A. Yeah. Well, some it.

18 Q. Yes.

19 A. Parts of it, yes.

20 Q. Okay. With respect to your testimony
21 about fatalities, you don't describe how many of
22 those fatalities occurred in Ohio, do you?

23 A. No.

24 Q. And you are not aware how many, if any,
25 of these fatalities occurred for private-sector

1 workers who were working on projects that would serve
2 AEP customers.

3 A. Not to my knowledge, no.

4 Q. And you do not report to what extent, if
5 any, approval of the two projects that you studied or
6 that you reviewed would result in a decrease in the
7 numbers that you cite on page 7 of your testimony
8 regarding the fatal occupational injuries.

9 A. I'm sorry, could you repeat the question?

10 Q. You -- in your analysis and in your
11 report, you do not make any conclusions or any
12 opinion at all that the approval of the projects that
13 you reviewed, the two, Willowbrook and Highland or
14 Hecate, would result in a decrease of those
15 occupational injury numbers that you list on page 7.

16 A. No. As I indicated in the prior
17 question, answer to a prior question, we're
18 projecting that in the future, if there's a reduction
19 in mining activities, that we would expect these
20 improvements to occur. But we're not speculating
21 that they will occur on their own.

22 Q. Are you here today to testify that AEP
23 Ohio should shut down its coal facility, OVEC,
24 because of the risk of mining deaths?

25 A. I'm not -- I've not been asked to opine

1 on that issue nor do I have any particular view on
2 that.

3 Q. On page 8, line 20, you discuss a list of
4 purported health issues related to traditional energy
5 sources, and you attribute such findings to
6 researchers, correct?

7 A. Yes.

8 Q. And just to be clear, you were not one of
9 those researchers, correct?

10 A. Correct. Again, those are studies
11 conducted by the U.S. Bureau of Labor Statistics.

12 Q. Okay. And you have not done personally,
13 with respect to this report that you are here
14 testifying about today, you have not done any
15 separate research on the public health risks
16 associated with coal mining and gas drilling fields,
17 have you?

18 A. Not individually, no.

19 Q. When you say "individually," what do you
20 mean by that? Did you -- did somebody do it on your
21 behalf?

22 A. No, no. I'm sorry. I mean it's
23 conceivable that my coauthor has done that, but I
24 have not personally been involved.

25 Q. Fair enough.

1 You also discuss, on page 9, lines 3 to
2 12, the benefit of increasing the number of females
3 in the energy field.

4 A. Yes.

5 Q. But you did not conduct any of the
6 research that you cite there as well, correct?

7 A. Correct. That's conducted by the
8 International Renewable Energy Agency.

9 Q. Do you know how many renewable companies
10 were surveyed?

11 A. I do not.

12 Q. Likewise, do you know how many
13 non-renewable companies were surveyed?

14 A. Again, I do not.

15 Q. You have not reviewed to what extent
16 these projects would provide their workforce with
17 mentor -- mentorship or training, have you?

18 A. No, I have not.

19 Q. And you have not reviewed whether those
20 programs will provide childcare facilities, have you?

21 A. I have not.

22 Q. And you have not reviewed whether these
23 facilities will provide greater flexibility to
24 employees, have you?

25 A. No, I have not.

1 Q. And you have not made any conclusions
2 here about whether these facilities will impact the
3 gender balance of the energy field workforce, have
4 you?

5 A. Well, yes. The oil-extraction industry
6 has only 12.8 percent females. So we're talking
7 about nearly doubling that number to 35 percent. So
8 we are talking about a dramatic change, potentially
9 dramatic change in the number of female employees.

10 Q. Does the survey that you rely on there
11 draw from other countries, not just the United
12 States?

13 A. I would have to double-check. I'm not
14 aware of that.

15 Q. And to your knowledge, has AEP or the
16 owners of the solar projects committed to hiring a
17 certain percentage of women?

18 A. You would have to check with my coauthor
19 on that. I'm not aware of any such commitment, but I
20 can't rule that out.

21 Q. All right. In the section of your
22 testimony titled "Social Benefits of Improved
23 Standard of Living," you state that there's a number
24 of factors considered in the standard-of-living
25 analysis that are impacted by the amount of

1110

1 disposable household income, correct?

2 A. Yes.

3 Q. And again, you did not conduct any of
4 this research, correct?

5 A. Correct.

6 Q. Now, with respect to the factor of
7 education and skills, what would a renewable company
8 have to do to satisfy this health initiative?

9 A. You mean improve standard of living?

10 Q. Yes.

11 A. Well, the more household income,
12 disposable household income we can provide in a
13 region of Ohio that is dramatically underemployed,
14 that would indicate a strong improvement in these
15 areas if the common perception is correct that the
16 measures are highly correlated with the disposable
17 household income.

18 Q. Now, in your analysis, you are not giving
19 any opinion of any commitment by AEP Ohio or the
20 owners of the renewable projects to work/life
21 balance, have you?

22 A. To what.

23 Q. To work/life balance?

24 A. I'm not sure I understand what you are
25 saying.

1 Q. Well, you reference in your testimony
2 that on page 9, lines 8 -- starting on line 18, and
3 the sentence continues on to line 21, you list out
4 various factors that relate to quality of life that
5 could be a social impact here, and I'm asking if AEP
6 Ohio has -- or the owners of these two renewable
7 projects have made any type of commitment related to
8 any of those factors.

9 A. Again, not to my knowledge, but you might
10 check with my coauthor. I am not aware of any such
11 commitments.

12 Q. Do you know how many companies were
13 surveyed in the study that you rely upon for the
14 point that you are making on page 9 at lines 13 to
15 22?

16 A. United Nations Millennium Development
17 Program, I think, is a credible program.

18 Q. And again, that's not a
19 United-States-limited study, correct?

20 A. I would assume "United Nations" means
21 exactly that, United Nations; so U.S. would be part
22 of it but not all of it.

23 Q. Now, with respect to your section in your
24 testimony on page 10 regarding combating the opioid
25 crisis, are you there?

1 A. Yes.

2 Q. And you did not author this report that
3 you cite in there, correctly -- correct?

4 A. No, I did not author that.

5 Q. And did you not -- well, let me ask you
6 this: Have you personally researched the cause of
7 the opioid crisis?

8 A. I have not. But it's -- as I state in
9 the -- it's been identified, described as ground zero
10 for the nations drug overdose academic -- epidemic,
11 and that's -- that's the reference to the article
12 that we're talking about.

13 Q. And you also reference an NBC News story,
14 correct?

15 A. That is the reference to the NBC News
16 story. That's the only reference to that story.

17 Q. Okay. And in that story, wouldn't you
18 agree that part of it is that fentanyl is made in
19 China and smuggled into the United States?

20 A. I have no opinion on that one way or the
21 other.

22 Q. And do you have an opinion that the story
23 reports that opioids are then sold by gangs in the
24 U.S.?

25 A. The only point we're making here is that

1 Ohio, the southern area of Ohio is particularly
2 troublesome, that we're -- it's a -- your theory
3 would not explain why a region of Ohio is
4 particularly suspect.

5 Q. Well, you would agree that none of the
6 people interviewed in that story discussed that the
7 standard of living is a cause of the opioid crisis,
8 did they?

9 A. Not to my knowledge.

10 MS. WHITFIELD: If I could mark an
11 exhibit. I am on 2, Kroger 2?

12 EXAMINER SEE: So marked.

13 (EXHIBIT MARKED FOR IDENTIFICATION.)

14 Q. (By Ms. Whitfield) Now, Dr. Buser, what I
15 handed you is an Akron Beacon Journal article you
16 referred to in your testimony, correct?

17 A. Yes.

18 Q. And you recognize this article?

19 A. Yes.

20 Q. And this is the article that you believe
21 supports AEP's case to develop renewable generation,
22 correct?

23 A. On a limited basis. I mean, there's
24 obviously many more issues that we regard as more
25 important than this, but this is on a long list of

1 some -- of issues. This is on the list.

2 Q. But this article talks about the effects
3 of the opioid crisis in northeast, Ohio, does it not?

4 A. Yes.

5 Q. And you would agree that most of the area
6 discussed in the article is not served by AEP Ohio,
7 is it?

8 A. I don't know the service area for AEP
9 Ohio. The plants under construction would be in, my
10 understanding they would be located in the southwest
11 rather than the northeast, but, other than that, I
12 have no response.

13 Q. And this article does not make any
14 mention of electric generation, does it?

15 A. No.

16 Q. And it doesn't even mention the standard
17 of living causes that you cite in your testimony,
18 does it?

19 A. No, it does not.

20 Q. And none of the people interviewed in
21 this article mentioned nonrenewable electric
22 generation as a cause of this opioid crisis, did
23 they?

24 A. No.

25 MS. WHITFIELD: That's all I have. Thank

1 you, Dr. Buser.

2 EXAMINER SEE: Mr. Collier.

3 MR. COLLIER: Yes, thank you, your Honor.

4 - - -

5 CROSS-EXAMINATION

6 By Mr. Collier:

7 Q. Mr. Buser, my purpose here is to figure
8 out exactly what you're primarily responsible for and
9 what another witness may be responsible for. So
10 that's where I'm going to go with this.

11 In terms of your testimony, page 2, you
12 indicate the purpose of your testimony is to provide
13 a summary of the economic impact study that you
14 coauthored with Mr. LaFayette; is that correct?

15 A. Yes.

16 Q. All right. But if we go to the study
17 itself which is attached to your exhibit, we'll see a
18 table of contents. Are you with me?

19 A. Not yet, but I'm getting there. Yes,
20 okay.

21 Q. All right. If we go to the table of
22 contents, page 2 of 38, were you primarily
23 responsible for Section III, the "Estimation and
24 Interpretation of Economic Impacts"?

25 A. No, I was not. That was my colleague.

1 Q. All right. Were you primarily
2 responsible for Section IV, "Economic Impact
3 Results"?

4 A. No. Again, that was my colleague.

5 Q. Were you primarily responsible for
6 Section V, "State and Local Tax Impacts"?

7 A. No. Again, that was my colleague.

8 Q. All right. How about Section VI,
9 "Non-Quantifiable Economic and Social Benefits of
10 Renewable Energy Technology"?

11 A. That was my primary responsibility, yes.

12 Q. All right. In terms of the tables
13 attached as appendices, in summary, did you have
14 primary responsibility for any of those tables, A-1
15 through the last table which is A-18?

16 A. No. Again, those are the responsibility
17 of my coauthor.

18 Q. Bear with me then. I will try to
19 eliminate a lot of my cross-examination.

20 Well, this question: You say, for
21 purposes of the study, there was information specific
22 to these two projects that was derived from
23 Mr. LaFayette.

24 A. From AEP and Mr. LaFayette, yes.

25 Q. My point is LaFayette gets it, he gets it

1 from AEP, AEP gets it from Willowbrook and Hecate?

2 A. That makes sense to me. I can't confirm
3 or deny that.

4 Q. And you didn't have any responsibility
5 for the development of any information that came from
6 the two project developers, Hecate and Willowbrook?

7 A. No, I did not.

8 Q. Just a couple of follow-up questions
9 about your earlier testimony. You talked about
10 importing --

11 A. I'm sorry, what?

12 Q. You were talking about Ohio being a net
13 importer of oil and gas.

14 A. Yes.

15 Q. Okay. Are you talking about the
16 commodity or the energy produced by the fuel source?

17 A. It may be a mixture of the two. I mean,
18 we've had various witnesses testify that Ohio is a
19 major importer, I think of coal and oil and gas.

20 Q. Dr. Buser, I think the testimony related
21 to net import of energy fueled by oil and gas, or any
22 other source.

23 A. And it may be that. Again, I'm not --
24 I'm not going to decompose that, but.

25 Q. You are not suggesting that Ohio and the

1 Ohio Valley region don't have ample supplies of coal
2 and oil and gas?

3 A. Well, if they did have ample supplies, I
4 would be surprised that we're importing energy from
5 neighboring states. I can't rule that out, but,
6 again, I would not -- that would not be my
7 speculation.

8 Q. You don't really have any information
9 regarding the generation mix of AEP Ohio, do you?

10 A. Generation mix of AEP Ohio specifically?

11 Q. Right.

12 A. No, I do not.

13 Q. Or the PJM system, you wouldn't have
14 any --

15 A. No, I do not. It's possible that my
16 coauthor has access to that, but I do not.

17 Q. In the course of your responsibility for
18 Section VI of your report, did you happen to review
19 the number of jobs in Ohio that relate to oil and gas
20 in terms of numbers?

21 A. Not number of jobs, no, not specifically.

22 Q. Or number of jobs relating to coal in
23 terms of numbers?

24 A. Again, not -- didn't have that data.

25 Q. And -- and related to not only coal

1 production but coal transportation logistics?

2 A. Again, not within Ohio.

3 MR. COLLIER: I think with that
4 understanding, and assuming that Mr. LaFayette
5 doesn't punt back to Mr. Buser, we have no further
6 questions.

7 EXAMINER SEE: Mr. Darr.

8 MR. DARR: Very briefly, your Honor.

9 - - -

10 CROSS-EXAMINATION

11 By Mr. Darr:

12 Q. Dr. Buser, as part of your preparation
13 for preparing your report and testimony in this case,
14 did you inquire as to the development of solar
15 facilities by entities other than AEP Ohio?

16 A. I did not, no.

17 Q. Are you aware that companies such as
18 Fifth Third Bank Corp and Procter & Gamble are
19 seeking to secure solar power or are seeking to
20 reduce consumption and obtain renewable energy?

21 A. That's my understanding, but I have no
22 independent verification of that.

23 Q. And what's the source of your
24 understanding?

25 A. I believe I saw that in one report and

1120

1 maybe a witness testified to that. I don't recall
2 the specific source of it but that's my -- that's my
3 understanding, but I can't tell you why, what's the
4 basis of my understanding.

5 Q. At least in regard to the production
6 output associated with these two facilities, the
7 understanding that Fifth Third and Procter & Gamble
8 are seeking renewable resources is independent of
9 what's going on with regard to the two solar projects
10 that you reviewed; is that correct?

11 A. Again, I did not have any basis for
12 opining on that one way or the other.

13 MR. DARR: That's all I have. Thank you.

14 EXAMINER SEE: Mr. McNamee?

15 MR. McNAMEE: I have no questions, your
16 Honor. Thank you.

17 EXAMINER SEE: Any redirect, Ms. Blend?

18 MS. BLEND: Thank you, your Honor. May
19 we have just a couple of moments?

20 EXAMINER SEE: Sure.

21 MS. BLEND: Thank you.

22 (Discussion off the record.)

23 EXAMINER SEE: Let's go back on the
24 record.

25 Ms. Blend, redirect?

1 MS. BLEND: Thank you, your Honor. Just
2 briefly.

3 - - -

4 REDIRECT EXAMINATION

5 By Ms. Blend:

6 Q. Dr. Buser, could you please turn to page
7 12 of 38 of Exhibit SB/BL-1 to your testimony, your
8 report.

9 A. Yes.

10 Q. Do you recall questions from counsel for
11 the Ohio Consumers' Counsel regarding the bottom
12 paragraph on this page? And specifically the
13 reference to Adams, Brown, and Highland Counties?

14 A. Yes.

15 Q. Does this section of the report relate to
16 state and municipal income taxes or does it relate to
17 the economic impacts -- your economic impacts
18 analysis generally?

19 A. This was on the fiscal effect, so the tax
20 effect.

21 Q. Okay. So this does not relate to the
22 totality of the economic impact analysis that you and
23 Dr. LaFayette performed?

24 A. I don't think so. Again, I will defer
25 you to my coauthor, but -- unless he has particular

1 insights on that. For instance, the local tax rates
2 may differ depending on the location, but other than
3 that, if you are talking about general economic
4 impact versus state and local tax impacts, I would
5 not think that would be.

6 Q. So to ask a slightly different question,
7 would the results -- with the caveat that the state
8 and municipal income taxes might change, with that
9 caveat, would the results of your economic impact
10 analysis be material -- materially different if
11 comparable-sized facilities to those included in your
12 report, with comparable sourcing of goods and
13 services, were located elsewhere in Ohio?

14 A. Other than the potential local tax
15 effect, no.

16 Q. And do you have Kroger Exhibit 2 in front
17 of you still?

18 A. Yes.

19 Q. And you established with Ms. Whitfield,
20 earlier, that this is an Akron Beacon Journal article
21 you reference in your direct testimony.

22 A. Yes.

23 Q. And I believe you testified, in response
24 to a question from her, that this article related
25 primarily to or solely to northeastern Ohio. Do you

1 recall that question?

2 A. I recall that question and I thank you
3 for allowing me to correct my answer. It also
4 includes southwest portions. So certain references
5 to northeast, certain references to southwest. So I
6 should have been clearer in my response. I apologize
7 for that.

8 Q. No apology necessary. And as you
9 indicated, this article also addresses costs in
10 southwest -- the southwest part of Ohio?

11 A. Correct.

12 MS. BLEND: Thank you. I have no further
13 questions. And the Company renews its motion for
14 admission of AEP Ohio Exhibit 12.

15 EXAMINER SEE: Recross, Mr. Dove?

16 MR. DOVE: No, your Honor. Thank you.

17 EXAMINER SEE: Ms. Leppla?

18 MS. LEPPLA: No, your Honor. Thank you.

19 EXAMINER SEE: Mr. Kurtz?

20 MR. KURTZ: No questions.

21 EXAMINER SEE: Mr. Healey?

22 MR. HEALEY: No, your Honor.

23 EXAMINER SEE: Ms. Glover?

24 MS. GLOVER: No, your Honor.

25 EXAMINER SEE: Mr. Nugent?

1 MR. NUGENT: No, your Honor.

2 EXAMINER SEE: Ms. Whitfield?

3 MS. WHITFIELD: No, your Honor.

4 EXAMINER SEE: Mr. Collier?

5 MR. COLLIER: No, thank you.

6 EXAMINER SEE: Mr. Darr?

7 MR. DARR: No, thank you.

8 EXAMINER SEE: Mr. McNamee?

9 MR. MCNAMEE: It's unanimous. No
10 questions. Thank you.

11 EXAMINER SEE: With that, are there any
12 objections to the admission of AEP Exhibit 12?

13 Hearing none, AEP Exhibit 12 is admitted
14 into the record.

15 (EXHIBIT ADMITTED INTO EVIDENCE.)

16 EXAMINER SEE: Mr. Darr.

17 MR. DARR: Your Honor?

18 EXAMINER SEE: IEU Exhibit 13.

19 MR. DARR: Excuse me, your Honor. For
20 purposes of the voir dire, I would ask for the
21 admission of 13 so the record is complete.

22 MS. BLEND: No objection.

23 EXAMINER SEE: Are there any objections
24 to the admission of IEU Exhibit 13? I think I heard
25 a no? IEU 13 is admitted into the record.

1 (EXHIBIT ADMITTED INTO EVIDENCE.)

2 EXAMINER SEE: And Ms. Whitfield.

3 MS. WHITFIELD: Yes, your Honor. I would
4 more for the admission of Kroger Exhibit 2 into
5 evidence.

6 EXAMINER SEE: Are there any objections
7 to the admission of Kroger Exhibit 2?

8 MS. BLEND: No, your Honor.

9 EXAMINER SEE: Kroger Exhibit 2 is
10 admitted into the record.

11 (EXHIBIT ADMITTED INTO EVIDENCE.)

12 EXAMINER SEE: Thank you, Dr. Buser.

13 MS. BLEND: The Company calls Bill
14 LaFayette.

15 MR. OLIKER: Your Honor, do we know how
16 late we are going to go tonight?

17 EXAMINER PARROT: Let's go off the record
18 briefly.

19 (Discussion off the record.)

20 EXAMINER PARROT: Let's go back on the
21 record.

22 Mr. LaFayette, please raise your right
23 hand.

24 (Witness sworn.)

25 EXAMINER PARROT: Thank you.

1 (EXHIBIT MARKED FOR IDENTIFICATION.)

2 - - -

3 WILLIAM LAFAYETTE, PH.D.

4 being first duly sworn, as prescribed by law, was
5 examined and testified as follows:

6 DIRECT EXAMINATION

7 By Ms. Blend:

8 Q. Good afternoon, Dr. LaFayette.

9 A. Oh, I'm sorry.

10 Q. Will you please state and spell your name
11 for the record.

12 A. My name is Bill LaFayette. Last name L-a
13 capital F-a-y-e-t-t-e.

14 Q. By whom are you employed and in what
15 capacity?

16 A. I am self-employed as the owner of
17 Regionomics, LLC.

18 Q. And were you retained by AEP Ohio to
19 prepare and file direct testimony in this proceeding?

20 A. I was.

21 Q. Do you have a copy of that direct
22 testimony which has been marked AEP Ohio Exhibit
23 No. 13 before you?

24 A. I do.

25 Q. And was this testimony prepared by you or

1 under your direction?

2 A. It was prepared by me.

3 Q. Do you have any changes or corrections to
4 your testimony?

5 A. I have several.

6 Page 1, line 11. Embarrassingly, I said
7 University of NTK from 1991 to 1993. That should be
8 1990 to 1992.

9 On page 5, line 20, the word "Any" --
10 "any" -- should be "Many."

11 Line -- page 5, line 21, delete "separate
12 and."

13 Page 5, line 22, insert "many of these
14 jobs."

15 And finally the -- I guess we got the
16 renumbering of exhibits? Or no, we didn't.

17 Q. Did you have a correction to the
18 numbering on Exhibit BL-2?

19 A. I did. Page 2 of -- or what's now page 2
20 of 6 on BL-1 or BL-1 should be BL-2, 2 of 3. And
21 then what's now BL-1, 3 of 6 should be 3 of 3, not 3
22 of 6.

23 Q. And just so it's clear on the record and
24 everyone is on the same page, there are six pages to
25 Exhibit BL-1, correct?

1 A. Yes.

2 Q. And those are correctly numbered?

3 A. Yes.

4 Q. And then immediately after Exhibit BL-1,
5 there is Exhibit BL-2 and that is correctly numbered
6 Exhibit BL-2, page 1 of 3.

7 A. Yes.

8 Q. Your changes were to correct pages 2 of 3
9 and 3 of 3 and Exhibit BL-2 which were incorrectly
10 designated as Exhibit BL-1 and had incorrect page
11 numbers?

12 A. 2 -- there are currently 2 of 6, it
13 should be 2 of 3 in BL-2, now designated BL-1, and
14 then 3 of 3 rather than 3 of 6.

15 Q. Thank you.

16 A. Sorry about that.

17 Q. No problem.

18 Dr. LaFayette, if I asked you the
19 questions contained in your direct testimony today,
20 with the changes and corrections that you just
21 described, would your answers be the same?

22 A. Identical.

23 MS. BLEND: Thank you.

24 At this time, the Company moves for
25 admission of AEP Ohio Exhibit No. 13 and Dr.

1 LaFayette is available for cross-examination.

2 EXAMINER PARROT: Thank you, Ms. Blend.

3 Mr. Dove?

4 MS. WHITFIELD: Can I make some motions
5 to strike? Sorry.

6 Kroger wants to renew the objection and
7 motion to strike and defer Dr. LaFayette's testimony
8 to Phase II. Consistent with this Bench's directions
9 on the first day of the testimony that "to the extent
10 you are trying to get at specific projects that have
11 been proposed that will be addressed in the second
12 phase of this case as proposed by the Company, the
13 attention -- intention there was to defer those cases
14 to the second phase."

15 During prior testimony, we learned that
16 AEP provided certain costs for the specific projects
17 and worked directly with the developers to get
18 budgeting data that went directly to his economic
19 analysis and form the basis of it, so because this
20 had nothing to do with the generic 900 megawatts of
21 unspecified projects that were the subject of this
22 hearing, I would renew the motion to strike.

23 EXAMINER PARROT: And I would just note,
24 consistent with Ms. See's ruling, the renewed motion
25 is likewise denied.

1 MS. WHITFIELD: Okay. And then I
2 would -- given your Honors's ruling earlier, I would
3 move to strike specifically page 5, lines 13 to 23 in
4 that it specifically asks him about a contractual
5 provision in the Hecate solar REPA.

6 As you noted, I think part of your
7 justification for the change in what's happening is
8 that he -- with respect to Dr. Buser, that he had not
9 seen or reviewed the REPAs here. It's clear he, in
10 fact, did and is testifying about the specific terms
11 of it.

12 MR. HEALEY: OCC would join in that
13 objection, your Honor, as it is very specific to the
14 contracts, and the testimony here states that these
15 jobs are in addition to and separate from his
16 economic development analysis and, therefore, are not
17 part of that analysis and, therefore, should be
18 deferred to Phase II.

19 MR. OLIKER: IGS would join that, your
20 Honor.

21 MR. COLLIER: OCA joins.

22 MR. DARR: IEU joins.

23 MS. BLEND: Your Honor, the purpose, as I
24 indicated earlier when we were addressing the overall
25 motion to strike Drs. Buser and LaFayette's testimony

1 and report, the purpose of the Question and Answer
2 that's at issue here was to distinguish or provide a
3 contrast to a specific REPA provision that's not at
4 issue with respect to the need phase of this
5 proceeding and to make it clear that many of the
6 benefits associated with that commitment were not
7 included in the economic impact analysis that
8 Dr. LaFayette performed.

9 So I disagree with the characterization
10 that we're getting into or substantively discussing
11 specific REPA terms. The REPAs are not the subject
12 of a -- the approval of the REPA is not part of this
13 phase of the proceeding and, really, here all we're
14 doing is trying to clarify that was not explicitly
15 made a part of the economic impact analysis that
16 Dr. LaFayette provided. So it's just providing
17 context in trying to provide transparency and
18 clarification around that potential question.

19 MR. HEALEY: Your Honor, this goes to my
20 issue of prejudice. We are now, again, inserting
21 evidence that there are benefits from the REPAs
22 specifically not from a generic economic development
23 perspective. Ms. Blend just said we want to put in
24 the record there are additional benefits from these
25 specific Willowbrook and Highland REPAs. I have not

1 been allowed to put into evidence the cost of those
2 REPAs. It is prejudicial to OCC. It is prejudicial
3 to the ruling this Bench has already made, telling
4 OCC and other intervenors that they have to reserve
5 that portion of their testimony to Phase II.

6 MS. BLEND: And cross-examination
7 regarding those benefits, which would be separate or
8 in addition to the benefits that are the subject of
9 the economic impact study, can be asked in Phase II.

10 MS. WHITFIELD: Your Honor, may I respond
11 just briefly?

12 AEP Ohio cannot have it both ways. They
13 cannot cite as justification for why Dr. Buser's
14 testimony and report to come in that it didn't cite
15 specific REPA provisions, and then say where
16 Dr. LaFayette actually says "Are you aware of a
17 contractual provision in the REPA?" and he goes on
18 and talks about that actual contractual provision and
19 then say that's allowed. It cannot be both ways.
20 Thank you.

21 EXAMINER PARROT: Consistent with the
22 ruling from earlier this afternoon, the motion to
23 strike is denied.

24 Mr. Dove, any questions?

25 MR. DOVE: No, your Honor.

1 EXAMINER PARROT: Ms. Leppla?

2 MS. LEPPLA: No, your Honor.

3 EXAMINER PARROT: Mr. Kurtz?

4 MR. KURTZ: No questions.

5 EXAMINER PARROT: Mr. Oliker?

6 MR. OLIKER: Your Honor, I will let OCC
7 go first.

8 EXAMINER PARROT: Mr. Healey.

9 MR. HEALEY: Thank you.

10 - - -

11 CROSS-EXAMINATION

12 By Mr. Healey:

13 Q. Can you please turn to page 5 of your
14 testimony.

15 A. Okay.

16 Q. And just to confirm that I read it right,
17 when you made an amendment to line 20, the first word
18 of that first full sentence "Any" has now become
19 "Many"?

20 A. Uh-huh. Yes.

21 Q. And so, if many of the benefits that are
22 associated with the jobs commitment would be separate
23 and in addition, you are not testifying that all of
24 those benefits would be in addition, correct?

25 A. Correct.

1 Q. So some of them would be duplicative of
2 your economic develop -- economic development
3 analysis?

4 A. I would not say "duplicative." I would
5 say included in.

6 MS. BLEND: And just for clarity on the
7 record, we did -- one of Dr. LaFayette's corrections
8 was to delete the words "separate and" from the
9 sentence Mr. Healey just read.

10 Q. (By Mr. Healey) But if we were to count
11 them once in your economic development analysis and
12 then count them again, that would be double counting,
13 correct?

14 A. Correct, it would be. And so, if I were
15 to do that analysis, I would -- I would take those
16 jobs out because they had already been counted.

17 Q. But you've not done that analysis yet,
18 correct?

19 A. No. I have not been asked to.

20 Q. So for purposes of the Commission's
21 consideration of Phase I, it would not be accurate
22 for the Commission to find that there are 113
23 additional jobs on top of your economic development
24 analysis, correct?

25 A. Correct.

1 Q. Do you have a copy of the report that was
2 attached to your colleague's testimony in front of
3 you?

4 A. The economic impact report.

5 Q. Yes.

6 A. Got it.

7 Q. And please turn to page 8 of 38.

8 A. Okay.

9 Q. And the very last sentence on this page
10 says "However, for goods manufactured in Ohio - solar
11 panels being the largest example here - the entire
12 process from manufacture through delivery can be
13 included." Do you see that sentence?

14 A. Yes.

15 Q. Does this mean that for the purpose of
16 your economic development study, you assumed that all
17 solar panels necessary for building the 400 megawatts
18 proposed would be built in Ohio?

19 A. For purposes of my economic impact study,
20 I asked, through AEP, the developers to tell me the
21 goods and services that would be provided from
22 Ohio-based companies, simply because those are the
23 only ones that can be counted. I know that there
24 were solar panels to be manufactured in Ohio. I
25 don't recall whether it was 100 percent or less, but

1 only the ones that are planned to be manufactured in
2 the State of Ohio are included in this analysis.

3 Q. But sitting here today, you don't recall
4 what the input was into the model, whether it was
5 100 percent or some other number?

6 A. The input into the model was the value of
7 the solar panels that were to be manufactured in
8 Ohio.

9 Q. And that was not necessarily 100 percent
10 of all necessary solar panels, correct?

11 A. I don't recall.

12 Q. You are aware that the developers have
13 not committed to purchasing 100 percent of the solar
14 panels from Ohio companies, correct?

15 A. Correct. They have not committed but,
16 again, they told me what was going to be provided
17 from Ohio companies and I relied on that.

18 MR. HEALEY: Your Honor, I am going to
19 move to strike that response. It started with "they
20 told me." He is relying on an out-of-court statement
21 by individuals that work for companies that are not
22 here to be cross-examined and that is obvious
23 hearsay.

24 EXAMINER PARROT: Overruled. I am sorry.
25 The motion is denied. I am sorry, Mr. Healey.

1 Q. (By Mr. Healey) Would you consider
2 yourself an economist?

3 A. Yes.

4 Q. And as an economist, you would expect
5 that a rationale business, all else equal, will
6 purchase the cheapest solar panels they can purchase,
7 correct?

8 A. Correct.

9 Q. And did you attempt to compare the price
10 of solar panels manufactured in Ohio to the price of
11 solar panels manufactured elsewhere?

12 A. I did not. I simply relied on the
13 developer's assertion that that's what they were
14 going to do.

15 Q. So you didn't exercise any independent
16 judgment on that issue.

17 A. No.

18 Q. Could you turn to page 12 of 38 of the
19 report, please. The last paragraph third -- starting
20 at the third line, mentions that the direct employees
21 of the two projects would be assumed to be -- assumed
22 to live in Brown and Highland for the Highland
23 project, and then Adams, Brown, and Highland for the
24 Willowbrook project, correct?

25 A. Yes.

1 Q. Now, I believe your colleague testified
2 and noted that this statement is made in the context
3 of state and municipal income taxes. Is that same
4 assumption made for your entire study?

5 A. It is absolutely not. The economic
6 impact covers the entire State of Ohio. The only
7 reason to make this assumption here is to generate a
8 level of -- of local income taxes and local sales
9 taxes.

10 Q. So --

11 A. You have to assume that people are going
12 to go somewhere to do that.

13 Q. You assumed, in your study, that the
14 projects would generate 1,690 direct employment
15 positions, correct?

16 A. Correct.

17 Q. But you did not assume those would all be
18 in those three counties?

19 A. They would not be. They would certainly
20 not be because part of those direct jobs include the
21 manufacture of the solar panels and the inverters and
22 other products that are being produced other -- in
23 other places within Ohio.

24 Q. But for purposes of the tax analysis, you
25 did assume that all 1,600-plus would be those three

1 counties?

2 A. Yes.

3 Q. Yes.

4 A. So that is -- that is a slight error on
5 the -- on the local taxes.

6 Q. And you haven't measured the magnitude of
7 that error, correct?

8 A. It would not be great simply because
9 there's variance among counties in sales taxes,
10 there's variance among municipalities in -- in income
11 tax rates.

12 Q. Were you aware of this error prior to our
13 questioning over the last 2 to 3 minutes?

14 A. No.

15 Q. So you have not quantified the value of
16 the error, correct?

17 A. No.

18 Q. It's possible, given the geography of
19 these counties, that some of the direct employees
20 could live in Kentucky and commute across state lines
21 to Ohio, isn't it?

22 A. Conceivable.

23 Q. And did your economic development
24 analysis account for that possibility?

25 A. It would not, simply because the -- the

1 jobs that the model produces are jobs only within
2 Ohio.

3 Q. So one of the assumptions of the model
4 is --

5 A. One of the assumptions is that the direct
6 employees are within Ohio.

7 Q. And did you assume that the direct
8 construction jobs would be filled by current
9 permanent residents of those three counties?

10 A. I did not. I -- wait. I assumed that
11 they would be local during the construction period.
12 I did not necessarily assume that they would be
13 permanent local residents so.

14 Q. So, for example, when a large
15 construction project like this is done --

16 A. They bring people in.

17 Q. Thank you. I appreciate that answer. If
18 you wouldn't mind letting me finish my question.

19 A. Sorry.

20 Q. So we have a clean record. I understand
21 that you knew what I was going to ask, but.

22 And so, you did not analyze the labor
23 market in Adams, Brown, and Highland Counties to
24 determine the extent to which there is adequate
25 skilled labor to fill the necessary construction

1 jobs, correct?

2 A. I did not.

3 Q. For purposes of your economic development
4 study, did you account for any of the potential costs
5 that customers might pay for AEP's proposal through
6 their electricity bills?

7 A. I did not. The -- the argument that I
8 was given was that -- that bills would, over the long
9 run, decline.

10 Q. But you didn't personally --

11 A. I did not.

12 Q. You didn't personally verify whether that
13 assumption is reasonable or not, did you?

14 A. Correct, I did not.

15 Q. And to the extent customers do, in fact,
16 pay a cost, let's assume in the short run, that would
17 reduce their ability to spend money out in the
18 marketplace, correct?

19 A. But it would still be a purchase made
20 within Ohio. And so, it would be -- it would -- it
21 would reallocate spending within Ohio. But it would
22 not reduce spending within Ohio.

23 Q. So instead of spending it on some other
24 goods, they would be spending it on electricity,
25 correct?

1 A. Within Ohio, yes.

2 Q. Do you know whether -- do you know
3 whether individual customers of AEP would pay sales
4 tax on any such charges through their electricity
5 bill?

6 A. I do not.

7 Q. Assuming they do not pay sales tax on
8 this type of charge, whereas they might pay sales tax
9 on goods at a store, that would reduce local sales
10 tax revenues, correct?

11 A. Slightly.

12 Q. And you did not account for that in your
13 analysis, did you?

14 A. No.

15 MR. HEALEY: That's all I have, your
16 Honor. Thank you.

17 EXAMINER PARROT: Mr. Oliker?

18 MR. OLIKER: Sure. Just a few questions,
19 your Honor.

20 - - -

21 CROSS-EXAMINATION

22 By Mr. Oliker:

23 Q. Good afternoon, Dr. LaFayette.

24 A. Good afternoon.

25 Q. Am I correct that you do not have a

1 background in energy markets?

2 A. I do not.

3 Q. And you do not understand the operation
4 of the dispatch order on PJM's electric grid?

5 A. I do not.

6 Q. But for purposes of your study, you
7 assumed that no generation resources would retire if
8 the Application that's been proposed here is
9 approved?

10 A. That is what I was told by the Company.
11 And that's one of the underlying assumptions of the
12 study.

13 Q. And, again, you did not think to validate
14 whether that assumption had credit?

15 A. I do not have the expertise to do that.

16 Q. And am I correct that for purposes of
17 your study, you did not perform any analysis to
18 determine the impact of the proposal in this case on
19 development of renewable resources by the competitive
20 market?

21 A. I did not.

22 Q. When, earlier, you indicated to counsel
23 for the OCC that they told me about a certain
24 assumption, who was "they" from the Company?

25 A. Joe.

1 Q. Joe Karrasch?

2 A. Yes. I was blanking on the name.

3 Q. And that is specifically a witness from
4 the 18-1392 case that you initially filed your
5 testimony in?

6 A. I don't know.

7 MR. OLIKER: Your Honor, I would once
8 again renew the motion to strike on the grounds that
9 now we are bootstrapping additional evidence from the
10 RDR case into this case without any ability to
11 cross-examine the witnesses.

12 MS. BLEND: I disagree, your Honor.
13 Mr. Olikier asked who provided the information to
14 Dr. LaFayette. Dr. LaFayette answered his question.
15 Mr. Karrasch is a manager of renewable energy.
16 Regarding renewable energy purchase, he, in his
17 day-to-day job activities, deals with renewable
18 energy purchase agreements, negotiates on behalf of
19 the Company, and he is the business contact -- one of
20 the business contacts with the developer, so we're
21 not bootstrapping any evidence in here. That was a
22 part of Dr. LaFayette's prefiled testimony or the
23 report.

24 Mr. Olikier asked the question. The fact
25 that that individual also happens to be a witness in

1 the second phase of this proceeding is coincidental
2 and has no bearing on -- has no bearing.

3 MR. OLIKER: Your Honor, counsel for AEP
4 made my point. They are a witness in the case that
5 we're not allowed to ask questions about, yet they
6 are allowed to provide evidence to this witness that
7 is not subject to cross-examination. It's
8 prejudicial.

9 MS. BLEND: In this regard, Mr. Karrasch
10 is a fact witness, and IGS had the opportunity to
11 and, in fact, took significant amounts of discovery
12 in these cases and could have asked this question --
13 could have taken a deposition of Mr. Karrasch, a fact
14 witness, or subpoenaed him as a fact witness if they
15 had questions about the assumptions that were
16 provided to Drs. Buser and LaFayette for the study,
17 but they didn't do so. It's not prejudicial to IGS.

18 MR. OLIKER: Your Honor, the burden is
19 not on a party to simply subpoena a witness when
20 there's reliance on hearsay. The correct ruling is
21 simply to keep the hearsay out.

22 MS. BLEND: And it's fair -- it's fair,
23 under the expert rules in Ohio, that an expert can be
24 provided facts and assumptions by their client, and
25 Dr. LaFayette and Dr. Buser have testified about the

1 assumptions that they were provided.

2 EXAMINER PARROT: And your renewed motion
3 is denied, Mr. Olikier. Go ahead.

4 Q. (By Mr. Olikier) Dr. LaFayette, am I
5 correct that you do not know the amount of Ohio coal
6 electricity production that will be displaced by the
7 proposal in this case?

8 A. The Company told me that there would be
9 none, that this would -- that this power would be
10 incremental, and I went on that assumption. That was
11 the first question I asked.

12 Q. Okay. And you would agree that the
13 electrical output of these generation resources
14 proposed in this case could displace electrical
15 output from coal-fired generation within the state,
16 if you know?

17 A. I do not know.

18 MR. OLIER: Thank you. Those are all
19 the questions I have, your Honor.

20 Thank you, Dr. LaFayette.

21 THE WITNESS: Thank you.

22 EXAMINER PARROT: Ms. Glover?

23 MS. GLOVER: No questions, your Honor.

24 EXAMINER PARROT: Ms. Whitfield?

25 MS. WHITFIELD: Yes, your Honor.

CROSS-EXAMINATION

By Ms. Whitfield:

Q. Dr. LaFayette, as part of your economic analysis, you draw the conclusion that the construction of the solar projects are projected to impact Ohio by adding jobs, correct?

A. Correct.

Q. And you would agree, though, that those impacts are temporary, correct?

A. Yes, they are, as is the case for any construction project.

Q. They just last as long as the construction project lasts, correct?

A. Correct.

Q. And the permanent impacts are significantly less, aren't they?

A. They are.

Q. And even those permanent impacts are just mere projections by you, correct?

A. They are estimates.

Q. That you are projecting, correct?

A. That I am making on the basis of the projections, yes.

Q. And for the permanent jobs, you projected only 51 jobs being created, correct?

1 A. Correct.

2 Q. And that was that the earnings from those
3 jobs were projected to be about 2.5 million in
4 additional earnings, right?

5 A. I don't want to say something under
6 testimony.

7 Q. Sure. If you would look at page 5 of 38,
8 your Table S-2.

9 A. Yes, yes. The earnings are 2.56 million.

10 Q. You don't know how many workers will be
11 employed by the specific solar projects, do you?

12 A. I do not. That's a conclusion that comes
13 from the model. The model projects the number of
14 employees.

15 Q. Do you know how many workers it typically
16 takes to run a solar array?

17 A. No.

18 Q. Do you know if most of those jobs or
19 positions would be in the maintenance of the solar
20 array?

21 A. There would be a number in maintenance.
22 There would be a number in engineering, in the
23 management of the plant, the back office operations,
24 and so forth.

25 Q. But you don't have any specific numbers

1 as to each of those categories, do you?

2 A. No. Those aren't available.

3 Q. Now, isn't it true that the construction
4 jobs you cited will be created regardless of whether
5 AEP Ohio is an investor in either solar project?

6 A. Correct.

7 Q. And that's --

8 A. And, therefore, the project in a generic
9 sense.

10 Q. And that's irregardless of whether AEP
11 Ohio is involved as an investor.

12 A. Correct.

13 Q. And that's the same for the earnings --
14 the \$2.56 million in earnings that you claim will be
15 created, that's got no dependence on AEP Ohio's
16 involvement in those projects, correct?

17 A. Correct.

18 Q. And likewise isn't it true that the
19 permanent jobs you cite will be created regardless of
20 whether AEP Ohio is an investor in the project?

21 A. Yes.

22 Q. Now, you state that part of the focus of
23 your study was on the tax effects for the State of
24 Ohio.

25 A. Yes.

1150

1 Q. For the purpose of your analysis, did you
2 consider tax breaks or tax reductions that a
3 developer might obtain for doing the renewable
4 project?

5 A. No. I did not consider the developer's
6 taxes. I only considered the taxes of the operating
7 company and the workers and then only some of those.

8 Q. And which -- well, strike that.
9 You didn't consider property tax
10 abatements in your analysis, did you?

11 A. No, although I could.

12 Q. Well, would it be reasonable to assume
13 that those tax -- the tax benefits you list could
14 decrease if you would have considered property tax
15 abatement and the other tax breaks and tax
16 reductions?

17 A. Yes.

18 Q. And, again, isn't it true that the added
19 tax benefits that you cite in your economic analysis
20 would exist regardless of whether AEP Ohio is
21 involved as an investor otherwise in the projects?

22 A. Correct.

23 MS. WHITFIELD: That's all I have. Thank
24 you, Dr. LaFayette.

25 EXAMINER PARROT: Mr. Collier?

1 MR. COLLIER: Thank you.

2 - - -

3 CROSS-EXAMINATION

4 By Mr. Collier:

5 Q. Starting with your testimony,
6 Dr. LaFayette, I would like to turn your attention to
7 page 5.

8 A. Yes.

9 Q. Here you discuss a contractual provision
10 in the Hecate solar REPA that contains an additional
11 commitment for full-time permanent jobs. Do you see
12 that?

13 A. Yes.

14 Q. All right. And the commitment is 113
15 full-time permanent jobs that are not related to
16 construction or operation of the solar facility; is
17 that correct?

18 A. That's -- that are -- that may, in part,
19 be, but partially are not.

20 Q. All right. Did AEP indicate to you what
21 the incremental cost of that commitment was?

22 A. No.

23 Q. Or what the differential REPA cost would
24 be for the commitment of these particular employees?

25 A. No.

1 Q. Did you review the Hecate REPA contract,
2 how the contract itself addressed the economic --

3 A. I did not.

4 Q. I would like to turn your attention now
5 to the report itself, beginning at page 8 of 38. Are
6 you with me?

7 A. Yes.

8 Q. All right. You state, third paragraph,
9 "The nature of solar projects poses a particular
10 challenge, however. The construction of such a
11 facility is significantly different from the standard
12 construction projects that are assumed in the four
13 available construction multipliers." Do you see
14 that?

15 A. Yes.

16 Q. How is the construction of a solar
17 project different from standard construction
18 projects?

19 A. A standard construction project would be,
20 say, for example, a commercial building, an office
21 building, for example. And that would have an array
22 of suppliers supplying various types of goods and
23 services, and this project is different in the sense
24 that it -- it's setting up solar panels, and so the
25 array of suppliers and the array of goods and

1 services would be different. In most cases, for a
2 standard building, you would not be engaging mass
3 numbers of manufacturers of solar panels, for
4 example.

5 Q. You go on and say "This implies that
6 using the standard construction and power generation
7 multipliers could significantly misstate the impacts
8 of these facilities."

9 A. Yes.

10 Q. All right. And then you say "it is vital
11 to take a different 'bill of goods' estimation
12 approach."

13 A. Yes.

14 Q. And what is that "bill of goods"
15 estimation approach?

16 A. That relies on a detailed line-by-line
17 projection of the goods to be provided and the costs
18 of each of those goods. And so, for -- for concrete,
19 you wouldn't just lump it into total -- total
20 construction costs. You would look at the economic
21 impact of the concrete manufacturing industry.

22 Q. All right. So it's a line-by-line
23 analysis that you have to do?

24 A. Yes; far more complicated.

25 Q. As opposed to what, an aggregate

1 analysis?

2 A. Yes, where you simply take the total
3 value of the construction, apply the construction
4 industry multiplier to it, and get your result.

5 Q. All right. So your challenge was to do a
6 line-by-line analysis?

7 A. Yes.

8 Q. You go on to state, in doing this
9 analysis, "attention must be paid to whether the
10 goods are sourced in Ohio."

11 A. Yes.

12 Q. And that's because if the goods are not
13 sourced in Ohio, there won't be any Ohio benefit.

14 A. No impact, correct.

15 Q. So not only do you have to do a
16 line-by-line analysis, you have to determine line by
17 line with regard to particular goods as to what the
18 source of those goods would be.

19 A. Yes.

20 Q. And you conclude "for goods manufactured
21 in Ohio - solar panels being the largest example here
22 - the entire process from manufacture through
23 delivery can be included."

24 A. Yes.

25 Q. And should be analyzed.

1 A. Yes.

2 Q. So it's the entire flow chain from source
3 of manufacture through transportation and direct
4 installation.

5 A. Yes.

6 Q. Now, I would like to ask you with regard
7 to your report, is there a particular table in the
8 appendix or otherwise that we can look at to
9 determine construction -- direct construction costs
10 of a facility itself?

11 A. There is not. Those numbers were
12 confidential, and so I don't include them.

13 Q. And why were they confidential? Were
14 they confidential because of the manufacturer or --

15 A. They were -- they were confidential from
16 the developers.

17 Q. And what did that -- I don't want to get
18 into the exact confidentiality provision, but as a
19 general matter, what kinds of goods or services are
20 we talking about that were held to be confidential?

21 A. The inverters, the solar panels, the
22 grading of the site, the landscaping of the site, the
23 fencing, goods and services, of that nature.

24 Q. Well, let me ask you this, if we go to
25 Table 1 at page 10 of 38, you have -- this table

1 addresses construction impacts.

2 A. Yes.

3 Q. Under "Direct" you have a total of output
4 of 30 -- \$332,396.

5 A. That's 332 million.

6 Q. Okay. "000" omitted, right?

7 A. Yes.

8 Q. For all these entries.

9 A. Yes.

10 Q. Okay. So the total construction output
11 is 254 thousand -- million-968-thousand for the
12 Highland project and \$77,427,000 for the Willowbrook
13 project.

14 A. Yes.

15 Q. Can you equate those construction outputs
16 per dollar per megawatt?

17 A. No. And the reason why you can't is that
18 some of those direct output totals would be -- would
19 omit goods manufactured in other states but
20 wholesaled in Ohio, so only the wholesale component
21 would be included.

22 Q. All right. Just for comparison sake, go
23 to your Table A-1 in the Appendix, 21 of 38. Are you
24 with me?

25 A. Yes.

1 Q. Here, for the Highland project, you have
2 the output impact by industry sector; is that
3 correct?

4 A. Yes.

5 Q. All right. And for construction you have
6 74 million 590 dollars -- 590,921.

7 A. Yes.

8 Q. And durable goods manufacturing,
9 95,576,480.

10 A. 96,576,480.

11 Q. 96 million, all right. What's the
12 difference between construction and durable goods
13 manufactured?

14 A. The durable goods manufacturing would
15 include the -- the inverters and the -- the goods
16 produced within the State of Ohio.

17 Q. All right. Then you have real estate and
18 rental and leasing, \$37,645,807, correct?

19 A. Correct.

20 Q. And what does the leasing relate to?

21 A. The leasing relates mostly, as I recall,
22 to the leasing of the equipment used in the
23 construction process.

24 Q. Where, anywhere, does the lease cost of
25 the land itself in which these panels will be

1 installed --

2 A. That's -- that is in there.

3 Q. That's part of that, just not broken
4 down.

5 A. Right.

6 Q. All right. Now, with regard to that, and
7 going back to your indication you have to do this
8 line by line, were you told the number of solar
9 panels that Willowbrook would expect to employ in its
10 operation?

11 A. The number of solar panels?

12 Q. Yeah.

13 A. No.

14 Q. Were you told that it could include
15 anywhere from 425,000 to 570,000 solar panels?

16 A. No.

17 MS. BLEND: Objection as answered.

18 Q. Were you told the specific model or
19 manufacturer of any of the solar panels?

20 A. No.

21 Q. Were you told the manufacturer of the
22 inverter?

23 A. No.

24 Q. Were you told the source of the solar
25 panels?

1 A. Only to the extent that they were to be
2 sourced within Ohio.

3 Q. Did they tell you how many solar panels
4 would be sourced in Ohio?

5 A. No. Just gave me the aggregate dollar
6 amount.

7 Q. Just gave you an aggregate dollar amount
8 without your ability to verify whether that source of
9 that particular facility was in Ohio or elsewhere?
10 That is, the panel.

11 A. They gave me the total amount that was to
12 be purchased from Ohio suppliers.

13 Q. And as far as you know, that information
14 came from -- had to come from the developer.

15 A. Correct.

16 Q. Two steps removed from you, right?

17 A. Yes.

18 Q. Did you have any direct communications
19 with the developer to verify anything that AEP was
20 telling you?

21 A. I did not.

22 Q. The inverters, same questions, did the --
23 were you told by AEP the specific model or source of
24 the inverters?

25 A. No.

1 Q. Isn't it a fact that, under the REPA
2 contract, Willowbrook could acquire both the solar
3 panels and the inverters from Canada?

4 A. I don't know.

5 MS. BLEND: Objection, your Honor.

6 Q. Did you look at the specific REPA
7 agreement to determine whether there was a
8 contractual commitment as to the source or
9 origination of any component of the facility?

10 A. I did not.

11 Q. You understand that the developer will
12 install and construct not only the solar panels but
13 the connections of the solar panel facility to a
14 delivery point; is that correct?

15 MS. BLEND: Objection, your Honor. We're
16 now into Phase II project-specific terms and
17 conditions of REPAs. I don't know how this -- and,
18 furthermore -- so it's outside the scope of this
19 proceeding and, furthermore, I don't know or believe
20 that the construction details associated with, you
21 know, from an engineering perspective, how these
22 arrays are going to be put together is relevant to
23 Dr. LaFayette's testimony, and it's far outside the
24 scope of his testimony.

25 MR. COLLIER: I am talking just

1 specifically about goods, facilities, physical
2 facilities, and whether or not they were included in
3 these construction costs.

4 MS. BLEND: And Dr. LaFayette -- the
5 questions were not -- that was not what the
6 questioning -- line of questioning was, first of all;
7 but, second of all, Dr. LaFayette's testified several
8 times now he was provided the dollar amounts
9 associated with the various goods and services. He
10 didn't need and didn't utilize the details about the
11 type of the goods or anything like that. He's
12 answered that question at least two or three
13 different times now.

14 MR. COLLIER: The specific question,
15 besides the panels themselves, what equipment would
16 be required to get it to the point of delivery.

17 EXAMINER PARROT: Let's try to rephrase
18 the question perhaps, Mr. Collier.

19 Q. (By Mr. Collier) Did you include, in
20 construction costs, any substation connection costs?

21 A. I did not.

22 Q. You did not or you don't know?

23 A. I was not provided a line item that said
24 substation costs.

25 Q. And you don't know, one way or another,

1 whether AEP told -- the number AEP gave you included
2 substation connection costs.

3 A. I do not.

4 Q. Were you able to verify that the point of
5 connection for the Willowbrook facility would be the
6 138-kV Wildcat substation owned and operated by AEP
7 Ohio?

8 MS. BLEND: Objection, your Honor,
9 outside the scope of Phase I. This is the same
10 question that Mr. Collier asked yesterday of another
11 witness, I think it was yesterday. Actually it might
12 have been Wednesday, of Witness Ali, and your Honor
13 sustained the objection at that time as being outside
14 the scope of Phase I.

15 MR. COLLIER: The question goes to goods,
16 facilities and plant costs, line by line, that this
17 witness was provided.

18 MS. BLEND: I disagree, your Honor. The
19 point of connection and specifically which substation
20 it would be has no bearing on the costs that
21 Dr. LaFayette was provided to perform his economic
22 impact analysis.

23 MR. COLLIER: He doesn't know that. You
24 don't know that, because all he was given was a lump
25 sum. He doesn't know how it was broken down.

1 EXAMINER PARROT: All right.

2 Mr. Collier, if you want to try to rephrase, go
3 ahead, but with respect to the question that's
4 pending, the objection is sustained.

5 Q. (By Mr. Collier) Was there any portion of
6 the construction costs that included substation
7 facilities?

8 A. Not to my knowledge.

9 Q. You don't know whether it was broken down
10 or not?

11 A. No.

12 Q. All right. The owner of the facility is
13 an entity called Blue Planet Renewable Energy which
14 is, in turn, a joint venture between MAP Energy and
15 Ohio -- or Open Road Renewables, LLC.

16 MS. BLEND: Objection, your Honor.

17 Q. Is that correct?

18 MS. BLEND: Objection. We are getting
19 into project-specific Phase II issues, and it's
20 outside the scope of Dr. LaFayette's testimony and
21 analysis in this case.

22 MR. COLLIER: I am trying to figure out
23 what the source of all this information came from,
24 No. 1; and, No. 2, how the developer -- or where the
25 developer is actually located.

1 MS. BLEND: And Dr. LaFayette testified
2 several times he received the information from AEP
3 who received a budget with categorical dollar amounts
4 for different categories of costs from the developer.
5 And that was the extent of what he received. He has
6 testified to that two or three times already, and the
7 corporate holding structure of the developer has
8 absolutely no bearing on Dr. LaFayette's analysis.

9 MR. COLLIER: Identification of the
10 developer who is the source of the information would
11 probably be pertinent, wouldn't it?

12 EXAMINER PARROT: The objection to the
13 question that's pending is sustained.

14 Q. (By Mr. Collier) Were you provided --
15 what was the lump sum figure that AEP gave you for
16 the Willowbrook facility?

17 A. I don't recall.

18 MS. BLEND: I am also going to object.
19 You are getting into confidential information here
20 depending on the question and the answer.

21 MR. COLLIER: No claim of confidentiality
22 has been indicated for any of the information that
23 was provided to this witness. All I can do is pursue
24 it. If there is a claim of confidentiality on a
25 specific question, you can raise it.

1 EXAMINER PARROT: He answered he doesn't
2 know, so proceed.

3 Q. All right. Now, were you provided,
4 separate from the construction, the actual lease
5 costs of the land itself?

6 A. I was.

7 Q. And what was that figure?

8 A. I can't -- that's confidential.

9 Q. Isn't it a fact that, in the operating
10 phase, Willowbrook will only employ 20 to 24 direct
11 jobs?

12 A. Correct, according to my analysis.

13 Q. Okay. To Hecate, the Highland project,
14 were you told the number of solar panels that would
15 be employed in this project?

16 A. I was not.

17 Q. Were you told the model or manufacturer
18 of the solar panels?

19 A. I was not.

20 Q. Were you told whether there would be
21 1,100,000 ground-mounted modules?

22 A. I was not.

23 Q. Were you told the manufacturer's source
24 of the modules?

25 A. Only to the extent that they -- if they

1 came from within Ohio, I was told the lump sum that
2 came from within Ohio.

3 Q. And, again, that would be what AEP was
4 told by the developer which was passed on to you.

5 A. Correct.

6 Q. You did not, yourself, independently
7 verify the source or model of the solar panels here.

8 A. I did not.

9 Q. Were you told for the Highland project,
10 Highland would only employ 5 new direct and 10
11 secondary jobs in the operation phase?

12 A. That -- that was the -- the Highland
13 project direct jobs, according to my -- according to
14 the RIMS II model, is 12.

15 Q. All right.

16 MR. COLLIER: If I can have a moment,
17 your Honor?

18 Q. Were you told anything by AEP regarding
19 the source of financing for either one of these
20 projects?

21 A. I was not.

22 Q. Were you told anything about the debt or
23 debt service costs for this project?

24 A. Debt service cost is not included in a
25 standard economic impact analysis.

1 MR. COLLIER: All right. I'm sorry. If
2 I could have just one more moment, your Honor.

3 That's all the questions I have. Thank
4 you.

5 EXAMINER PARROT: Mr. Darr?

6 - - -

7 CROSS-EXAMINATION

8 By Mr. Darr:

9 Q. With regard to the economic impact model
10 or the IO model that you used, it does not explicitly
11 include a time function; is that correct?

12 A. That is correct.

13 Q. So whatever the total impact, and the
14 change in economic activity, could be realized over a
15 very short period of time or a very long period of
16 time, correct?

17 A. Correct. It depends on -- in the case of
18 the construction, it depends on the length of time of
19 construction.

20 Q. Another concern is the persistence of
21 change in any activity, correct?

22 A. Correct.

23 Q. Short-term projects, for example,
24 construction projects, are likely to have a
25 diminished effect because local businesses are

1 likely -- or less likely to hire -- excuse me, are
2 likely to hire fewer workers or purchase fewer
3 intermediate inputs during that -- because the
4 project is short term in length, correct?

5 A. Correct.

6 Q. And I believe this was a question that
7 was given to you from Mr. Buser, your study did not
8 address the effect that the construction of these two
9 solar projects would have on the efforts of other
10 parties to construct similar solar projects; is that
11 correct?

12 A. Correct.

13 Q. Finally, in regard to the work that you
14 did for AEP, am I correct that you did not identify
15 and you were not asked to identify whether or not
16 there were any market failures that would prevent the
17 construction of similar solar projects?

18 A. I was not asked that question.

19 Q. And that's not part of your study, is it?

20 A. It is not.

21 MR. DARR: Thank you. Nothing further.

22 EXAMINER PARROT: Mr. McNamee?

23 MR. McNAMEE: No questions.

24 EXAMINER PARROT: Any redirect?

25 MS. BLEND: If we could just have a

1 moment, your Honor?

2 EXAMINER PARROT: Go ahead.

3 (Pause in proceedings.)

4 MS. BLEND: Thank you, your Honor.

5 - - -

6 REDIRECT EXAMINATION

7 By Ms. Blend:

8 Q. Dr. LaFayette, do you recall earlier,
9 when you were talking with counsel for OCC about the
10 state and local income taxes, and you indicated that
11 your -- for purposes of your analysis you assumed
12 that all of the jobs used -- for that analysis all
13 jobs would be located in Adams, Brown, and Highland
14 Counties?

15 A. Yes.

16 Q. And if, in fact, some of those jobs were
17 not located in those three counties, you testified
18 that the tax impact -- I believe you testified the
19 tax impact could be different --

20 A. Yes.

21 Q. -- than those you calculated?

22 A. Yes.

23 Q. The tax impact -- depending on where the
24 jobs are located, the tax -- the state and local
25 income tax impact -- impacts could be higher than

1 those you calculated, correct?

2 A. Correct.

3 Q. Do you recall questions that you received
4 about tax abatement?

5 A. Yes.

6 Q. Which taxes do you understand could be
7 subject to a tax abatement?

8 A. Primarily property taxes.

9 Q. And who would have to approve a tax
10 abatement?

11 A. The county and primarily the affected
12 school board.

13 Q. And are you aware whether any tax
14 abatements have been approved --

15 A. I am -- I am not.

16 Q. -- here? You recall several questions by
17 counsel for the Ohio Coal Association regarding the
18 manufacture of certain pieces of equipment and the
19 models of certain pieces of equipment?

20 A. Yes.

21 Q. Would who or what company manufacturers a
22 piece of equipment, or a part, or a component, affect
23 your analysis in any way?

24 A. Completely irrelevant except as to the
25 extent that they were produced in Ohio versus

1 elsewhere.

2 Q. Okay. But assume no change in where they
3 were produced, who manufactured it would not impact
4 your analysis?

5 A. It's irrelevant. It would not impact.

6 Q. Again, the caveat about where it was
7 manufactured, would the model of a part, whether it
8 was one particular model or a different particular
9 model, affect your analysis in any way?

10 A. Not at all.

11 MS. BLEND: Thank you, Dr. LaFayette.

12 I have no further questions. The Company
13 renews its motion for admission of AEP Ohio Exhibit
14 No. 13.

15 EXAMINER PARROT: Mr. Dove?

16 MR. DOVE: No more questions, your Honor.

17 EXAMINER PARROT: Mr. Kurtz?

18 MR. KURTZ: No questions.

19 EXAMINER PARROT: Mr. Healey?

20 MR. HEALEY: No, your Honor.

21 EXAMINER PARROT: Ms. Glover?

22 MS. GLOVER: No, your Honor.

23 EXAMINER PARROT: Ms. Whitfield?

24 MS. WHITFIELD: No, your Honor.

25 EXAMINER PARROT: Mr. Collier?

1 MR. COLLIER: Yes, I do on redirect.

2 Sorry. I didn't hear you.

3 - - -

4 RECROSS-EXAMINATION

5 By Mr. Collier:

6 Q. Again, based on your report, goods
7 manufactured in Ohio, specifically solar panels being
8 the largest example, would be included only to the
9 extent that the goods were actually manufactured in
10 Ohio.

11 A. Correct.

12 Q. And you don't know a facility or the
13 manufacturer of those solar panels themselves?

14 A. I do not.

15 Q. You relied on what AEP told you, right?

16 A. Through the developer, yes. AEP through
17 the develop -- or the developer through AEP.

18 Q. The fact of the matter is you did not
19 independently verify the source of the solar panels,
20 whether they were manufactured in Ohio or not.

21 A. No.

22 MS. BLEND: Objection, asked and
23 answered. Also outside the scope of redirect.

24 MR. COLLIER: I think he just answered
25 it. And I have no further questions, your Honor.

1 EXAMINER PARROT: Mr. Darr?

2 MR. DARR: No questions.

3 EXAMINER PARROT: Mr. McNamee?

4 MR. McNAMEE: No questions, your Honor.

5 Thank you.

6 EXAMINER PARROT: All right. Ms. Blend
7 has moved for the admission of Company Exhibit No.
8 13. Are there any objections?

9 Hearing none, Company Exhibit No. 13 is
10 admitted.

11 (EXHIBIT ADMITTED INTO EVIDENCE.)

12 EXAMINER PARROT: Thank you very much,
13 Dr. LaFayette.

14 THE WITNESS: Thank you.

15 EXAMINER PARROT: All right. Let's break
16 for the day. We will reconvene on Tuesday at 9:00
17 a.m., and I think we will pick up with Mr. Rinebolt
18 and then Mr. Torpey, I would guess, right?

19 MS. BLEND: That would be our expectation
20 too.

21 EXAMINER PARROT: Thank you, everyone.
22 Have a good night.

23 (Thereupon, at 5:44 p.m., the hearing was
24 adjourned.)

25 - - -

1 CERTIFICATE

2 I do hereby certify that the foregoing is a
3 true and correct transcript of the proceedings taken
4 by me in this matter on Friday, January 18, 2019, and
5 carefully compared with my original stenographic
6 notes.

7
8

Karen Sue Gibson, Registered
Merit Reporter.

9
10

Carolyn M. Burke, Registered
11 Professional Reporter.

12 (KSG-6679)

13 - - -
14
15
16
17
18
19
20
21
22
23
24
25

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

2/4/2019 8:35:34 AM

in

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

Summary: Transcript in the matter of the Long-Term Forecast Report of the Ohio Power Company hearing held on 01/18/19 - Volume IV electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.