

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio )  
Power Company for Approval to Initiate ) Case No. 19-1475-EL-RDR  
Phase 3 of Its gridSMART Project. )

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INITIAL COMMENTS  
OF  
DIRECT ENERGY BUSINESS, LLC  
AND DIRECT ENERGY SERVICES, LLC

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Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, Direct) submit these comments in accordance with the Commission’s August 10, 2020 Entry in this proceeding.

**INTRODUCTION**

Ohio Power Company d/b/a AEP Ohio’s (AEP) gridSMART program was initiated under the Company’s first electric security plan (ESP) in 2009.<sup>1</sup> A stipulation authorizing Phase 2 of the program was approved in February 2017.<sup>2</sup> Among other things, the Phase 2 stipulation required AEP “to develop the systems and/or processes to provide the customers and CRES with interval data using a phase in approach and to transfer as much data as possible to the customers and the CRES provider through the various implementation stages.”<sup>3</sup> Had AEP built the system as promised, CRES could have spent the last two years developing and marketing new,

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<sup>1</sup> *In re Columbus Southern Power Co.*, Case No. 08-917-EL-SSO, et al., Opinion and Order (Mar. 18, 2009).

<sup>2</sup> *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Opinion and Order (Feb. 1, 2017).

<sup>3</sup> *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Stipulation at 5 (April 7, 2016).

innovative products. These products have not come to fruition because the interval data AEP makes available to CRES is not connected through systems which are used to bill and serve customers. CRES providers can look at this data, but AEP has not built a system that can incorporate this data in AEP's billing system. What AEP points to as a "successful Phase 1 and Phase 2 experience" has created a barrier to the development of any products other than its own.<sup>4</sup>

The Commission should not allow AEP to recover costs for gridSMART Phase 3 until AEP fulfills its obligations under gridSMART Phase 2. AEP committed to, and was assured cost recovery of, systems capable of providing interval data that would integrate with AEP's billing and settlement systems. In light of the failure to do so, AEP's Phase 3 "commitments" ring hollow.

## COMMENTS

### **1. AEP should not receive cost recovery for gridSMART Phase 3 until it fulfills its prior obligation to provide bill-quality data to CRES providers.**

Under the Phase 2 stipulation, "The Company will build its systems and/or processes to allow for CRES Settlement via actual load data after completion of the CRES AMI interval data portal for all CRES TOU customers."<sup>5</sup> The purpose of the build-out was for AEP to provide CRES "the opportunity to offer more strategic and competitive TOU options and products."<sup>6</sup> The purpose of settlement was to get to a sufficiently competitive market for time-varying products, but that hasn't happened. AEP built a portal that allows CRES to look at data, but failed to build the systems and processes to provide EDI data to CRES for billing purposes. Absent access to

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<sup>4</sup> *In the Matter of the Application of Ohio Power Company to Initiate its gridSMART Phase 3 Project*, Case No. 19-1475-EL-RDR, Application at 4 (July 26, 2019).

<sup>5</sup> *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Stipulation at 6 (April 7, 2016).

<sup>6</sup> *Id.*

useable EDI data CRES cannot develop these “strategic and competitive TOU options and products.”

Unless CRES can pull EDI data from it, AEP’s portal is useless for service of AMI enabled CRES products. Allowing a customer and supplier to look at usage data is not the same as allowing a customer and supplier to use the data for billing or settlement purposes.

Historical or next day information is valuable for customer actions and responses to change usage in response to some form of price differentiator or reduction in peak, in return for credit. However, if that information cannot actually be used to bill a customer designed energy product or to properly settle the supply then the information is useless to the customer. Any action taken by the customer will not translate into time differentiated prices, savings, changes in capacity, or other costs. There is a fundamental difference between allowing a customer and supplier to view data and calling that access, versus allowing a customer and supplier to use, supply, and settle with the data, which would be real access.

AEP shows no intention of providing the functionality needed for CRES to develop and bill dynamic time-varying products anytime soon. In its gridSMART 3 Application, AEP offered no plan to meet this goal – only that they are “exploring the possibility[.]” That is simply not good enough. The Commission should require AEP to remove the barrier, and implement a timeline for when it will build the necessary systems and when it will make bill-quality data available to CRES suppliers, so they can offer “more strategic and competitive TOU options and programs.”

- 2. If the Commission approves AEP's Application, it should mandate that AEP work with members of the gridSMART Collaborative to provide usable, billable data and settlement processes within 6 months.**

If the Commission approves AEP's application to initiate gridSMART Phase 3, it should not allow AEP to shirk prior obligations and continue to build systems where customers have no usable access to their own data. In doing so, it would ensure we are moving toward a more competitive retail market for innovative offerings. To accomplish this goal, the Commission should mandate that AEP work with parties of the gridSMART Collaborative to develop and implement a plan for AEP to provide CRES with equal access to bill-quality data for all shopping customers with AMI meters, to be completed within 6 months from a final order in this proceeding.

## **CONCLUSION**

Before AEP's Application to initiate gridSMART Phase 3 and cost recovery is approved, the Commission must ensure that AEP is fulfilling obligations agreed to as part of Phase 2, including its obligation to provide CRES with usable bill-quality data for use by all customers to shop for dynamic CRES provided products. For a competitive market to exist, CRES must have access to data that will allow them to develop, market, and bill for innovative offerings. Until that time, the retail market for these products will never be competitive. For this reason, as explained herein, the Commission should not approve AEP's application to initiate gridSMART phase 3. But, in the alternative, if the application is approved, the Commission should direct AEP to work with the gridSMART Collaborative to achieve equal bill-quality data access for CRES providers by a certain date. Therefore, Direct urges the Commission to adopt the suggestions contained herein to ensure that the market continues to move forward rather than fall behind.

Dated: September 9, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served by electronic mail this 9<sup>th</sup> day of

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Summary: Comments INITIAL COMMENTS

OF

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AND DIRECT ENERGY SERVICES, LLC electronically filed by Ms. Valerie A Cahill on behalf  
of Direct Energy, LLC and Direct Energy Business, LLC