

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates.)	Case No. 20-585-EL-AIR
)	
In the Matter of the Application of Ohio Power Company for Tariff Approval.)	Case No. 20-586-EL-ATA
)	
In the Matter of the Application of Ohio Power Company for Approval to Change Accounting Methods.)	Case No. 20.587-EL-AAM
)	

**OBJECTIONS TO THE STAFF REPORT
BY CLEAN FUELS OHIO**

Pursuant to R.C. 4909.19(C) and Ohio Admin. Code 4901-1-28, Clean Fuels Ohio (“CFO”) submits the following objections to the Report filed by the Staff of the Public Utilities Commission of Ohio (“Commission” or “PUCO”) on November 18, 2020 in this proceeding.

These consolidated dockets address electric distribution charges that Ohio Power Company (“AEP Ohio” or “Company”) proposes to collect from its customers. CFO’s objections identify elements of the Staff Report that are unjust, unreasonable or unlawful, and meet the specificity requirement of Ohio Adm. Code 4901-1-28. CFO’s objections identify matters in the Staff Report where Staff has either made, or failed to make recommendations, that result in rates or service terms that contravene what is just, reasonable and lawful for customers in AEP Ohio territory. Further, the lack of an objection to any aspect of the Staff Report does not preclude CFO from cross-examination or introduction of evidence or argument related to issues on which Staff reverses, modifies or withdraws its position on any issue contained in the Staff Report. CFO also reserves the right to amend and/or to supplement its objections in the event that the Staff reverses, modifies or withdraws its position, at any time prior to the closing

of the record, on any issue contained in the Staff Report. CFO further reserves the right to respond to objections or other issues raised by other parties in the above-captioned proceedings.

Objection 1: The Staff Report fails to address AEP Ohio’s proposed Transportation Electrification Programs on its merits.

The Staff Report recommends removing costs related to AEP Ohio’s proposed Demand Side Management (“DSM”) Plan.¹ The proposed DSM Plan includes a Transportation Electrification Program as described in the testimony of AEP Ohio witnesses Lehman and Williams and Exhibit JFW-1 to Mr. Williams’ testimony. It also includes other DSM programs not related to transportation electrification.

The Staff Report recommends eliminating the DSM Plan as a whole, but does not articulate any criticism of the substance of the proposed Transportation Electrification Program. Rather, Staff cites concerns regarding (1) AEP Ohio’s proposal that customer credits of unexpended funds from the annual DSM Plan budget would occur through a separate rider rather than base distribution rates; and (2) legislative uncertainty regarding the state energy efficiency and peak demand reduction standards.² Neither of these issues relates directly to the Transportation Electrification Program on its merits, and Staff improperly failed to consider whether the Program should be included based on its projected ratepayer benefits and importance to AEP Ohio’s cost-effective management of its distribution system, as discussed further below.

¹ Staff Report at 18, 20-21.

² *Id.* at 21.

Objection 2: The Staff Report does not consider the importance of the proposed Transportation Electrification Program in avoiding distribution-related costs and providing distribution-related benefits for ratepayers.

Given its lack of discussion of the merits of the proposed Transportation Electrification Program in any respect, the Staff Report also unreasonably failed to address the need for such a program to support AEP Ohio’s role in cost-effectively managing the distribution grid. As residential and business customers are beginning to adopt electric vehicles (“EVs”), they will become an increasing source of load on AEP Ohio’s distribution system. That load has the potential to cause increased customer costs if it is not well-managed and results in increases in local or system-wide peak demand that drive new distribution investments. Conversely, encouraging EV charging off-peak will, at sufficient scale, lower distribution costs for ratepayers by spreading fixed distribution costs over a greater load.³ Commission Staff should consider the need for a well-designed Transportation Electrification Program to avoid increased costs from ongoing EV adoption, and to accelerate EV penetration in order to achieve distribution rate suppression benefits in a more expedited manner.

Objection 3: The Staff Report does not account for the economic development benefits of the Transportation Electrification Program.

The Staff Report also does not consider potential economic development benefits from the Transportation Electrification Program. Utility support for EV deployment is important for Ohio’s economic future for two reasons. First, up-front support for EV adoption (both personal

³ See Lehman Test. (June 15, 2020) at 4-5 (citing Jason Frost *et al.*, Synapse Energy, Electric Vehicles Are Driving Electric Rates Down (June 2019)), available at <https://www.synapse-energy.com/sites/default/files/EV-Impacts-June-2019-18-122.pdf>).

and commercial) can lower overall fuel and transportation costs for customers,⁴ allowing for them to pursue more enduring investments like job creation. Second, the automotive manufacturing industry is moving toward EV production to a significant extent, with hundreds of billions of dollars expected to be invested in the EV manufacturing and supply chain over the next ten years.⁵ Such manufacturers often look to development of a local EV market as a sign of a positive environment for such investments. Accordingly, AEP Ohio’s proposed Transportation Electrification Program is important to maintaining and expanding Ohio’s role as an auto manufacturing hub during the industry’s transition to electric transportation, in accordance with R.C. 4928.02(N)’s directive for the state to carry out policies that “[f]acilitate the state’s effectiveness in the global economy.”

December 18, 2020

Respectfully submitted,

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⁴ See, e.g., Chris Harto, Consumer Reports, “Electric Vehicle Ownership Costs: Today’s Electric Vehicles Offer Big Savings for Customers” (Oct. 2020), available at <https://advocacy.consumerreports.org/wp-content/uploads/2020/10/EV-Ownership-Cost-Final-Report-1.pdf>.

⁵ See, e.g., Paul Lienert & Christine Chan, “Charged,” REUTERS (Apr. 4, 2019), available at <https://graphics.reuters.com/AUTOS-INVESTMENT-ELECTRIC/010081ZB3HD/index.html>.

CERTIFICATE OF SERVICE

The e-filing system of the Public Utilities Commission of Ohio will electronically serve notice of the filing of this document on the parties referenced in the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a copy of the foregoing document is also being served upon the persons listed below via electronic mail on December 18, 2020.

/s/ Madeline Fleisher
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Case No(s). 20-0585-EL-AIR, 20-0586-EL-ATA, 20-0587-EL-AAM

Summary: Objection Objections to the Staff Report by Clean Fuels Ohio electronically filed by Ms. Madeline Fleisher on behalf of Clean Fuels Ohio