



Public Utilities Commission

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April 26, 2021

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

RE: *In the Matter of the Application of Ohio Power Company to Update its Cogeneration/Small Power Production Tariff*, Case No. 20-963-EL-ATA.

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Ohio Power Company to amend its tariff in Case No. 20-963-EL-ATA.

A handwritten signature in black ink, consisting of the initials "K." followed by a stylized, cursive signature.

Krystina Schaefer
Division Chief, Grid Modernization & Retail Markets
Public Utilities Commission of Ohio

History

The Public Utility Regulatory Policies Act (PURPA) of 1978, as amended, mandates that electric utilities purchase energy and capacity from qualifying facilities, in accordance with 18 CFR § 292.304 (Rates for purchases), unless exempted by 18 CFR § 292.309 and 18 CFR § 292.310.

In Case No. 12-2050-EL-ORD, the Public Utilities Commission of Ohio (“Commission”) conducted the five-year rule review of Ohio Administrative Code (Ohio Adm.Code) Chapter 4901:1-10, pursuant to Section 119.032 of the Ohio Revised Code (R.C.). As part of that review, the Commission approved changes to Ohio Adm.Code 4901:1-10-34 (Compliance with PURPA), which became effective on December 20, 2014.¹

The purpose of Ohio Adm.Code 4901:1-10-34 is to: “implement a standard market-based rate for electricity transactions between EDUs and qualifying facilities as provided by PURPA, specifically for small power production facilities and cogeneration facilities.” The rule also provides an option for qualifying facilities to enter into a negotiated contract with the EDU. Per Ohio Adm.Code 4901:1-10-34(L): “Energy payments to qualifying facilities shall be based on the locational marginal price (LMP) at the RTO/ISO's pricing node that is closest to the qualifying facility's points of injection, or at a relevant trading hub or zone.”

Case No. 20-0963-EL-ATA

In Case No. 20-0963-EL-ATA, Ohio Power Company (AEP Ohio or “the Company”) filed its compliance tariff in accordance with the updated version of Ohio Adm.Code 4901:1-10-34 approved by the Commission.² The compliance tariff included several changes, in accordance with the rule. Specifically, it made the tariff available to customers with qualified cogeneration and/or small power production (COGEN/SPP) facilities with a total design capacity of 20 MW or less, which was an increase from the previous 100 kW. The Company added language to clarify that all customers with distributed generation are subject to the Company’s Minimum Requirements for Interconnection Service pursuant to Ohio Adm.Code 4901:1-22, along with provisions for metering requirements and applicable charges.

The Company also updated the rates provided for energy payments to qualified COGEN/SPP facilities with a total design capacity of less than 100 kW as well as facilities greater than 100 kW but less than 20 MW. For the smaller facilities, the rate is the average annual real-time LMP at the AEP Ohio pricing node less the applicable average charges for operating reserve calculated by PJM.³ For the larger facilities, the rate is the actual real-time LMP at the AEP Ohio pricing node less the applicable charges for operating reserve calculated by PJM, which are made available upon request.

¹ *In the Matter of the Commission’s Review of Chapter 4901:1-10*, Case No. 12-2050-EL-ORD, Finding & Order at 48-51 (Jan. 15, 2014).

² *In the Matter of the Application of Ohio Power Company to Update its Cogeneration/Small Power Production Tariff*, Case No. 20-0963-EL-ATA, Application (May 1, 2020).

³ The twelve-month timeframe is calculated using a May through April period. The average rate is also adjusted by the seasonal billing factors, as calculated by the Company in the Standard Service Offer Master Supply Agreement.

Finally, the following “Terms” (i.e. conditions) were added regarding the credits for participating customers: customers on this schedule will receive a monthly invoice that nets the customer’s energy credits with all other charges. If the monthly invoice results in an overall credit to the customer and is less than \$100, no payment will be issued, and the credit will be applied to the next monthly invoice. If the monthly invoice results in an overall credit to the customer and is more than \$100, residential customers will be issued a payment in the form of a debit card and nonresidential customers will receive payment in the form of a check. The monthly credit will appear under the line item “Customer Generation Credit” on the billing invoice.

Staff Recommendation

Staff has reviewed the application filed by Ohio Power Company to amend its SCHEDULE COGEN/SPP (Cogeneration and/or Small Power Production) tariff and recommends its approval, as it is consistent with the changes adopted in Ohio Adm.Code 4901:1-10-34.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/26/2021 3:50:20 PM

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Case No(s). 20-0963-EL-ATA

Summary: Staff Review and Recommendation electronically filed by Kristin DuPree on behalf of PUCO Staff