

**BEFORE
THE OHIO POWER SITING BOARD**

IN THE MATTER OF THE OHIO POWER SITING BOARD’S REPORT TO THE GENERAL ASSEMBLY REGARDING THE POWER TRANSMISSION SYSTEM.))))	CASE No. 21-796-EL-UNC
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**COMMENTS OF AMERICAN MUNICIPAL POWER, INC.
AND OHIO MUNICIPAL ELECTRIC ASSOCIATION**

Pursuant to Ohio Revised Code (“RC”) Section 4906.105, which requires the Ohio Power Siting Board (“Board”) to submit a report to the General Assembly as to whether the current transmission planning and siting requirements are cost effective and in the interest of consumers, on July 14, 2021, Administrative Law Judge Walstra issued an Entry soliciting comments from interested stakeholders. The Entry requested stakeholders address criteria set forth in the Entry. American Municipal Power, Inc. (“AMP”) and Ohio Municipal Electric Association (“OMEA”) respectfully submit the following comments for the Board’s consideration.

I. BACKGROUND

AMP is a nonprofit Ohio corporation organized in 1971. AMP is the wholesale power supplier and services provider to 135 municipal electric systems in nine states. AMP serves eighty-four (84) municipal electric systems in Ohio, which account for approximately 5% of the electric sales in Ohio and serve approximately 400,000 residential, commercial and industrial meters. Ohio municipal electric systems range in size from Cleveland Public Power with approximately 73,000 meters, to the City of Toledo with one meter. The majority of AMP member communities are villages. As non-profit entities, municipal electric systems exist to provide reliable, affordable electric

service to their customer-owners. Ohio's municipal electric systems are locally owned, managed and governed. All of AMP's members are transmission customers and AMP relies on the transmission grid to provide power to its members. Increasing transmission costs have a direct impact on AMP and its members. In fact, transmission as a percentage of the total bill has increased from 15% in 2015 to 29% in 2020, nearly doubling over a five-year period.

OMEA provides legislative liaison services for AMP and eighty (80) Ohio public power communities, with the goal of protecting the independence and constitutional rights of Ohio municipal electric systems. OMEA serves as the legislative liaison to AMP and represents the state and federal legislative interests of the organization. Although closely aligned with AMP, the OMEA is a separate, nonprofit entity guided by a sixteen-member Board of Directors composed of elected officials from member communities. For ease of reference, hereinafter, AMP and OMEA will be referred to as "AMP" but the comments are supported by both parties.

II. COMMENTS

While AMP supports transmission investments that truly benefit consumers and improve reliability, the current power siting for the planning of the power transmission system and associated facilities investment in Ohio cannot be demonstrated to be cost effective from a consumer perspective and are not in the interest of consumers simply because only a fraction of transmission projects go through the power siting process in Ohio.

Current law requires any person seeking to construct a "major utility facility" in Ohio to first obtain a certificate of environmental compatibility and public need

(“certificate”) issued by the Ohio Power Siting Board. Section 4906.04, RC. Under Section 4906.10, RC, for transmission facilities, the Board may not grant a certificate unless it finds, in pertinent part:

- (1) The basis of the need for the facility;
- (2) The nature of the probable environmental impact;
- (3) That the facility represents the minimum adverse environmental impact, considering the state of available technology and the nature and economics of the various alternatives, and other pertinent considerations;
- (4) That the facility is consistent with regional plans for expansion of the electric power grid of the electric systems serving this state and interconnected utility systems and that the facility will serve the interests of electric system economy and reliability;
- (5) That the facility will comply with Chapters 3704., 3734., and 6111. of the Revised Code and all rules and standards adopted under those chapters and under section 4561.32 of the Revised Code; and,
- (6) That the facility will serve the public interest, convenience, and necessity.

However, current law limits the transmission projects that are defined as “major utility facilities.”

Section 4906.01(B)(1)(b), RC, defines a major utility facility as an electric transmission line and associated facilities of 100 kilovolts (“kV”) or more. Additionally, the replacement of an existing facility with a like facility, as determined by the Board, “shall not constitute construction of a major utility facility.” Section 4906.04, RC. These two limitations exclude the vast majority of transmission projects being planned and constructed by the Transmission Owners as they either fall below the 100 kV threshold or are replacements of existing infrastructure.

This means that most of the transmission projects that are being planned and constructed in Ohio do not receive any review or approval from the Power Siting Board, PJM Interconnection, L.L.C. (“PJM”), the regional transmission organization, the Federal Energy Regulatory Commission (“FERC”) or any other regulatory agency.

Consequently, there is no verification of need or cost effectiveness of the transmission being built.

AMP believes that the Board should consider changes to the siting process that would expand oversight over transmission projects to ensure that transmission projects, particularly to replace aging infrastructure and facilitate the interconnection of renewable generation resources, are needed, represent the minimum adverse environmental impact, are consistent with regional plans for expansion of the electric power grid, will serve the interests of electric system economy and reliability, and will serve the public interest, convenience, and necessity.¹ Ohio customers deserve the right to trust that the transmission assets that they pay for have been determined to be needed and in the public interest.

Additionally, the Board should consider other measures to make the certification process more transparent. Such measures could include a requirement that applicants include a preliminary cost estimate in the application, as well as a post-certification requirement within six months after commencement of commercial operation of a certificated facility, to provide the final cost for the facility and an explanation for significant deviations from the preliminary cost estimate. These changes would increase transparency, help ensure that projects are in line with the expectations of the original application and help protect consumers from cost overruns.

¹ For example, as a result of the transmission summit sponsored by the Public Utilities Commission of Ohio (“PUCO”) in 2019, the PUCO indicated support for a legislative change to reduce the threshold for Power Siting Board’s jurisdiction from 100 kV to 69 kV.

III. CONCLUSION

AMP appreciates the opportunity to provide these comments to the Board for consideration by the Board and JobsOhio as they complete the important report required by Section 4906.105, RC, to the General Assembly as to whether the current transmission planning and siting requirements are cost effective and in the interest of consumers. AMP respectfully requests that the Board include in the report recommendations to improve the siting process in Ohio, particularly in light of the anticipated increase in transmission to replace aging infrastructure and facilitate renewable generation resources.

Respectfully submitted,

/s/ Lisa G. McAlister

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of American Municipal Power, Inc. and Ohio Municipal Electric Association was served upon the following parties of record this 4th day of August, 2021, via electronic transmission or first class mail, postage prepaid.

/s/ Lisa G. McAlister
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Summary: Comments of American Municipal Power, Inc. and Ohio Municipal Electric Association electronically filed by Errin C Harris on behalf of American Municipal Power, Inc. and Ohio Municipal Electric Association