

**BEFORE THE
OHIO POWER SITING BOARD**

In the Matter of the Ohio Power Siting Board's :
Report to the General Assembly Regarding the Power : Case No. 21-796-EL-UNC
Transmission System. :

**COMMENTS OF
THE OHIO ENERGY GROUP**

Pursuant to the Ohio Power Siting Board's ("Board") July 14, 2021 Entry in this proceeding ("Entry"), the Ohio Energy Group ("OEG") submits the following Comments. As a general matter, OEG supports broad and comprehensive Board review of proposed transmission projects located within the State, particularly given the high likelihood of increased transmission investments by the Ohio electric distribution utilities ("EDU") in the future, the costs of which would ultimately be borne by retail customers.

In recent years, Ohio retail customers have experienced dramatic spikes in Ohio EDU transmission costs. Indeed, setting aside many of the transmission-related EDU charges, the Network Integration Transmission Service ("NITS") costs alone for the Ohio EDUs have increased substantially since 2016, as shown in the following chart:

Ohio EDU	2016	2017	2018	2019	2020	2021	% Increase Since 2016
AEP Ohio ¹	\$396,782,016	\$465,511,368	\$408,653,257	\$559,487,771	\$669,087,993	\$774,490,857	95.2%
AES Ohio ²	\$36,745,221	\$37,648,728	\$38,367,724	\$34,454,087	\$35,228,682	\$46,598,900	26.8%
Cleveland Electric ³	\$126,008,577	\$144,344,372	\$154,274,812	\$172,722,381	\$187,652,802	\$203,784,830	61.7%
Duke Ohio ⁴	\$69,130,413	\$84,397,863	\$85,562,652	\$98,067,858	\$108,084,535	\$125,526,288	81.6%
Ohio Edison ⁵	\$165,295,215	\$191,377,726	\$205,709,379	\$231,050,000	\$247,525,794	\$271,583,261	64.3%
Toledo Edison ⁶	\$65,966,089	\$77,025,859	\$81,299,614	\$89,147,001	\$96,224,518	\$100,695,687	52.6%

Given these substantial increases as well as the expectation that utilities will continue to invest in transmission in order to grow their rate base and consequently, their earnings, OEG supports changes that would expand the State's ability to review proposed transmission projects. Such changes include adoption of additional review criteria that would help the Board ensure that the transmission costs ultimately recovered from retail customers are not excessive, unjust, or unreasonable. The Entry outlines many such criteria, including the requirement to prove that a transmission project could not have been deferred or redesigned to achieve the same operational result at a lower overall cost.

¹ Basic Transmission Cost Recovery Rider Updates, Case Nos. 16-1409-EL-RDR, 17-1461-EL-RDR, 18-96-EL-RDR, 19-133-EL-RDR, 20-95-EL-RDR, 21-53-EL-RDR, Schedule B-1.

² Transmission Cost Recovery Rider – Non-Bypassable Updates, Case Nos. 16-531-EL-RDR, 17-712-EL-RDR, 18-447-EL-RDR, 19-577-EL-RDR, 20-547-EL-RDR, 21-224-EL-RDR, Schedule B-1.

³ Non-Market-Based Services Rider Updates, Case Nos. 15-2035-EL-RDR, 16-2043-EL-RDR, 17-2378-EL-RDR, 18-1818-EL-RDR, 19-2120-EL-RDR, 21-695-EL-RDR, Exhibit B.

⁴ Base Transmission Rider Updates, Case Nos. 15-1264-EL-RDR, 16-1514-EL-RDR, 17-1436-EL-RDR, 18-941-EL-RDR, 19-1319-EL-RDR, 20-1151-EL-RDR, Schedule B-1.

⁵ Non-Market-Based Services Rider Updates, Case Nos. 15-2035-EL-RDR, 16-2043-EL-RDR, 17-2378-EL-RDR, 18-1818-EL-RDR, 19-2120-EL-RDR, 21-695-EL-RDR, Exhibit B.

⁶ Non-Market-Based Services Rider Updates, Case Nos. 15-2035-EL-RDR, 16-2043-EL-RDR, 17-2378-EL-RDR, 18-1818-EL-RDR, 19-2120-EL-RDR, 21-695-EL-RDR, Exhibit B.

OEG is particularly supportive of modifying the definition of a “*major utility facility*” under R.C. 4906.01(B) to include an electric transmission line and associated facilities of a design capacity at or above 69 kilovolts. In light of the substantial costs associated with Ohio EDU transmission projects at or above 69 kilovolts, the Board should have the capability to review such projects in detail. Further, the existing 100 kilovolt threshold is arbitrary and now appears dated since both the PJM Regional Transmission Expansion Planning (“RTEP”) process and Federal Energy Regulatory Commission (“FERC”) consider projects below 100 kilovolts.⁷ Thus, revising the Board’s jurisdiction threshold to include review of transmission projects below 100 kilovolts would be consistent with current industry practice.

Respectfully submitted,

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⁷ PJM Manual 14B (June 23, 2021) at 19 (“In addition, the PJM-led analyses also include analysis of and solutions for transmission facilities with nominal voltages below 100kV to the extent such facilities are under PJM’s operational control”), available at <https://www.pjm.com/~media/documents/manuals/m14b.ashx>; 16 U.S. Code 824 (granting FERC authority to regulate the transmission of electric energy in interstate commerce).

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In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served (via electronic mail) on the 4th day of August 2021 to the following:

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Summary: Comments Ohio Energy Group (OEG) Comments electronically filed by Mr. Michael L. Kurtz on behalf of Ohio Energy Group