

BEFORE

THE OHIO POWER SITING BOARD

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

INITIAL COMMENTS OF BUCKEYE POWER, INC.

Buckeye Power, Inc. ("Buckeye") hereby submits its Initial Comments in response to the Ohio Power Siting Board's ("Board" and "OPSB") September 24, 2021, Entry issued in the above-captioned proceeding. In its September 24 Entry, the Board presented a draft, prepared by OPSB Staff, of the report required to be delivered by the Board to the Ohio General Assembly in accordance with Ohio Revised Code Section 4906.105 addressing power transmission system planning and recommendations for legislative changes (the "Draft Report"). Pursuant to the September 24 Entry, the Board has provided interested stakeholders like Buckeye the opportunity to comment on the Draft Report.

I. BUCKEYE'S INTEREST

Buckeye Power, Inc. is an Ohio non-profit corporation with its principal place of business located at 6677 Busch Boulevard, Columbus, Ohio 43229. Buckeye is a generation and transmission cooperative that produces, procures, and provides at wholesale all the electric capacity and energy required by its member electric distribution cooperatives.¹ In addition,

¹ The 25 distribution cooperative members of Ohio Rural Electric Cooperatives, Inc. are: Adams Rural Electric Cooperative, Inc.; Buckeye Rural Electric Cooperative, Inc.; Butler Rural Electric Cooperative, Inc.; Carroll Electric Cooperative, Inc.; Consolidated Cooperative, Inc.; Darke Rural Electric Cooperative, Inc.; Firelands Electric Cooperative, Inc.; The Frontier Power Company; Guernsey-Muskingum Electric Cooperative, Inc.; Hancock-Wood Electric Cooperative, Inc.; Holmes-Wayne Electric Cooperative, Inc.; Licking Rural Electrification, Inc.; Logan County Cooperative Power and Light Association, Inc.; Lorain-Medina Rural Electric Cooperative, Inc.; Mid-Ohio Energy Cooperative, Inc.; North Central Electric Cooperative, Inc.; North Western Electric Cooperative, Inc.; Paulding-Putnam Electric Cooperative, Inc.; Pioneer Rural Electric Cooperative, Inc.; South Central Power Company; Tricounty Rural Electric Cooperative, Inc.; Union Rural Electric Cooperative, Inc.; Washington Electric Cooperative, Inc., and Midwest Energy & Communications, which is based in Michigan with a portion of its electric load in Ohio.

Buckeye arranges transmission services for the delivery of generation to its member electric distribution cooperatives at approximately 450 delivery points in the State of Ohio. Those member distribution cooperatives serve nearly 400,000 residential, commercial, and industrial customers in service territories encompassing primarily rural areas in 77 of Ohio's 88 counties.

Buckeye is a Transmission Dependent Utility ("TDU"), meaning that it depends almost exclusively on PJM Interconnection, LLC ("PJM") and the four transmission owners in Ohio (Duke Energy Ohio, Ohio Power Company/AEP Ohio Transmission Company, Inc., American Transmission Systems, Inc., and the Dayton Power & Light Company) for transmission of electricity to its member cooperatives. As a TDU, Buckeye is subject to PJM's Open Access Transmission Tariff, which includes cost recovery for transmission upgrades and expansions made by each transmission owner in Ohio.

Buckeye filed comments in this docket on August 4, 2021 ("Initial Comments"), and Buckeye appreciates the opportunity to offer its comments on the Draft Report. As discussed below, Buckeye supports the Draft Report and the input provided by the Board to the General Assembly as reflected in the Draft Report.

II. COMMENTS

Buckeye agrees with the Board's concern over rising transmission costs. As noted in Buckeye's Initial Comments, Buckeye has experienced significant increases in transmission costs with the total annual transmission costs and transmission rates charged to Buckeye nearly tripling over the last 10 years, while generation costs have remained relatively flat. However, Buckeye agrees with the Board's observations that many concerns with the increased transmission costs, particularly the expansion of "Supplemental Projects," are being addressed at the federal level through processes at PJM, the Federal Energy Regulatory Commission

(“FERC”), and federal courts. Expanding OPSB jurisdiction to provide additional oversight over these matters may have the unintended consequence of preventing needed improvements to the electric grid without reducing costs. However, Buckeye agrees with certain additional criteria for reviewing transmission projects supported by the Board to help reduce transmission costs.

Buckeye agrees with the Board’s observation that “[w]hile stakeholders have raised concerns about the PJM review process, particularly in relation to the [Attachment M-3 process for Supplemental Projects], the avenue for review of these PJM processes is through PJM whose process is then ultimately approved by FERC.”² As noted in the Draft Report, the OPSB is not a regional planner and its review would not be a substitute for the same oversight needed at the federal level.³ However, the OPSB still has a role in these federal processes and through its Federal Energy Advocate (FEA) is involved in a number of matters at FERC, PJM, and in the federal courts addressing transmission project review, including PJM M-3 Review, the FERC-NARUC Task Force, PJM Workshop Series on Interconnection Policy, and FERC Transmission Planning and Cost Allocation Rulemaking.⁴

Buckeye also agrees with the OPSB’s response to the request to expand its jurisdiction to cover 69 kV facilities. Buckeye agrees that additional oversight of these lower voltage facilities would be better accomplished by FERC directing PJM to review and approve these projects than having OPSB do so, and that expanding OPSB’s jurisdiction to 69 kV would not change the cost allocation to customers.⁵ Buckeye further agrees that it is important to recognize that the expansion of the OPSB’s jurisdiction in this way would not only increase the OPSB’s caseload

² Draft Report, p. 6.

³ *Id.* at pp. 9, 11.

⁴ *Id.* at pp. 7-8.

⁵ *Id.* at p. 9.

but would increase the utility's costs to file extra applications, which will be passed on to consumers.⁶

Buckeye appreciates the OPSB's recognition of the importance of transmission reliability and development in rural areas and agrees that expanding the OPSB's jurisdiction to cover 69 kV projects would "slow or impede important investments in Ohio transmission infrastructure that are needed for economic development or ... to improve transmission in rural areas of the state—or other areas where investment is needed for reliability."⁷ As addressed by Buckeye's Initial Comments, over 80% of Buckeye's members' total delivery points, and over 90% of delivery points experiencing substandard reliability, are served by transmission lines operated at less than 100 kV.⁸ Adding more administrative hurdles for these lower voltage projects will only result in delays of these projects with little added benefit, disproportionately effecting Buckeye's members and their retail customers.

As discussed by Buckeye in detail in its Initial Comments, many of the transmission lines that serve Buckeye's members suffer from a lack of reliability, and while urban and suburban regions of the state have received excellent transmission reliability for decades, transmission reliability in rural areas has been woefully neglected. Investment in transmission in rural areas is necessary to maintain reliability and promote economic development in these areas. Buckeye agrees with the Board that the General Assembly should consider whether any suggested measures aimed to reduce transmission costs will instead have the unintended consequence of

⁶ *Id.* at pp. 9-10.

⁷ *Id.* at p. 10.

⁸ For the period of 2016-2020, 150 Buckeye transmission delivery points exceeded the target of 0.4 outages per year. Approximately 93% (139/150) of these delivery points are connected to sub-transmission (<100kV) facilities. For the period of 2006-2020, 149 delivery points exceeded 0.4 outages per year, and 95% (141/149) are connected to sub-transmission facilities.

negatively impacting transmission projects needed for reliability and economic development, particularly in rural areas.⁹

Although Buckeye supports reasonable investments in much needed transmission upgrades in rural areas, Buckeye agrees with the Board that consideration of competitive bidding and transparency in the OPSB certification process may put a check on rising transmission costs. Specifically, Buckeye agrees with the Board's support for examining whether a project was competitively bid and weighing this factor in its approval process and Buckeye thinks this additional criterion may help to lower transmission project costs.¹⁰ As noted by the Board, issues of transparency in the certification process are being addressed in a separate rulemaking proceeding, Case No. 21-902-GE-BRO.

III. CONCLUSION

WHEREFORE, Buckeye respectfully requests that the Board consider Buckeye's foregoing comments and adopt the Draft Report to provide to the General Assembly in accordance with Ohio Revised Code Section 4906.105.

Respectfully submitted,

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⁹ *Id.* at p. 8.

¹⁰ *Id.* at pp. 15-16.

CERTIFICATE OF SERVICE

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 the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served via U.S Mail or electronic mail on the 8th day of October, 2021, upon the persons listed below:

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Summary: Comments of Buckeye Power, Inc. re Draft Report electronically filed by Ms. Lija Kaleps-Clark on behalf of Buckeye Power, Inc.