

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s)
Review of Chapter 4901:1-25 of the) Case No. 21-478-EL-ORD
Ohio Administrative Code.)

**INITIAL CONSUMER PROTECTION COMMENTS
BY
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

I. INTRODUCTION

The Public Utilities Commission of Ohio (“PUCO”) has invited interested stakeholders to provide comments on the rules concerning market monitoring by the PUCO – O.A.C. 4901:1-25. The rules the PUCO will review include those governing information that is provided to the PUCO about the electric generation wholesale markets by electric utilities, electric cooperatives, electric service companies, and government aggregators. The rules addressed here, and the information provided under them, therefore deal primarily with wholesale electric market issues (rather than the retail market in which residential consumers participate, about which we have pointed out shortcomings). The wholesale electric market is monitored by the Federal Energy Regulatory Commission, PJM Interconnection (“PJM”), and the PJM Independent Market Monitor.

Nevertheless, information about the electric generation wholesale markets can be important to consumers. If the information provided under these rules was publicly available it could assist consumers to make more informed decisions. The Office of the Ohio Consumers’ Counsel (“OCC”) therefore appreciates the opportunity to participate in

this proceeding. OCC has advocated in a variety of proceedings that more market information should be provided to consumers.

The PUCO Staff has made several proposed modifications to O.A.C. 4901:1-25. They mostly involve separating the reporting requirements by group and adding new sections for distributed energy resources (“DERs”). While OCC does not oppose the PUCO Staff’s proposed modifications, the rules would be significantly improved in consumers’ interest if the information provided only to the PUCO under them was publicly available to consumers.

II. OCC’S CONSUMER PROTECTION COMMENTS REGARDING ELECTRIC SERVICE GENERATION MARKET MONITOR REPORTING

A. To protect consumers, the information provided only to the PUCO should be publicly available.

O.A.C. 4901:1-25 governs the reporting required by electric utilities, electric cooperatives, electric service companies, and government aggregators. The rule requires information such as customer counts, billed revenue, and megawatt hours sold. Unfortunately, O.A.C. 4901:1-25 (A)(5) deems all of these reports confidential. OCC understands that some of the information that is reported should be considered confidential (especially specific customer data). But the information should be aggregated for public disclosure to prevent divulging any trade secrets or confidential information. Aggregated data of all entities’ reports could provide high level data about the electric generation wholesale market. This wholesale generation data would provide consumers with a high level analysis of the present state of the energy markets and be informational to them when making choices for their retail service.

As stated above, OCC has commented on problems for consumers in Ohio's retail markets, especially the higher prices charged to consumers served by some marketers, among other issues. OCC has pressed for the provision of "shadow billing" by utilities (electric or natural gas) with choice programs.

The standard service offer reflects the functioning of the wholesale market. In that regard, the PUCO should be monitoring and reacting to the variance between the wholesale and retail prices of electricity to protect consumers from over-paying for energy. This issue relates to shadow billing.

Shadow billing is where the utility provides the difference between the standard service offer ("SSO") provided by the utility against the prices charged by marketers. Shadow billing should be made public, for consumer protection. Currently AEP Ohio is the only electric utility providing aggregate shadow billing. Its reports have shown significant disparities between what marketers are charging customers versus the SSO. Columbia and Duke (natural gas) both provide shadow billing data. These reports demonstrate that most consumers taking service from marketers are paying more than if they were to stay with their utility's SSO.

In recent shadow billing data by AEP Ohio (see attached) it was shown that consumers who chose a marketer paid \$139 million more in the aggregate than those who stayed on AEP Ohio's SSO. This was over 35 months between January 2019 – November 2021. This type of information is important for consumers to have readily available before making decisions about their generation service.

There are over 1.5 million consumers that utilize the SSO to supply their generation needs.¹ According to a study conducted by researchers at The Ohio State University and Cleveland State University, consumers saved \$19.5 billion between 2011 and 2018 as a result of the SSO over traditional procurement processes.² Information like this is important for consumers and important for the PUCO to have when making decisions about their generation needs. Utility reporting regarding the SSO procurement is required under O.A.C. 4901:1-25. It should be easily accessible to all consumers.

They say information is power. Consumers deserve as much information as possible when making choices about their electric generation service. The information provided in O.A.C. 4901:1-25 should be aggregated and made public so consumers can make the most informed decision and protect their pocketbook.

B. To protect consumers, the PUCO rule changes should reflect the intentions of the Federal Energy Regulatory Commission (“FERC”) in its Order 2222.

On September 17, 2020, FERC issued Order 2222 to promote competitiveness in the electric markets by removing barriers preventing DERs from competing in the wholesale energy markets. DERs are smaller scale electric generation that can help consumers control their energy usage. These resources can provide substantial savings for consumers and utilities should allow these resources to be quickly integrated into the distribution system. Any changes that are made to O.A.C. 4901:1-25 should require

¹ PUCO Electric Choice Activity for November 2021 link:
<https://app.powerbigov.us/view?r=eyJrIjoiaZTliZDEzNGEtZjIhYi00YWZlLThjZjktMGZmNDg4OWE4ZDFkIiwidCI6IjUwZjhmY2M0LTk0ZDgtNGYwNy04NGViLTM2ZWQ1N2M3YzhhMiJ9>.

² Thomas, Henning, Bowen, Hill and Kanter “*Update on Electricity Customer Choice in Ohio: Competition Continues to Outperform Traditional Monopoly Regulation*” August 9, 2019 at page7.

utilities to report the efforts they are making to integrate DERs into their distribution systems.

Order 2222 does not allow any retail regulatory authority to broadly prohibit DERs from participating in the wholesale energy markets. Any new rules should promote DER integration. The PUCO should make sure there is proper reporting by electric utilities regarding DER interconnection requests and the timeliness of interconnection to the distribution system.

III. CONCLUSION

Properly functioning competitive markets with informed consumers result in benefits to Ohioans. The PUCO should take this opportunity as it addresses market monitoring rules to make sure that consumers are properly informed.

Respectfully submitted,

Bruce Weston (0016973)
Ohio Consumers' Counsel

/s/ William J. Michael
William J. Michael (0070921)
Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
65 East State Street, Suite 700
Columbus, Ohio 43215-4213
Telephone [Michael]: (614) 466-1291
william.michael@occ.ohio.gov
(willing to accept service by email)

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Initial Consumer Protection Comments was served on the persons stated below via electronic transmission, this 7th day of January 2022.

/s/ William J. Michael _____
William J. Michael
Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

SERVICE LIST

john.jones@ohioAGO.gov

stnourse@aep.com

Attorney Examiner:

James.lynn@puco.ohio.gov

12/6	Residential Shopping Savings	Residential Shopping Non-Savings	Total Monthly Choice Savings	Cumulative Savings
January 2019	\$ 439,818.07	\$ (6,014,490.87)	\$ (5,574,672.80)	\$ (5,574,672.80)
February 2019	\$ 407,506.67	\$ (5,437,438.01)	\$ (5,029,931.34)	\$ (10,604,604.14)
March 2019	\$ 434,778.83	\$ (4,760,607.60)	\$ (4,325,828.77)	\$ (14,930,432.91)
April 2019	\$ 356,692.98	\$ (3,825,919.33)	\$ (3,469,226.35)	\$ (18,399,659.26)
May 2019	\$ 313,279.27	\$ (3,406,209.10)	\$ (3,092,929.83)	\$ (21,492,589.09)
June 2019	\$ 193,028.01	\$ (4,192,365.47)	\$ (3,999,337.46)	\$ (25,491,926.55)
July 2019	\$ 295,526.84	\$ (5,370,430.11)	\$ (5,074,903.27)	\$ (30,566,829.82)
August 2019	\$ 268,030.82	\$ (5,648,420.03)	\$ (5,380,389.21)	\$ (35,947,219.03)
September 2019	\$ 270,886.76	\$ (4,817,912.77)	\$ (4,547,026.01)	\$ (40,494,245.04)
October 2019	\$ 837,978.81	\$ (3,164,270.62)	\$ (2,326,291.81)	\$ (42,820,536.85)
November 2019	\$ 753,602.34	\$ (2,688,336.84)	\$ (1,934,734.50)	\$ (44,755,271.35)
December 2019	\$ 814,275.88	\$ (3,788,276.27)	\$ (2,974,000.39)	\$ (47,729,271.74)
January 2020	\$ 682,751.53	\$ (4,518,318.33)	\$ (3,835,566.80)	\$ (51,564,838.54)
February 2020	\$ 684,186.68	\$ (3,982,965.37)	\$ (3,298,778.69)	\$ (54,863,617.23)
March 2020	\$ 698,536.40	\$ (3,689,155.48)	\$ (2,990,619.08)	\$ (57,854,236.31)
April 2020	\$ 466,808.73	\$ (3,071,838.38)	\$ (2,605,029.65)	\$ (60,459,265.96)
May 2020	\$ 516,750.99	\$ (2,911,475.35)	\$ (2,394,724.36)	\$ (62,853,990.32)
June 2020	\$ 170,204.05	\$ (5,139,753.80)	\$ (4,969,549.75)	\$ (67,823,540.07)
July 2020	\$ 149,979.57	\$ (6,888,352.30)	\$ (6,738,372.73)	\$ (74,561,912.80)
August 2020	\$ 154,110.59	\$ (6,691,087.28)	\$ (6,536,976.69)	\$ (81,098,889.49)
September 2020	\$ 231,797.20	\$ (5,791,050.39)	\$ (5,559,253.19)	\$ (86,658,142.68)
October 2020	\$ 455,082.54	\$ (2,899,306.47)	\$ (2,444,223.93)	\$ (89,102,366.61)
November 2020	\$ 448,982.36	\$ (2,836,005.67)	\$ (2,387,023.31)	\$ (91,489,389.92)
December 2020	\$ 505,829.46	\$ (4,020,119.40)	\$ (3,514,289.94)	\$ (95,003,679.86)
January 2021	\$ 392,309.29	\$ (5,162,903.68)	\$ (4,770,594.39)	\$ (99,774,274.25)
February 2021	\$ 391,905.67	\$ (4,810,185.55)	\$ (4,418,279.88)	\$ (104,192,554.13)
March 2021	\$ 346,061.40	\$ (4,573,512.11)	\$ (4,227,450.71)	\$ (108,420,004.84)
April 2021	\$ 495,499.46	\$ (3,393,097.84)	\$ (2,897,598.38)	\$ (111,317,603.22)
May 2021	\$ 446,172.96	\$ (3,185,200.53)	\$ (2,739,027.57)	\$ (114,056,630.79)
June 2021	\$ 1,297,174.51	\$ (3,740,322.66)	\$ (2,443,148.15)	\$ (116,499,778.94)
July 2021	\$ 997,886.00	\$ (4,845,429.03)	\$ (3,847,543.03)	\$ (120,347,321.97)
August 2021	\$ 1,070,138.25	\$ (5,702,205.86)	\$ (4,632,067.61)	\$ (124,979,389.58)
September 2021	\$ 1,333,190.19	\$ (6,362,978.54)	\$ (5,029,788.35)	\$ (130,009,177.93)
October 2021	\$ 661,625.10	\$ (5,383,677.53)	\$ (4,722,052.43)	\$ (134,731,230.36)
November 2021	\$ 576,644.43	\$ (5,108,447.24)	\$ (4,531,802.81)	\$ (139,263,033.17)

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Case No(s). 21-0478-EL-ORD

Summary: Comments Initial Consumer Protection Comments by Office of the Ohio Consumers' Counsel electronically filed by Ms. Alana M. Noward on behalf of Michael, William J.