

service (“CRES”) providers that demonstrate the ability to successfully transact SCB with AEP Ohio. Alternatively, if not indefinitely extended, the program should continue, and be available to all CRES providers, for at least five years after the date on which AEP Ohio becomes compliant with the data sharing requirements it has committed to make.

II. REPLY COMMENTS

Staff’s recommendation to discontinue the SCB pilot program was based on only two factors: (1) the participation rates of the five eligible SCB providers, and (2) concerns with customer enrollment methods.³ The only commenters opposing continuation of the pilot program, AEP Ohio and the Office of the Ohio Consumers’ Counsel (“OCC”), parroted these concerns in their comments. Like Staff in its report, each offered the same, limited historical data in an attempt to support their conclusions. Neither offered any reasons behind the data.

However, the remaining commenters offered clear explanations of the limitations of the abbreviated two year pilot. These commenters include the competitive suppliers that participated in, or were eligible to participate in, the pilot;⁴ as well as those wishing to participate, but were forbidden to participate in the program because of size restrictions.⁵ They are in the best position to advise the PUCO of the barriers that prevented robust participation in the pilot, and to explain why the market is now situated to permit SCB to provide the innovative products and services the PUCO envisions for Ohio consumers.

³ See *A report by the staff of the Public Utilities Commission of Ohio, AEP Ohio Supplier Consolidated Billing Pilot* (November 5, 2021), at “Recommendation.”

⁴ See Constellation, IGS and Direct Energy (NRG Companies) initial comments.

⁵ See REAL, RESA, and NRG Companies initial comments.

A. Participation in AEP's Pilot Program was Limited by External Factors that have been Removed.

Although SCB had been a PUCO aspiration for over 15 years, the AEP Ohio pilot was not approved until 2016, after considerable procedural wrangling.⁶ Once approved and modified in 2018,⁷ it took until November 2019 before infrastructure and processes were in place to permit even basic transactions between suppliers and AEP Ohio. Once operational, the COVID-19 pandemic turned the world upside down and forced suppliers to refocus their efforts elsewhere.⁸

The pandemic, technical hurdles, and the lack of a wholesale settlement process were responsible for a lack of participation in the pilot, and the associated absence of new and innovative products and services.⁹ The pandemic has eased and AEP Ohio now has committed to provide the systems and processes necessary for wholesale market settlements by July 2023.¹⁰ With the pieces now in place for a successful and robust SCB, it is premature for the PUCO to terminate the program

B. Any Concerns with Customer Enrollment Methods have been Resolved.

The Staff's report cites only a single inquiry to its call center as the basis for its concern over customer enrollment methods. Neither AEP Ohio nor OCC provide any evidence of customer enrollment problems. AEP Ohio admits that no consumers lodged complaints with it

⁶ *In re Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider*, Case No. 14-1693-EL-RDR, *et al.* Opinion and Order (March 31, 2016).

⁷ *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan*, Case No. 16-1852-EL-SSO, Opinion and Order (April 25, 2018).

⁸ REAL initial comments at 2, 7-9; IGS initial comments at 2-4; RESA initial comments at 3; Constellation initial comments at 3.

⁹ *Id.*; REAL initial comments at 9-11; Constellation initial comments at 4-5, 7-8; IGS initial comments at 3-4.

¹⁰ REAL initial comments at 2, 6, 9-11. See, also, *In the Matter of the Application of Ohio Power Company to Initiate Phase 3 of its GridSMART Project*, Case No. 19-1475-EL-RDR, Opinion and Order (December 1, 2021) at ¶ 35.

about SCB.¹¹ OCC illogically speculates that customers' requests to be dropped from the program, for unspecified reasons, confirms customer enrollment issues.¹²

However, as a result of the customer's inquiry to Staff, Constellation conducted an investigation and reached out to all SCB customers and obtained their affirmative consent to switch to SCB.¹³ The affirmative consent standard can be applied and adopted by all suppliers offering SCB in the future and, thus, avoid the customer confusion of concern to Staff.

C. The Program's Cost was not a Basis for Staff's Formal Recommendation and is not an Impediment to the Program's Continuance.

Although not a part of its formal recommendation to discontinue the AEP Ohio SCB pilot program, the Staff's report observed a concern with the program's cost. The report indicates only that "[a]ny expansion of the SCB Pilot could create additional costs." Emphasis added. Staff did not attempt to identify or quantify these *potential* costs.

AEP Ohio attempted to identify additional costs if the program were expanded, citing "testing with additional suppliers, manual work required to calculate the monthly supplier discount rate, and program maintenance."¹⁴ However, AEP Ohio appears to agree with the supplier commenters that the SCB implementation costs already have been funded.¹⁵ Neither it, nor Staff has attempted to quantify the cost or provided evidence that the minimal costs to continue the program exceed its substantial benefits identified by the supplier commenters.¹⁶

OCC complains that the program's initial \$1 million cost to all AEP Ohio ratepayers was

¹¹ AEP Ohio initial comments at 1.

¹² OCC initial comments at 4-5.

¹³ Constellation initial comments at 7.

¹⁴ AEP Ohio initial comments at 3.

¹⁵ See, e.g., IGS initial comments at 6-7.

¹⁶ See Constellation initial comments at 6, REAL initial comments at 6-7, IGS initial comments at 5-6, RESA initial comments at 4-6.

exorbitant, citing that only 626 customers were enrolled as of September 2021. It mistakenly argues that AEP Ohio ratepayers will pay \$1,597 **per year, per customer** if the program is continued at the September 2021 customer participation rate.¹⁷ The \$1 million contribution by ratepayers was for start-up implementation costs and not annual costs of the program going forward.

Viewed from the proper perspective, AEP Ohio's 1.3 million customers would have paid just over five cents per month over the two year pilot for start-up infrastructure and programming costs. These investments to implement SCB that already have been made, and further investments that allow wholesale settlements, will unlock the enormous benefits that SBC promises. Importantly, all AEP Ohio customers now will be able to realize a return on their investment, including a reduction in their electric bills through innovative pricing plans.¹⁸

Commissioner Trombold recognized in the Power Forward proceeding that enhancements to the grid, including accessible interval data necessary for wholesale settlements, needed to be made in order for competitive suppliers to have the opportunity to build a better business case in Ohio. She reasoned that not to move forward would only "devalue" the investments already made in the competitive electric retail market throughout the state, and would cause Ohio to "move away from – rather than toward – greater customer engagement."¹⁹ Discontinuance of the pilot program would devalue the investments already made to support SCB. The investments already made, by consumers and suppliers alike, require that the PUCO move forward with the program to realize its full benefits.

¹⁷ OCC comments at 4.

¹⁸ RESA initial comments at 5, Constellation initial comments at 6, IGS initial comments at 6.

¹⁹ *In the Matter of the PowerForward Collaborative*, Case Nos. 18-1595-EL-GRD, *et al.*, Entry (April 22, 2020) ("PowerForward Entry"), Concurring Opinion of Commissioner M. Beth Trombold at ¶ 5.

IV. CONCLUSION

For the foregoing reasons, REAL renews its recommendation that AEP Ohio's SCB pilot program be extended indefinitely. Alternatively, if not indefinitely extended, the program should continue at least five years after the date on which AEP Ohio becomes compliant with the data sharing requirements. Moreover, the pilot should be opened to all certified CRES providers that demonstrate the ability to successfully transact SCB with AEP Ohio and that have a PUCO-approved SCB bill format.

Respectfully submitted,



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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 upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Reply Comments* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 23rd day of August 2022.



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