

Volume 11, Issue 9 • March 4, 2022

This Summary Contains Confidential and Privileged Information Pursuant to a Confidentiality Agreement and the Attorney-Client Privilege.
DO NOT DISTRIBUTE OR SHARE WITH NON-MEMBERS.

Federal

OCC Files Complaint Regarding RTO ROE Adder for AEP, Duke, and FirstEnergy (Docket No. EL-22-000)

Summary: The OCC has filed a complaint with FERC to eliminate a 0.5% return on equity (ROE) adder that utilities receive as an incentive for joining a regional transmission organizations (RTO). The incentive amounts to approximately \$26.5 million per year collected from Ohio utility customers. OCC argued that the adder is unnecessary because Ohio already requires its utilities to join RTOs and cited that FERC has previously ruled that AES Ohio is ineligible for the incentive for that exact reason.

Statewide

PUCO Commences EE Workshop Series

Summary: This week, AEP, AES Ohio, Duke, Columbia, CenterPoint and Interstate Gas Supply Inc. (IGS) served as panelists in the first of the PUCO's five energy efficiency (EE) workshops, which focused on the electric and natural gas sectors.

The electric distribution utilities (EDUs) argued that despite HB 6's elimination of EE mandates, they should still be permitted to offer EE programs and recover costs for such programs from their customers through non-bypassable mechanisms. Columbia asserted that utilities are the logical entities to provide EE programs in Ohio due to "accountability" through PUCO filings, reports, and other measures that may not exist in the competitive market.

The EDUs and gas utilities expressed interest in the possibility of offering joint EE programs in the future. IGS opposed the utility monopolies' intrusion into the already competitive EE market and advocated that the PUCO should act merely as a regulator rather than a policymaker, and not allow EDUs to voluntarily offer EE programs in light of HB 6.

AEP

Settlement Filed to Resolve AEP SEET Cases (Case Nos. 20-1006-EL-UNC, et al.)

Summary: This week, AEP, OMAEG, the PUCO staff, and others submitted a nearly unanimous settlement to the PUCO to resolve various AEP Significantly Excessive Earnings Test (SEET) cases.

The Office of the Ohio Consumers' Counsel (OCC) agreed not to oppose the settlement. In addition to avoiding litigation that's unlikely to result in customer refunds, the settlement specifies that OMAEG and other signatory parties are not bound by AEP's SEET methodology in future cases.