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Federal

Ohio FEA Submits Comments on Carbon Pricing Policy (Docket No. AD20-14-000)

Summary: The Ohio Federal Energy Advocate (Ohio FEA) submitted comments on FERC's proposed policy statement to incorporate a state-determined carbon pricing into RTO/ISO markets. The Ohio FEA expressed concerns that through implementing carbon pricing, RTOs' roles would be expanded to that of environmental regulators. The Ohio FEA also asserted that a singular focus on accommodating state CO2 reduction objections through a market-based approach could exclude other legitimate states policies. Lastly, the Ohio FEA recommended the establishment of a joint federal-state board to explore issues associated with FERC's proposal.

Statewide

PUCO Chairman Randazzo Resigns

Summary: Sam Randazzo has resigned as PUCO chairman, just days after the FBI searched his Columbus home as part of the ongoing investigation into the HB 6 scandal. Yesterday, in a new filing with the U.S. Securities and Exchange Commission, FirstEnergy Corp. described a \$4 million payment made in early 2019 to an entity associated with an individual subsequently appointed as a state official directly involved in regulating the FirstEnergy utilities, including with respect to distribution rates.

In his resignation letter, Randazzo stated that the FBI raid – coupled with FirstEnergy Corp.'s filing – “will, right or wrong, fuel suspicions and controversy over decisions I may render in my current capacity.” He voiced support for HB 722, sponsored by Rep. Mark Romanchuk, stating that the bill “is a fine vehicle to rescind the nuclear bailout, the OVEC bailout, rescind the unbalanced version of decoupling given to FirstEnergy Ohio's operating companies (despite the concerns we raised), put the ESP statute out of commission, and allow Ohio's electric customers to enjoy an even greater electric bill reduction (in excess of \$300,000,000) that is scheduled to take place through current law on Jan. 1, 2021.” He also called the ESP statute “too utility-friendly.”

Randazzo's resignation letter may be accessed [here](#).

Under Ohio law, PUCO Vice Chairman M. Beth Trombold will be the acting chair until a new chair is named. The PUCO Nominating Council is required to make recommendations on a new commissioner to Gov. DeWine within 30 days.

EDUs Propose HB 6 Nuke Subsidy Rider Rates (Case Nos. 20-1706-EL-ATA, et al.)

Summary: The electric distribution utilities (EDUs) filed the following HB 6 nuclear subsidy rider non-residential rates, effective Jan. 1, 2021. The monthly bills of non-residential customers, who are eligible to become self-assessing purchasers, will be capped at \$2,400. As OMAEG cautioned in its comments to the PUCO, there are significant disparities among the EDUs' rates as shown below:

- **AEP:** \$0.002596/kWh for the first 833,000 kWh per month.
- **DP&L:** \$0.0008830/kWh for the first 833,000 kWh per month.
- **Duke:** \$0.002628/kWh for the first 833,000 kWh per month.
- **FirstEnergy:** \$0.00219/kWh for the first 833,000 kWh per month.

PUCO Orders Termination and Reconciliation of EE Riders (Case Nos. 16-574-EL-POR, et al.)

Summary: The PUCO directed the EDUs to file proposed revised tariffs by December 1, 2020 for their respective Energy Efficiency/Peak Demand Reduction (EE/PDR) program cost recovery riders, setting the riders to zero per H.B. 6, effective January 1, 2021. Once the cumulative saving cap has been met on December 31, 2020, the EE/PDR cost recovery riders must terminate. The sole exception to this termination is the reconciliation between revenue collected and compliance efforts occurring prior to December 31, 2020. The EDUs will be authorized to file tariffs to implement the final reconciliation once the PUCO has approved their proposed final reconciliations. Lastly, the PUCO ordered that no cost recovery mechanism will be authorized beyond the period required to complete the final reconciliation.

Supreme Court Limits PUCO Authority Over Utility Easements (Slip Opinion No. 2020-Ohio-5220)

Summary: The Supreme Court of Ohio ruled that the PUCO lacks authority to determine the scope of utility easements. In the case, property owners filed suit and asserted that Ohio Edison exceeded the scope of an easement that it had on their land to control vegetation. The trial court ruled that the PUCO had exclusive jurisdiction over the issue because the case concerned a public utility's service. Ultimately, the Supreme Court

reversed the trial court and held that the PUCO lacked exclusive jurisdiction over the issues raised because its administrative expertise was unnecessary to determine the scope of the easement. The Supreme Court further held that under the Ohio Constitution, only courts have the power to resolve competing property rights, even when a public utility is involved.

Duke

PUCO Removes Duke's EE Cost Cap and Reduces Shared Savings (Case No. 16-576-EL-POR)

Summary: Based upon a recent decision from the Supreme Court of Ohio, the PUCO removed a cost cap of \$38.6 million that it previously imposed on Duke's recovery from customers for 2018 and 2019 EE/PDR costs and shared savings. However, the PUCO reduced Duke's maximum allowable shared savings for 2017-2020 to \$7.8 million (pre-tax) annually from \$12.5 million. Lastly, the PUCO prohibited Duke (and other EDUs) from recovering lost distribution revenue after Dec. 31, 2020, even if the lost distribution revenue is attributed to energy savings achieved in 2018, 2019, or 2020.