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Federal

PUCO Submits Comments on PJM's MOPR Implementation (Docket No. ER18-1314-003; Docket No. EL18-178)

Summary: On June 22, 2020, the PUCO submitted comments on PJM's compliance filings to implement the expanded Minimum Offer Price Rule (MOPR) in its capacity market. The new MOPR applies to most resources receiving state subsidies. The PUCO requested that FERC reconsider its inclusion of state default auctions in the definition of "state subsidy." Alternatively, the PUCO suggested that FERC use a revised definition of state subsidy that does not include transactions or obligations associated with a state default service auction where the underlying state auction is competitive and resource neutral. The PUCO also questioned the value of PJM's proposed guidance document, which lists state programs that they consider to be state subsidies based on information provided by Capacity Market Sellers. The PUCO asserted that the guidance document is redundant with PJM's proposal for a certification process for the Capacity Resources that Market Sellers offer to verify receipt of a state subsidy, could lead to litigation, offer little value, and be inaccurate at any given time.

The PUCO also opposed PJM's proposal to require that each Demand Response (DR) registration be associated with one end-use customer location. In the proposal, each end-use customer location will be considered a new or existing DR with a state subsidy based on whether that location is included for the first time in curtailment service providers' (CSPs) pre-registered sell offer for the applicable Base Residual Auction (BRA). New end-user customer locations that are not committed to the CSP until just prior to the delivery year will not be eligible to clear as an existing resource at a lower net Avoidable Cost Rate floor price, unless they were previously registered with the CSP prior to the auction. The PUCO stated that PJM's proposal placed an undue burden on CSPs as they would be required to know all their demand response end-users prior to the capacity auction.

The PUCO also encouraged FERC to resolve outstanding MOPR-related issues so that PJM can conduct a BRA for the 2022/2023 delivery year and not delay subsequent auctions. Lastly, the PUCO commented that all resources should be allowed broad

flexibility to demonstrate that their actual costs are lower than the applicable default MOPR floor offer price and, if so, offer at the lower cost. However, the PUCO recommended that PJM ensure that the flexibility is not manipulated through accounting methodologies to take advantage of exemptions to the MOPR.

AEP Ohio

AEP Responds to OMAEG's Comments on New HB 6 Decoupling Mechanism (Case Nos. 20-1099-EL-ATA, et al.)

Summary: On June 22, 2020, AEP opposed OMAEG's comments on House Bill 6's decoupling mechanism, arguing that its request was timely based on HB 6's language and that its supplemental mechanism is reasonable and lawful as it is distinct from the Pilot Throughput Balancing Adjustment Rider (PTBAR), which only applies to small commercial and residential customers. AEP mischaracterized OMAEG's concerns about double recovery of the same costs through its overlapping requests that will result in rate increases to customers, referring to the concerns as merely "general criticism of the company." AEP's promises not to double-recover the same costs and incorrect assertions and justifications for its multiple recovery requests ignore its own filings and requests and the recent PUCO order authorizing AEP to recover forgone revenues – not just costs – through its COVID-19 Plan.