



**MINUTES OF THE
OFFICE OF THE OHIO CONSUMERS' COUNSEL GOVERNING BOARD**

Meeting of July 19, 2022

Members Present:

Ms. Cheryl Grossman, Vice Chair (serving as Acting Chair)
Mr. Randy Brown
Mr. Tim Callion
Mr. Dorsey Hager, Jr.
Ms. Connie Skinner
Mr. Josh Yoder

Members Absent: Chair Michael Watkins, Ms. Kelly Moore and Ms. Jan Shannon

CALL TO ORDER BY CHAIR:

Acting Chair Grossman called the meeting to order at approximately 10:30 A.M. (in the absence of Chair Watkins). Acting Chair Grossman welcomed the Board members to the meeting and asked Interim Board Secretary Larry Sauer (Deputy Consumers' Counsel) to call the roll. Members responded as present, as shown above.

MEETING MINUTES:

Acting Chair Grossman asked for a motion to approve the minutes of the May 17, 2022 Board meeting. A motion was made by Ms. Skinner to approve the minutes. Mr. Callion seconded the motion. Mr. Sauer called the roll. The motion was approved unanimously.

RECOGNITION:

Consumers' Counsel Weston expressed appreciation to Mr. Callion, who is concluding his time with the Board and not seeking reappointment. Acting Chair Grossman also expressed her appreciation. Mr. Callion stated that his service on the Board had been a great opportunity.

Consumers' Counsel Weston informed the Board of three new OCC employees. He stated that Joe Buckley is joining the OCC as a Senior Regulatory Analyst. Mr. Buckley recently retired from the PUCO after 30 years and is very knowledgeable. He next informed the Board of Robb Ebright, who is joining the agency as a part time web developer. He added that Mr. Ebright has assisted the agency with website development as a temporary staffer, and that some of the recent enhancements to the website resulted from his work. He next informed the Board of Dana Tamim, who has joined the agency as a Public Affairs intern while attending college.

Deputy Sauer introduced Brian Lee, Assistant Attorney General, who was in attendance at the meeting.

AGENCY ACTIVITY FOR CONSUMERS:

Consumers' Counsel Weston discussed the recent AEP outages. He noted that there would be a guest speaker joining the meeting remotely from PJM. He explained that PJM oversees transmission in a 13-state region, including Ohio. He added that PJM has a role in what happened with the outages and would be providing a non-technical explanation to the Board of what occurred. He further explained that the AEP outages were forced outages, essentially meaning that AEP shut-off customers to prevent the grid from becoming overstressed.

Mr. Weston explained that AEP had stated the forced outages were required due to a load shed event. Mr. Weston briefly outlined the timeline and the numbers of customers affected on June 14 and 15, 2022. Mr. Weston explained the detrimental effects to consumers, including health risks, high heat, food losses and closed businesses. He added that there had been some assertions that lower income neighborhoods and minorities were affected by these outages more than others.

Mr. Weston continued that the PUCO is conducting a "review." He added that OCC, the Ohio Manufacturers' Association and other consumer advocates have called for an *investigation*, but the PUCO has not formally opened a case. Mr. Weston expressed gratitude to Pro Seniors and Ohio Poverty Law Center for joining in the call for an investigation. Mr. Weston explained that an investigation allows non-parties, such as advocates, to participate. He noted that PJM and AEP recently made presentations to the PUCO as part of their review, but these were not under oath. He added that OCC's motions also ask for an independent audit, for local hearings, and to allow for online comments that would be public.

Mr. Weston noted that the Governor had provided a list of outage issues that the PUCO should be reviewing, which OCC appreciated. Mr. Weston stated he also appreciated that AEP's President had taken calls from Mr. Weston during the event. He noted that, in response to AEP's request, OCC communicated to consumers via its website the need for reducing their load during the remainder of that week. He stated that links to the AEP outage map and the city's cooling centers were also provided on OCC's website for consumers. He stated that although AEP had denied liability, the company did make financial contributions to food centers to try to help people with some of the losses.

Mr. Brown asked what would happen if it was determined that AEP's equipment is out of date and needs replaced; would they be obligated to replace it? Mr. Weston responded that an investigation would lead to different possible results: One could be liability of the utilities including damages owed

to consumers. The other result could be the utility fixing the equipment. He noted that consumers have paid AEP a lot of money for reliability.

The Deputy Consumers' Counsel introduced Mr. Michael Bryson, Senior Vice-President of Operations at PJM, who joined the Board meeting remotely. Mr. Bryson discussed how transmission lines are operated and monitored, managed and rated. He explained that an emergency rating indicates lines are becoming overloaded. A load dump rating is a time-limited issue, which happened several times the week of June 13, and required AEP to remedy within five minutes. He added there were several severe storms in the area earlier in the week. There was also a hot weather alert, over 90 degrees at the peak.

Mr. Bryson explained the sequence of events that took place during the emergency and explained that several lines began tripping about 2:00 P.M. on Tuesday (June 14th). As a result, PJM issued a directive to AEP to shed enough load to get under the emergency rating. He added that PJM initiated demand-response in the Columbus area and explained that these are customers who have volunteered to come off the system under conditions like this. He explained that later in the day, based on additional line conditions, PJM ordered additional load curtailments to get lines below the emergency ratings. He further explained that at 10:30 the next morning, three additional lines tripped out of service and PJM again ordered a load-shed directive, and initiated demand-response.

Acting Chair Grossman thanked Mr. Bryson for his review of the events. She asked, given the \$3 billion consumers had paid for maintenance to AEP, could this have been avoided? Mr. Bryson responded that the storm damage from the night before contributed to the problem. He added it was hard to say whether additional transmission planning and build could have prevented the issue, given the combination of the storm damage and the extreme heat. Acting Chair Grossman asked whether West Virginia, and other areas affected by storms, had issues as difficult as what happened in Ohio. Mr. Bryson responded that the number of customers affected in the other states was significantly less. Ms. Grossman asked Mr. Bryson if he could comment on the maintenance by AEP in Ohio on the transmission lines compared to other states. Mr. Bryson stated he was not directly familiar with the maintenance level.

Consumers' Counsel Weston thanked Mr. Bryson for meeting with OCC about the outages. He asked about PJM's knowledge of storm damage in the Columbus area the night before. Mr. Bryson responded that it appeared that most of the area around Columbus appeared to be operating. Mr. Bryson added that they later found out from AEP that there was storm effect in that area that had not taken the lines out the night before. There was potential vegetation and damaged components, that caused them to trip out of service.

Mr. Haugh, Co-Director of Analytical Services at OCC, asked whether PJM can tell why a particular line is down through their monitoring. Mr. Bryson responded that information comes from the

transmission owner. Acting Chair Grossman asked if there was anything else that could have been done proactively to avoid this situation. Mr. Bryson responded that he believes that AEP and PJM took the appropriate actions once the lines began to trip. He added that they are still looking to events prior to, during and after to prevent this from happening again.

Mr. Weston asked about PJM's investigation process. Mr. Bryson explained PJM has an internal event analysis process they use in major events like this. He added that Reliability First, the NERC regional entity, has invited AEP and PJM to do a NERC level event analysis. He added that if NERC standards were violated prior to, during, or after the event, this could result in compliance implications, including a potential for financial penalties. Mr. Weston inquired if PJM relies upon the transmission owner to inform them what happened to the transmission lines. Mr. Bryson stated they rely on the utility.

Mr. Weston asked if PJM orders the utilities to disconnect specific customers or neighborhoods. Mr. Bryson stated PJM directs the utility to shed enough customer load to get the facility under the emergency rating. The utility determines the amount and the most effective load to shed.

Mr. Bryson explained that NERC (North American Electric Reliability Corporation) is appointed by FERC. Reliability First reports to NERC; their focus is the mid-Atlantic region. Acting Chair Grossman asked if PJM sees this occurring again with similar events leading up to the forced outages. Mr. Bryson responded that the system is designed to have multiple bad things happen and still be able to operate, but that this particular combination of events was beyond those criteria.

Mr. Weston asked if the findings of NERC, Reliability First and PJM would be made public. Mr. Bryson responded that the PJM event analysis will be the most public. NERC's analysis is more about the issues at a public level. He added that if there are any fines, that would be noted publicly. Mr. Weston asked if there are opportunities for the public to participate in the various investigations. Mr. Bryson responded that PJM would welcome input in terms of scope or even looking at the initial findings. Acting Chair Grossman thanked Mr. Bryson for joining the Board meeting.

Mr. Weston discussed internal emails between the PUCO and AEP that 10TV in Columbus obtained and published. The emails were about whether AEP crews were prepositioned to respond to storm damage, and it seemed from the emails that they were not. Mr. Yoder noted a concern about PJM relying on the utility to report the reason for the problems with the lines, such as storm damage. Mr. Weston explained this was something that OCC wanted to have investigated.

Next, Mr. Weston discussed a news story with data. The news story displayed the relative income levels of the areas that were forced into outages by AEP. And he showed some comments by consumers in reaction to the outages.

Mr. Weston next discussed a slide that shows the voting records of the PUCO Commissioners. The slide depicted that from April 2019 – June 2022, all but one of the PUCO votes had been unanimous, reflecting that diversity of Commissioner opinions (in written dissents) was rare.

Deputy Sauer explained a recent OCC motion calling for the PUCO to make itself subject to the Ohio Code of Judicial Conduct (issued by the Ohio Supreme Court). He reviewed the language of the Code's four canons with the Board.

Consumers' Counsel Weston discussed the Ohio law that requires utilities to file their statistics on disconnections. He noted that AEP led the utility list for disconnections for the second year in a row. Last year OCC filed motions (with a number of its advocacy partners) to protect consumers from disconnections, but the PUCO denied requests by concluding that AEP was not in violation of the law.

Deputy Sauer discussed a rate increase settlement with Aqua Ohio. The requested \$8 million rate increase was reduced by \$3 million. And the settlement provides bill payment assistance for consumers. Also, the settlement has reporting requirements, such as for Aqua to publicly report its statistics for disconnecting consumers. Mr. Weston complimented Aqua for the improvements made in water quality in their service territory in recent years.

An OCC video was shown with former Board member Fred Yoder, where he provided guidance to consumers on how to research energy offers by utility marketers. Mr. Yoder's son now serves on the Board.

Mr. Sauer discussed ongoing marketing investigations at the PUCO. One marketer had unknowingly marketed to a PUCO staffer whose work responsibilities included enforcing the state's rules for energy marketing. That incident, which involved inappropriate marketing, was part of what led to a PUCO investigation of the marketer.

Mr. Sauer discussed Duke's electric rate case, where Duke is seeking a \$54.5 million increase. OCC's position is it should be a rate reduction. OCC is among those attempting to negotiate a settlement with Duke. Also, Columbia Gas filed for a \$212 million rate increase. OCC is proposing that the PUCO reduce Columbia's proposal by about \$200 million, to just about a \$10 million rate increase. He also reviewed a story about multiple charitable organizations (who received donations from Columbia) appearing at local public hearings in support of Columbia.

Mr. Weston reviewed a DP&L case. He discussed the Ohio precedent which does not allow for consumers to be given refunds of unlawful charges. He discussed how DP&L had failed to file a tariff that would have allowed the possibility of refunds.

Representative Lanese joined the meeting remotely to discuss two bills she is sponsoring. House Bill 690, co-sponsored with Representative Gayle Manning, provides for OCC to have a nomination (to the Governor) for one of the five PUCO commissioner seats. She stated that a lot of consumers are feeling like they have been left out of the equation, and this is one way we can make sure that they have a voice in what's happening at the PUCO.

She also discussed House Bill 351, which would repeal the portion of tainted House Bill 6 that makes Ohioans subsidize AEP, Duke and AES for the OVEC coal power plants. She stated that Ohioans are subsidizing up to \$1.5 billion for the coal plants. She stated that utilities have been coming out against the repeal, but it has a lot of popular support. She explained that the bill has had two legislative hearings, but she does not foresee it passing this General Assembly. Mr. Weston thanked the Representative for her efforts. The Representative asked about the comments from PJM on the investigation into the AEP outages and stated her concerns that constituents had been affected disproportionately. Mr. Weston summarized the earlier discussion with PJM, and added that OCC will continue its efforts to get a full investigation.

She also spoke briefly to House Bill 260. That bill is an effort to get refunds back to consumers for utility charges they paid that are later determined to be illegal.

Consumers' Counsel Weston next discussed House Bill 690 and noted that the Cleveland Plain Dealer and Elyria Chronicle had published editorials in support of the bill. He also noted the subsidy tracker (regarding the OVEC plants) on OCC's website that displays a running estimate of what the House Bill 6 subsidy is costing Ohioans. The OCC website also has a pollution tracker for the OVEC coal plants.

Mr. Weston then reviewed a Hannah story regarding protecting telephone consumers who need basic wired telephone service. A group of consumer advocates (including OCC) had filed at the PUCO and received a favorable outcome for consumers. But that was followed immediately by a late amendment (supported by the telephone industry) to House Bill 430 that basically undid the PUCO's favorable decision for consumers.

Mr. Weston next discussed a rate case where DP&L was in violation of an earlier rate freeze agreement. The PUCO Staff agreed with OCC. DP&L then requested oral arguments to the PUCO Commissioners. OCC Senior Counsel Maureen Willis provided argument on behalf of OCC.

Mr. Weston discussed the fiscal information, including that the agency will soon be preparing its Fiscal Year 2024-2025 budget request. He stated that budget guidance was expected any day, and it was possible that the budget proposal would be due in September prior to the next Board meeting. He reviewed the last biennium budget process and it resulted in a \$100,000 budget increase over the prior biennium. He asked the Board members for any guidance in asking for increases for the next budget

biennium. Acting Chair Grossman felt it is an appropriate time to remind everyone of the relevancy and importance of what the OCC does. Several other Board members expressed support.

Ms. Skinner moved for the Board to support seeking a budget increase of \$700,000, based on the extraordinary number of issues that the OCC is involved in and will continue to be involved in for the foreseeable future. Mr. Brown seconded the motion. Mr. Sauer called the roll. The motion passed unanimously.

Ms. Skinner made a motion to adjourn the meeting. It was seconded by Mr. Callion. Mr. Sauer called the roll. The motion passed unanimously.

The meeting adjourned at approximately 12:25 P.M.

I verify that the above meeting minutes have been approved and ratified by the Consumers' Counsel Governing Board on September 20, 2022.



Michael Watkins, Board Chair



Larry Sauer, Interim Board Secretary
Ohio Consumers' Counsel Governing Board