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EPSA TO AEP AND FIRSTENERGY: NICE TRY, BUT NO GO

Utilities Misfire in Filing of PUCO Bailout Orders at FERC

WASHINGTON, DC – The Electric Power Supply Association (EPSA), its co-complainants in the Ohio utility affiliate abuse proceedings before the Federal Energy Regulatory Commission (FERC), and the Ohio Consumers’ Counsel (OCC), have jointly filed answers with FERC in those proceedings. The new answers are in response to separate but similar motions filed at FERC by AEP and FirstEnergy to lodge with FERC the orders of the Public Utilities Commission of Ohio (PUCO) last week requiring Ohio consumers to fund multi-billion dollar corporate bailouts for each utility’s affiliated power generation. The PPAs will also harm the broader PJM wholesale market that serves tens of millions of customers in 12 other States and the District of Columbia.

“EPSA and more than a dozen allies are fighting this blatant utility affiliate abuse before FERC. By contrast, no one filed in support of FE and only one for AEP. EPSA has no objection to the lodging of the PUCO orders because that makes it all the more timely and indeed imperative that FERC act on the widely supported affiliate abuse complaints before next month’s PJM capacity auction as our coalition requested,” said John E. Shelk, EPSA president and CEO. “Make no mistake, though, but that the self-serving commentary by each utility accompanying what could have been simple motions to lodge the PUCO orders is as off the mark as the self-dealing contracts they continue to seek to shield from public scrutiny and complete regulatory review,” Shelk continued.

“The PUCO concedes in its orders, as it must, and as the utilities did in the Ohio proceedings, that every State in the Union lacks authority over what under the Federal Power Act are wholesale power purchase contracts within FERC’s exclusive jurisdiction. Far from resolving the affiliate abuse complaints, as the utilities improperly suggest in their motions to lodge, the PUCO orders reinforce why FERC review of these still-secret PPAs is more urgent than ever. PUCO only approved retail rate riders to pay for the wholesale contracts if they are ever allowed by FERC. However, unless FERC grants our coalition’s complaints, and then specifically reviews these PPAs for compliance with FERC’s affiliate standards and otherwise, the deals that the utilities negotiated with themselves will escape full regulatory review for whether they are just and reasonable and not unduly discriminatory or preferential under federal law as the Federal Power Act wisely requires,” Shelk added.

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EPSA is the national trade association representing leading competitive power suppliers, including generators and marketers. Competitive suppliers, which collectively account for 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities serving power markets nationwide. EPSA seeks to bring the benefits of competition to all power customers.