

CTR Issue Charge Education

Kevin Zemanek
Director, System Operations
Market Implementation Committee
April 7, 2021

Buckeye's Perspective

- The Issue with Status Quo
 - Available CTRs, once the BRA and IA are conducted and ICTRs and QTUs are assigned, are allocated to load in a zone on a pro-rata basis
 - Does not recognize zonal load that has deliverable Network Resources outside the constrained zone
 - Exposes LSEs with rights to deliverable generation to unnecessary capacity price separation

The Impact to Buckeye

- Buckeye has sufficient Network Resources, in aggregate, to cover its Network Load
 - Before RPM and rules that established LDA's in Ohio - there was not a problem
 - After RPM and rules that established LDA's in Ohio - Buckeye is being sent a signal that it now needs more generation
- Whereas other load in the constrained zone may not have dedicated Network Resources of any kind but are nevertheless still allocated CTRs

Buckeye's Impact from Price Separation

Delivery Year	LDA Separation	Impact to Buckeye
2015 / 2016	ATSI LDA	\$10M
2016 / 2017	ATSI LDA	\$2.5M
2020 / 2021	DEOK LDA	\$1.0M
2021 / 2022	ATSI LDA	\$1.5M

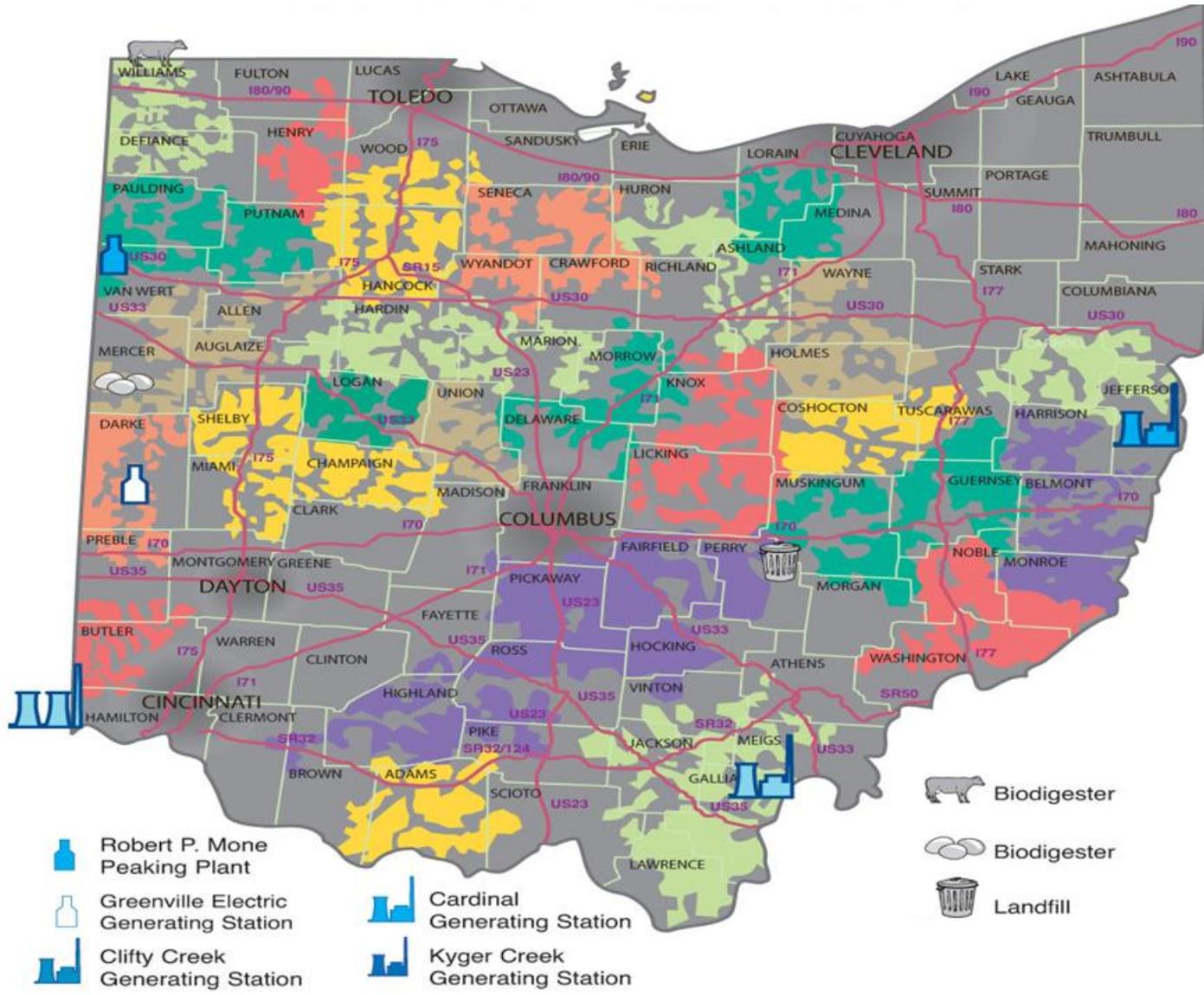
Why is this happening?

- Although Buckeye has sufficient capacity and network service to satisfy its network load in aggregate, capacity price separation is a problem for Buckeye because Buckeye does not have its own zone
 - Buckeye's generation and load are located within four different PJM transmission zones in Ohio
 - AEP, ATSI, Dayton, Duke Ohio
- Zonal capacity price separation is a problem for LSE's like Buckeye because they, as opposed to other utilities, do not have their own transmission zone or LDA

OHIO'S ELECTRIC COOPERATIVES

BUCKEYE POWER, INC.
OHIO RURAL ELECTRIC COOPERATIVES, INC.

Your Touchstone Energy® Cooperatives 



Buckeye's Generation and Load

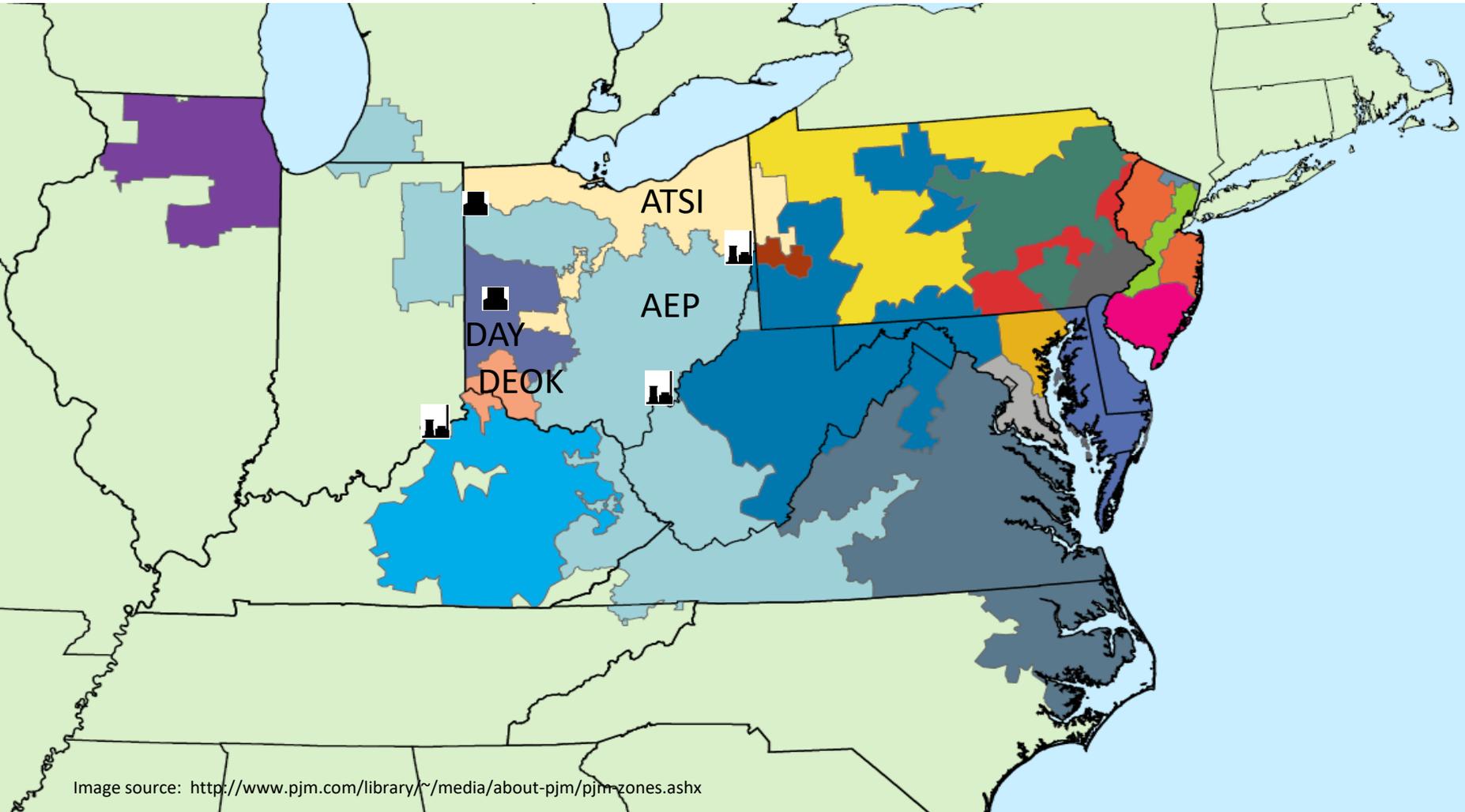


Image source: <http://www.pjm.com/library/~media/about-pjm/pjm-zones.ashx>

Historical Transmission Rights

- While Buckeye is a Transmission Dependent Utility (TDU), Buckeye has paid for transmission to deliver its generation to its load
- Historically Buckeye had a Power Delivery Agreement (PDA) with AEP, and all other utilities in Ohio, to transmit the generation to its load across the state of Ohio
- The PDA stipulated that the transmission owners would plan and expand their systems as necessary to accommodate the needs of delivering capacity/energy from Buckeye's generation resources to coop distribution systems

Present Day - NITSA

- When the PDA expired, it was immediately replaced by network transmission service agreements with individual TO's in Ohio and later through PJM with the same provisions
- Buckeye currently has a Network Integration Transmission Service Agreement (NITSA) with PJM that lists its Network Resources and the ability to deliver capacity/energy to its network load

Conclusion

- This is an issue of fairness where similar situations have been addressed in PJM and MISO.
- When Buckeye made decisions about where to locate generation, there was no PJM capacity market in existence and no reason for Buckeye to take that into consideration
- In addition, Buckeye paid for the transmission facilities associated with delivering capacity/energy from its resources to coop distribution systems under the terms of the Power Delivery Agreement and now under a Network Integration Transmission Service Agreement (NITSA)

Questions?

Contact Information

- Buckeye Power, Inc.
 - Craig Grooms
 - V.P. Engineering and Operations
 - cgrooms@ohioec.org
 - Kevin Zemanek
 - Director, System Operations
 - kzemanek@ohioec.org
- ACES
 - John Rohrbach
 - Executive Director of Regulatory Strategy
 - jrohrbach@acespower.com