



Public Utilities Commission

Statement from PUCO Chairman on future electric reliability

COLUMBUS, OHIO (Aug. 21, 2015) – Reliability of the electric grid in Ohio moved in the right direction today with the inclusion of PJM Interconnection’s (PJM) Capacity Performance product for the first time in the annual Base Residual Auction (BRA). The BRA is an annual process to procure generating capacity to meet the forecasted demand for electricity in the region.

“At the PUCO, we have the responsibility to focus on reliability in Ohio,” stated Chairman Andre T. Porter, “The Capacity Performance product is designed to ensure that our electric generators are available when needed most.”

In June the Federal Energy Regulatory Commission (FERC) approved PJM’s proposal to create the Capacity Performance product to be included in future PJM capacity auctions. Capacity Performance is a penalty and incentive mechanism intended to ensure when demand for electricity is high, like in times of extreme high or low temperatures, generating units will be ready and able to produce electricity to meet the higher demand.

Following the 2014 Polar Vortex and the strain placed on the regional electric grid, the PUCO first urged PJM to enhance system reliability by holding generators accountable for their performance. Subsequently, the PUCO recommended that FERC accept PJM’s Capacity Performance proposal in order to align resource performance with reliability. This week, the PUCO further urged FERC to uphold their decision and allow the transition to Capacity Performance to proceed as approved.

Results from this year’s BRA were released today. During the auction, PJM procured 19.8 percent above the forecasted peak demand for the June 1, 2018 to May 31, 2019 delivery period.

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The Public Utilities Commission of Ohio (PUCO) is the sole agency charged with regulating public utility service. The role of the PUCO is to assure all residential.

services at fair prices while facilitating an environment that provides competitive choices. Consumers with utility-related questions or concerns can call the PUCO Call Center at (800) 686-PUCO (7826) and speak with a representative.

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