



THE P³
GROUP

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EPSA and P3 Call on PUCO to Reject AEP's Proposed Bailout

WASHINGTON, DC and KING OF PRUSSIA, PA –In response to the announcement today that AEP filed a revised stipulation at the Public Utilities Commission of Ohio (PUCO), the PJM Power Providers Group (P3) and the Electric Power Supply Association (EPSA) released the following statements attributable to their presidents:

“In the wake of the massive public outcry opposing the proposed FirstEnergy bailout, it strains all logic and reason to think that the PUCO staff would double down on the idea of tax increases on the homes and businesses of Ohio for the exclusive benefit of AEP. The people of Ohio will pay and the shareholders of AEP will get paid. It is as simple as that. It just doesn't make sense that in the face of overwhelming testimony that competitive markets are working to push electricity rates to historically low levels in Ohio that the PUCO staff would yet again agree to a misguided proposal that will not improve reliability, will not reduce volatility, will force consumers to pay more for power and will drive innovation out of the state. We, yet again, call on the 5 Commissioners of the PUCO to reject this noxious corporate welfare,” said Glen Thomas, President, PJM Power Providers Group

“EPSA and others warned when the FirstEnergy bailout was hatched that the contagion would spread and sure enough AEP is rushing to replicate the sweetheart deal sought by its cross-state rival. There is no justification whatsoever to saddle consumers with the considerable risks and costs inherent in this latest monopoly utility power grab. Plentiful supplies of affordable, reliable and environmentally responsible electricity are available from wholesale competitive suppliers without putting the burden on consumers. Next year is a critical election year in which economic issues and how companies are regulated are front and center. Confidence in private enterprise is compromised when companies give up competing to serve customers and seek to take the easy way out through mandated revenue recovery in this fashion. The only way to stop the contagion is for the PUCO to just say no to the bailouts,” said John E. Shelk, President & CEO, EPSA.

AEP's stipulation is very similar, in concept, to a stipulation that was filed by FirstEnergy on December 1, 2015. In the short time that the First Energy "settlement" has been made available to the public it has been called the "Mother of All Boondoggles" (see: <http://www.forbes.com/sites/williampentland/2015/12/12/firstenergy-finagles-mother-of-all-boondoggles/>), viewed as penalizing "consumers for management's previously mistaken expectations about energy markets," (see: http://www.cleveland.com/opinion/index.ssf/2015/12/puco_must_oppose_firstenergys.html), attacked as bad public policy and illegal (see: <http://blogs.edf.org/energyexchange/2015/12/10/firstenergys-bailout-isnt-just-bad-policy-its-illegal/>) and labelled as "a sweetheart deal" (see: <http://www.crainsicleveland.com/article/20151213/VOICES01/151219943/crainsiceditorial-pull-the-plug>).

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P3 is a non-profit organization that supports the development of properly designed and well-functioning markets in the PJM region. Combined, P3 members own over 84,000 MWs of generation assets, produce enough power to supply over 20 million homes and employ over 40,000 people in the PJM region covering 13 states and the District of Columbia. The views expressed in this press release represent the views of P3 as an organization and not necessarily the views of any individual P3 member.

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