

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio     )  
Power Company for Approval of a            )  
Reasonable Arrangement under R.C.       )  
4905.31 and O.A.C. Chapter 4901:1-38.    )

Case No. 24-734-EL-AEC

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**COMMENTS FOR CONSUMER PROTECTION  
BY  
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

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**I. INTRODUCTION**

Ohio Power Company (“AEP”) and Intel Corporation (“Intel”) (collectively, “Applicants”) have applied for PUCO approval of a Reasonable Arrangement Application (“Reasonable Arrangement”).<sup>1</sup> The Reasonable Arrangement will facilitate Intel’s new semiconductor manufacturing facilities being constructed in Licking County, Ohio. Governor DeWine proclaimed that the Intel project is the “largest single private sector investment in Ohio history” and it is expected to produce tens of thousands of jobs for Ohioans.<sup>2</sup> Given the substantial benefits the Intel project will bring to Ohio, the PUCO should approve the Reasonable Arrangement.

**II. STANDARD OF REVIEW**

Under R.C. 4905.31 and O.A.C. 4901:1-38-05, an electric utility may apply to the PUCO for a “reasonable arrangement.” The purposes of reasonable arrangements are:

to facilitate the state’s effectiveness in the global economy,  
to promote job growth and retention in the state, to ensure

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<sup>1</sup> See R.C. 4905.31 and O.A.C. 4901:1-38-05.

<sup>2</sup> Press Release, JobsOhio, Governor DeWine Announces Monumental Investment by Intel to Bring Their Most Advanced Semiconductor Manufacturing Plants to Ohio (Jan. 21, 2022), <https://www.jobsohio.com/news-press/intel-chooses-ohio-for-chip-manufacturing>.

the availability of reasonably priced electric service, to promote energy efficiency and to provide a means of giving appropriate incentives to technologies that can adapt successfully to environmental mandates in furtherance of the policy of the state of Ohio embodied in section 4928.02 of the Revised Code.<sup>3</sup>

All reasonable arrangements must satisfy two basic touchstones: (1) the arrangement must be “reasonable” and “in the public interest,” and (2) the arrangement must not violate the prohibitions on discrimination in R.C. 4905.33 and R.C. 4905.35.<sup>4</sup>

### **III. THE REASONABLE ARRANGEMENT WILL BENEFIT CONSUMERS AND IT SHOULD BE APPROVED**

On January 21, 2022, Ohio Governor Mike DeWine described Intel’s project as the “largest single private sector company investment in Ohio history[.]”<sup>5</sup> Intel’s planned establishment of semiconductor manufacturing facilities in Ohio constitutes a substantial investment with far-reaching implications. To facilitate this monumental project, AEP and Intel have jointly proposed a comprehensive and equitable arrangement for the construction of a novel distribution station.<sup>6</sup> This new infrastructure is imperative to fulfill Intel’s singular electricity requirements, ensuring the reliability and quality essential for semiconductor manufacturing.

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<sup>3</sup> O.A.C. 4901:1-38-02.

<sup>4</sup> See O.A.C. 4901:1-38-05(A)(1) (“An electric utility filing an application for commission approval of a reasonable arrangement with one or more of its customers, consumers, or employees bears the burden of proof that the proposed arrangement is reasonable and does not violate the provisions of sections 4905.33 and 4905.35 of the Revised Code . . .”).

<sup>5</sup> Press Release, JobsOhio, Governor DeWine Announces Monumental Investment by Intel to Bring Their Most Advanced Semiconductor Manufacturing Plants to Ohio (Jan. 21, 2022), <https://www.jobsohio.com/news-press/intel-chooses-ohio-for-chip-manufacturing>.

<sup>6</sup> Application at 3-4.

The Reasonable Arrangement benefits consumers and should be approved.

**A. The Reasonable Arrangement**

Intel's semiconductor manufacturing processes necessitate a substantial and dependable electric supply that adheres to stringent power quality standards.<sup>7</sup> In response to these unique requirements, AEP and Intel propose constructing a customized distribution station, the Green Chapel Station, along with requisite transmission lines.<sup>8</sup> The estimated cost of constructing the station is \$95.1 million, which will be recovered through the Distribution Investment Rider outside of existing annual revenue limitations.<sup>9</sup> Additionally, to accommodate Intel's specific needs, Intel will procure specialized circuit breakers, which will be recovered through a Customer Investment Advance Charge.<sup>10</sup>

The proposed arrangement outlines a twenty-year term, during which Intel will be subject to AEP's applicable Schedule GS rates.<sup>11</sup> Intel will possess the flexibility to designate annual contract capacity, up to a maximum of 500 megawatts, and may also designate third parties for service at the station.<sup>12</sup> Intel will file with the PUCO annual reports with Intel's annual investment until Intel's investment exceeds \$20 billion.<sup>13</sup>

**B. The Reasonable Arrangement aligns with state policy and benefits consumers.**

As a preeminent domestic semiconductor producer, Intel's decision to situate its advanced chip production in Ohio underscores the state's strategic importance within the

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<sup>7</sup> See *id.* at 10-11.

<sup>8</sup> *Id.* at 11-12.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 3.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 4.

global technological landscape. The project is projected to generate tens of thousands of high-quality employment opportunities and solidify Ohio's standing as a preeminent state in the burgeoning semiconductor industry.<sup>14</sup> This will benefit consumers.

The proposed arrangement is harmonized with Ohio's overarching economic development objectives.<sup>15</sup> By cultivating a supportive environment for high-technology industries, the state can attract additional investment, create employment opportunities, and enhance its reputation as a business-conducive location. According to Intel, it:

plans to invest approximately \$50 million toward partnerships with Ohio educational institutions to build a pipeline of talent and bolster research programs in Ohio. In its first phase of funding, Intel has granted \$ 17.7 million for eight proposals from leading institutions and collaborators in Ohio to develop semiconductor-focused education and workforce programs. Among other things, this funding will support over 2,300 scholarship and educate 9,000 students to develop a skilled talent pipeline for the Silicon Heartland.<sup>16</sup>

Approving the Reasonable Arrangement signifies the state's unwavering commitment to innovation and economic prosperity, benefiting consumers.

The proposed arrangement is fully aligned with Ohio's policy of fostering high-technology manufacturing and attracting substantial investments such as Intel's.<sup>17</sup> Moreover, the project enjoys support from both federal and local entities.<sup>18</sup> Intel, as the largest U.S.-owned semiconductor manufacturer and the sole leading-edge U.S. company engaged in both the design and fabrication of its products, occupies a pivotal position in

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<sup>14</sup> See Application at 1-2; Affidavit of James Evers; R.C. 4928.02(N); O.A.C. 4901:1-38-05(C).

<sup>15</sup> See Application at 7; R.C. 4928.02(N); O.A.C. 4901:1-38-05(C).

<sup>16</sup> See Application at Affidavit of James Evers, at ¶ 5.

<sup>17</sup> See R.C. 4928.02(N); O.A.C. 4901:1-38-05(C).

<sup>18</sup> Application at 8-9; *see also id.*

the industry.<sup>19</sup> An economic analysis conducted by JobsOhio estimates that the project will generate \$6.45 billion in annual economic activity and sustain 15,689 Ohio households.<sup>20</sup> This substantial investment is poised to yield significant tax revenue and stimulate economic development within the region. The company's investment in Ohio marks a pioneering endeavor as the first leading-edge semiconductor site in the Midwest.

Beyond its immediate economic ramifications with their consumer benefits, Intel's presence in Ohio is indispensable for safeguarding national security and fortifying supply chain resilience.<sup>21</sup> By manufacturing semiconductors in the United States, Intel is actively mitigating risks associated with excessive reliance on foreign suppliers.<sup>22</sup> This strategic initiative aligns with broader national endeavors aimed at strengthening domestic industrial capabilities, benefiting consumers.

#### **IV. CONCLUSION**

The Ohio Consumers' Counsel recommends approving the Reasonable Arrangement. Intel's project, facilitated by the Reasonable Arrangement, presents a significant opportunity to create employment opportunities, stimulate economic growth, and elevate Ohio's standing as a leader in the semiconductor industry, all to consumers' benefit.

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<sup>19</sup> Application at 4-5.

<sup>20</sup> *Id.* at 8-9.

<sup>21</sup> See Application at 6-7; R.C. 4928.02(N); O.A.C. 4901:1-38-05(C).

<sup>22</sup> See Application at 6-7.

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Comments for Consumer Protection has been served electronically upon those persons listed below this 8<sup>th</sup> day of August 2024.

/s/ William J. Michael  
William J. Michael  
Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

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