

MEMORANDUM

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Prepared for: FirstEnergy Ohio Utilities

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REVIEW OF DEMAND RESPONSE ATTRIBUTES PROGRAM (OHIO)

In 2011 and 2012, Cleveland Electric Illuminating (CEI) and Ohio Edison (OE) implemented the Demand Response (DR) Attributes program as part of the C/I Interruptible Load Program. The DR Attributes program is designed to achieve demand-response requirements contained in Ohio Amended Senate Bill 221 (SB 221).¹ In the first quarter of 2012, CEI and OE issued an RFP for PJM Curtailment Service Providers² that have the capability of providing Demand Resources³.

The DR Attributes program design requires that the Curtailment Service Provider (CSP) and the utility customer enter into an agreement allowing the CSP to control and operate a specific kW attribute that the customer commits for a specific premise or controlled load.

At the conclusion of the RFP process, CEI and OE entered into contracts with three CSPs that bid Demand Resources totaling 53 MW for CEI and 86 MW for OE; the number of utility customers participating per territory was 86 CEI participants and 72 OE participants.

ADM has inspected the DR Test records and associated invoice amounts for the three CSPs: Energy Connect, EnerNOC and ECS. During 2012, the three CSPs conducted DR Tests that demonstrated the availability of Firm Resources⁴ amounting to 42.916 MW for CEI and 74.412 MW for OE.

Results for each of the three CSPs:

- Energy Connect achieved Firm Resources which totaled 31 MW for OE.
- EnerNOC achieved Firm Resources which totaled 15 MW for CEI plus 25 MW for OE.
- ECS achieved Firm Resources which totaled 27.916 MW for CEI plus 18.412 MW for OE.

¹ http://www.legislature.state.oh.us/BillText127/127_SB_221_EN_N.pdf

² PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia (www.pjm.com). Curtailment Service Provider or CSP is an entity that participates in the PJM Interchange Energy Market in which reduction in demand is provided to PJM in accordance with its emergency demand response program as defined by the PJM OATT.

³ Demand Resource refers to a customer under contract with a CSP to provide a reduction in demand (i.e., a specific kW of load that can be curtailed) at the customer's premise.

⁴ Firm Resource refers to the verified Resource that was achieved during 2012 DR Tests.