

Energy Efficiency and Peak Demand Reduction Program Portfolio Status Report to the Public Utilities Commission of Ohio

**For the period
January 1, 2012 to December 31, 2012**

Ohio Edison Company
The Cleveland Electric Illuminating Company
The Toledo Edison Company

Docket No. 13-1185-EL-EEC
Docket No. 13-1186-EL-EEC
Docket No. 13-1187-EL-EEC

May 15, 2013, Revised July 18, 2013

Table 2-1: The Companies' pro rata energy and demand Portfolio impacts through the end of the Reporting Period¹⁶

Energy Efficiency Benchmarks and Results (MWh)					Peak Demand Benchmarks and Results (MW)			
Utility	Updated 2012 Compliance Benchmark	Savings from Approved Programs	Savings from Projects Pending PUCO Approval	Savings from Approved Programs and Pending Projects	Updated 2012 Compliance Benchmark	Savings from Approved Programs	Savings from Projects Pending PUCO Approval	Savings from Approved Programs and Pending Projects
OE	541,291	626,759	20,992	647,752	169.90	225.85 226.34	7.07	232.92 233.41
CEI	426,817	729,279	26,988	756,267	135.00	185.61	4.42	190.03
TE	231,655	213,607 206,769	91,287	304,894 298,055	67.30	167.36 167.25	19.27	186.63 186.52
TOTAL	1,199,764	1,569,645 1,562,807	139,267	1,708,913 1,702,073	372.20	578.82 579.20	30.76	609.59 609.96

2.3 Summary of Energy Impacts by Program¹⁷

A summary of **pro rata** energy impacts by program through the end of the reporting period is presented in the following table:

Table 2-2: The Companies' pro rata energy impacts and participation by program through the end of the reporting period

Approved Programs	Ohio Edison		Cleveland Electric		Toledo Edison		Program Totals	
	Participants / Units	MWh	Participants / Units	MWh	Participants / Units	MWh	Participants / Units	MWh
Residential								
Direct Load Control	9,995	68	5,630	38	1,319	9	16,944	115
Home Energy Analyzer	12,093	10,607	5,182	6,615	2,790	2,893	20,065	20,114
Appliance Turn-In	13,261	16,485	8,270	10,651	2,105	2,876	23,636	30,012
Energy Efficient Products	14,734	1,821	10,153	1,121	4,182	482	29,069	3,424
Residential Energy Audit	1,244	351	823	210	265	58	2,332	619
CFL	1,571,113	117,462	1,588,699	118,683	552,482	40,720	3,712,294	276,865
New Homes	13	1,037	12	383	5	385	30	1,804
Residential Low-Income								
Community Connections	4,093	5,433	5,739	7,220	1,510	1,591	11,342	14,244
Small Enterprise								
Equipment (Lighting)	1,558	104,574	1,461	118,207	334	18,290	3,353	241,070
New Construction	0	0	0	0	0	0	0	0
Government								
Government Lighting	42	766	1	57	0	0	43	822
Mercantile Utility (Large Enterprise)								
Equipment (Lighting)	207	83,705	102	43,150	60	35,978	369	162,832
Motors	3	4,624	5	758	4	7,746 877	12	43,098 6,259
Interruptible Demand Reduction	26	0	2	0	5	0	33	0
Other								
Consumer Behavior Study	0	0	10	0	0	0	10	0
Mercantile Customer	253	269,956	188	419,304	87	99,102	528	788,362
Transmission and Distribution	n/a	9,871	n/a	2,882	n/a	3,509	n/a	16,262
Subtotal Actual Results	1,628,635	626,759	1,626,277	729,279	565,148	213,607 206,769	3,820,060	4,569,645 1,562,807
Projects Pending PUCO Approval								
Mercantile Customer	21	6,374	30	20,746	20	85,433	71	112,553
Transmission and Distribution	n/a	14,618	n/a	6,242	n/a	5,854	n/a	26,714
Subtotal Potential Results	21	20,992	30	26,988	20	91,287	71	139,267
Total Portfolio	1,628,656	647,752	1,626,307	756,267	565,168	304,894 298,055	3,820,131	4,708,913 1,702,073

¹⁶ Ex ante pro-rata results from approved programs from 2009 through 2012 including mercantile applications pending before the Commission as of March 31, 2013, and transmission and distribution applications filed with the Commission as of May 15, 2013. Values include adjustments by appropriate loss factors with the exception of Interruptible Demand Reduction and Transmission and Distribution values.

¹⁷ The Companies also track their results on an annualized basis. These results are presented in Appendix A.

2.4 Summary of Demand Impacts by Program¹⁸

A summary of **pro rata** demand impacts by program through the end of the reporting period is presented in the following table:

Table 2-3: The Companies' pro rata demand impacts and participation by program through the end of the reporting period

Approved Programs	Ohio Edison		Cleveland Electric		Toledo Edison		Program Totals	
	Participants / Units	MW	Participants / Units	MW	Participants / Units	MW	Participants / Units	MW
Residential								
Direct Load Control	9,995	7.99	5,630	4.46	1,319	1.05	16,944	13.50
Home Energy Analyzer	12,093	1.62	5,182	0.95	2,790	0.42	20,065	3.00
Appliance Turn-In	13,261	3.80	8,270	2.47	2,105	0.65	23,636	6.92
Energy Efficient Products	14,734	0.34	10,153	0.26	4,182	0.13	29,069	0.73
Residential Energy Audit	1,244	0.08	823	0.07	265	0.02	2,332	0.16
CFL	1,571,113	20.49	1,588,699	20.65	552,482	7.15	3,712,294	48.30
New Homes	13	0.18	12	0.08	5	0.04	30	0.30
Residential Low-Income								
Community Connections	4,093	0.46	5,739	0.64	1,510	0.14	11,342	1.23
Small Enterprise								
Equipment (Lighting)	1,558	21.13	1,461	22.96	334	3.64	3,353	47.74
New Construction	0	0.00	0	0.00	0	0.00	0	0.00
Government								
Government Lighting	42	0.11	1	0.00	0	0.00	43	0.11
Mercantile Utility (Large Enterprise)								
Equipment (Lighting)	207	13.59	102	6.16	60	5.34	369	25.08
Motors	3	0.04 0.53	5	0.18	4	0.26 0.15	12	0.49 0.86
Interruptible Demand Reduction	26	118.46	2	75.32	5	127.76	33	321.55
Other								
Consumer Behavior Study	0	0.00	10	0.30	0	0.00	10	0.30
Mercantile Customer	253	34.68	188	50.25	87	19.66	528	104.59
Transmission and Distribution	n/a	2.88	n/a	0.85	n/a	1.09	n/a	4.82
Subtotal Actual Results	1,628,635	225.85 226.34	1,626,277	185.61	565,148	167.36 167.25	3,820,060	678.82 579.20
Projects Pending PUCO Approval								
Mercantile Customer	21	1.21	30	2.69	20	16.97	71	20.87
Transmission and Distribution	n/a	5.87	n/a	1.73	n/a	2.29	n/a	9.89
Subtotal Potential Results	21	7.07	30	4.42	20	19.27	71	30.76
Total Portfolio	1,628,656	232.92 233.41	1,626,307	190.03	565,168	186.63 186.52	3,820,131	609.59 609.96

2.5 Affidavit of Compliance

Attached hereto as Exhibit 3 is an affidavit of Compliance executed by John C. Dargie, Vice President, Energy Efficiency.

2.6 Banking of Energy Savings

The Companies intend to bank any surplus energy savings and apply such savings toward future energy efficiency benchmarks to the extent permitted by law.

¹⁸ The Companies also track their results on an annualized basis. These results are presented in Appendix A.

3 Summary of Finances

3.1 Cost Effectiveness Demonstration

A summary of portfolio finances and the Total Resource Cost Test (TRC)¹⁹ demonstrating the cost-effectiveness of a program by comparing the total economic benefits to the total costs as defined by Rule 4901:1-39-01(Y), O.A.C., is presented in the following table:

Table 3-1: Summary of Portfolio Finances: TRC Test²⁰

Program	Ohio Edison		Cleveland Electric		Toledo Edison	
	Total Cumulative Program Spend to Date Including Common Costs (b)	TRC	Total Cumulative Program Spend to Date Including Common Costs (b)	TRC	Total Cumulative Program Spend to Date Including Common Costs (b)	TRC
Residential						
Direct Load Control	\$4,489,583	0.12	\$2,072,666	0.08	\$333,139	0.22
Home Energy Analyzer	\$841,923	1.28	\$405,607	1.21	\$204,178	1.51
Appliance Turn-In	\$2,615,313	3.01	\$1,620,910	3.02	\$451,438	2.13
Energy Efficient Products	\$2,755,841	1.32	\$1,623,177	1.18	\$746,770	1.12
Residential Energy Audit	\$1,583,883	0.42	\$1,185,035	0.66	\$452,248	0.26
CFL	\$6,536,626	1.21	\$4,709,130	1.67	\$1,980,696	1.40
Efficient New Homes	\$1,173,996	1.56	\$675,210	1.24	\$264,988	4.21
Residential Low-Income						
Community Connections	\$6,518,925	0.32	\$8,121,129	0.37	\$2,904,483	0.19
Small Enterprise						
Equipment (Lighting)	\$16,570,199	1.31	\$18,104,426	1.34	\$2,998,766	1.63
Audits and Equipment	\$88,358	N/A	\$66,728	N/A	\$42,600	N/A
New Construction	\$96,478	N/A	\$70,155	N/A	\$38,815	N/A
Government Lighting	\$277,635	0.00	\$268,486	0.36	\$185,979	0.00
Mercantile Utility (Large Enterprise)						
Equipment (Lighting)	\$12,283,669	2.74	\$5,946,761	2.11	\$4,451,488	2.21
Audits and Equipment	\$150,795	N/A	\$63,779	N/A	\$71,825	N/A
Motors	\$189,882	5.11	\$94,614	4.50	\$133,562 \$73,937	0.91
Interruptible Demand Reduction (a)	\$10,914,490 \$21,434,092	N/A	\$10,620,314 \$22,034,509	N/A	\$12,171,171 \$24,916,748	N/A
Other						
Mercantile Customer	\$11,103,012	10.63	\$8,051,645	10.45	\$2,396,721	20.35
Transmission and Distribution	\$6,527	N/A	\$5,093	N/A	\$2,699	N/A
Total Portfolio	\$78,197,135 \$88,716,737	2.20	\$63,704,866 \$75,119,061	2.02	\$29,831,565 \$42,517,517	2.80
Notes:						
(a) Includes credits to customers in accordance with the Economic Load Response Rider (Rider ELR)						
(b) The above reported financials reflect program costs incurred since inception through March 31, 2013 as determined on May 6, 2013.						
(c) TRC results included herein have been calculated by the Companies' EM&V Contractor consistent with OAC 4901:1-39-01 (Y), reflecting measure lives consistent with the evaluation reports.						

¹⁹ TRC results were calculated by ADM Associates, Inc.

²⁰ TRC tests are performed for each program reflecting verified program costs as shown for each program excluding the Interruptible Demand Reduction program approved as a result of Commission findings in, in *re Application of [the Companies] for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Capital Revised Code, in the Form of an Electric Security Plan*, Case No. 08-935-EL-SSO. The TRC test for the Community Connections and Mercantile Customer programs exclude customer costs and include customer rebates or incentives making the number equal to a Utility Cost Test ("UCT").

motor should be a code-compliant option that is less efficient than the NEMA Premium® motor that is being installed.

- Project does not involve a change in annual run hours.
- Project includes the installation of a new NEMA Premium® motor of up to 200hp.
- The motor upgrade program's individual incentives per motor start at \$25 for a 1HP.
- The variable-speed drive incentive is \$35 per horsepower (up to 500hp) of the motor being used.
- Variable Frequency Drives (VFDs) incentives were available only for the installation of a new VFD on applications where no existing speed control existed on applications controlling a maximum of 500 hp.

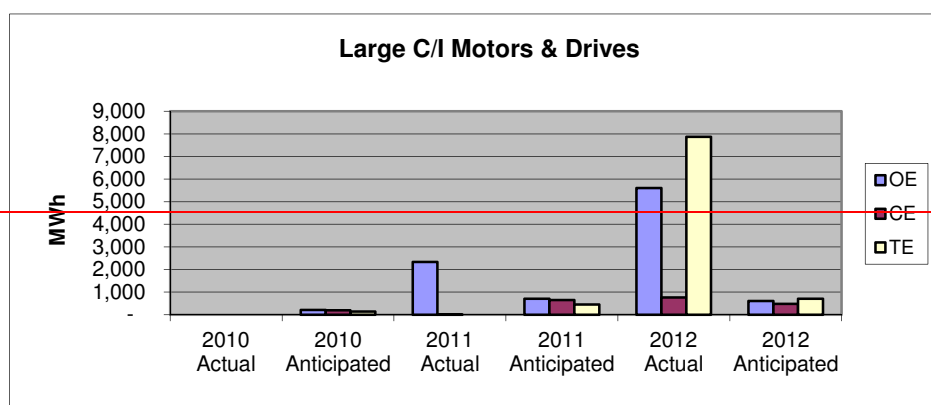
Standard motors and drives measures include equipment for which the program uses “deemed” or “partially deemed” protocols with stipulated algorithms and assumptions to estimate measure gross energy savings and peak load reductions. The measures were evaluated on an implementation-by-implementation basis, using site-specific data and algorithms tailored to the nature of the EEM and its implementation.

Measures were targeted at customers that have purchased motor or drive equipment which will result in energy efficiency and/or peak demand reductions. Incentives for custom measures require a payback between one and seven years.

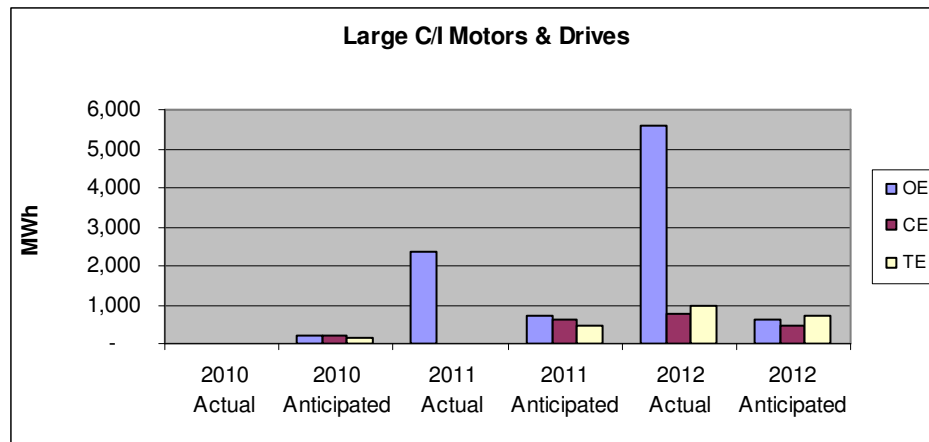
Program Partners and Trade Allies

This program was launched April 11, 2011. The Companies selected SAIC Energy Environment & Infrastructure to act as the implementation contractor. In addition to the program partner, the Companies utilized various trade allies and administrators to help facilitate the implementation of programs.

Table 4-11: Commercial / Industrial Large Equipment (Industrial Motors and Drives) Three-Year Trend Analysis³⁴



³⁴ Commercial / Industrial Large Equipment (Industrial Motors and Drives) three-year trend analysis compares cumulative gross MWh savings to anticipated MWh savings as filed in the Companies' EEPDR Plans.



4.13 Mercantile Customer

All customers that meet the definition of “mercantile customer”, as defined in R.C. § 4928.01 (A) (19) are eligible for this program. Since July 1, 2009, the Companies have been proactively working with customers across their respective service territories to jointly file applications to commit the customer’s EE&PDR programs, pursuant to division R.C. § 4928.66(A)(2)(c).

Eligible customers who have achieved EE&PDR savings independent of utility programs or incentives may file joint applications with the Companies to the Commission for commitment of these savings to the Companies in exchange for an incentive which may be either a request to exempt the customer from paying certain charges included in the Companies’ Rider DSE or a request for a cash rebate.

Customers must demonstrate verification of savings and that these savings are sustainable. The Companies review all documentation and determine that customers have met this requirement to the Companies’ satisfaction before filing an application. The Companies will assist customers with compliance with the latest Commission orders pertaining to the measurement and verification of these savings.

Program Partners and Trade Allies

The Companies use Administrators, based on the agreements approved by the Commission in Case No. 09-553-EL-EEC. Administrators are trained periodically on the latest interpretation of Commission orders and rules, process changes, and general updates.

The list of Administrators includes: Association of Independent Colleges & Universities, COSE, County Commissioners’ Association of Ohio (CCAO), E-Group, Industrial Energy Users of Ohio, Ohio Hospitals Association, Ohio Manufacturer’s Association, Ohio Schools Council, and Roth Brothers.

The role of Administrators includes the following:

- Educating customers about the program. This step includes providing customers with background on S.B. 221 EE & PDR requirements for utilities, explaining the two incentive options available