

Before
The Public Utilities Commission of Ohio 2008 SEP -9 AM 11: 59

**In the Matter of the Adoption of)
Rules for Alternative and)
Renewable Energy Technologies)
and Resources, and Emission)
Control Reporting Requirements,)
and Amendment of Chapters)
4901:5-1, 4901:5-3, 4901:5-5,)
and 4901:5-7 of the Ohio)
Administrative Code, pursuant to)
Chapter 4928, Revised Code to)
Implement Senate Bill No. 221.)**

PUCO

Case No. 08-888-EL-ORD

Comments of the Ohio Farm Bureau Federation

On May 1, 2008, Gov. Ted Strickland signed into law Amended Substitute Senate Bill No. 221 (SB 221) which revises Chapter 4928 of the Ohio Revised Code, to address alternative energy resources, renewable energy credits, advanced clean coal technology, and federal environmental reporting regulations. Upon consideration of SB 221 and current forecast reporting rules contained in Chapters 4901:5-1, 4901:5-3, 4901:5-5, and 4901:5-7 of the Ohio Administrative Code , the Commission Staff proposed modifications to forecast rules and the creation of three new utilities chapters:

- 4901:1-39 Energy Efficiency & Demand Reduction Benchmarks
- 4901:1-40 Alternative Energy Portfolio Standard
- 4901:1-41 Greenhouse Gas Reporting & Carbon Dioxide Control Planning

On August 20 the Public Utilities Commission of Ohio (PUCO) issued an entry seeking comments on these Staff proposed rules. These rules are being evaluated in Case No. 08-888-EL-ORD.

The Ohio Farm Bureau Federation (OFBF) appreciates the opportunity to be involved in this process, and submits the following comments for your consideration:

4901:39
Energy Efficiency & Demand Reduction Benchmarks

This Chapter details the creation of specific reporting benchmarks and baselines. Section 4901:1-39-04 (B) discusses creating a baseline for energy savings using the average of the total kilowatt hours purchased by the electric utility's Ohio distribution customers. OFBF assumes "customers" in this context means all customers - both mercantile and residential energy consumers. Moreover, it assumes that the utility has a responsibility to work with all customer classes to achieve energy savings.

Section 4901:1-39-06 discusses how mercantile customers can enter special arrangements to have their demand reduction, demand response and/or energy efficiency efforts recognized within the utility's program of effort. Granted, interested mercantile customers would have to enter an agreement that provides both incentives and penalties for their level of participation. However, these customers now have an opportunity to benefit from this new relationship and its increased attention to detail to better achieve lower electric costs.

Where is the residential consumer in this process? OFBF calls attention to the need, and responsibility for the utility to offer and/or promote similar programs for residential consumers. A program recognizing residential energy consumers who invest in utility-approved demand reduction, demand response and/or energy efficiency programs could further promote and incentivize the need for customers at this level to utilize these opportunities as additional tools to help them better control energy costs.

Yes, utilities should be compensated for their efforts - OFBF agrees with provisions detailed in Section 4901:1-39-05 that define how the utility may file an application for recovery of costs due to peak demand reduction, demand response, energy efficiency program costs, appropriate lost distribution revenues and potential shared savings. In all cases, the utility must show how its efforts have created benefits and results for customers in each rate classification - mercantile, residential or otherwise - before cost recovery is approved for the respective customer class.

4901:1-40
Alternative Energy Portfolio Standard

As discussed in its remarks for Section 4901:39 concerning baselines for energy efficiency and demand reduction benchmarks, OFBF calls attention to 4901:1-40-30 (B) (1) and (2). Total kilowatt hours – those used by all energy consumers, mercantile, residential or otherwise – will be used to establish standards of measurement. Again, benefit programs focusing on mercantile customers are established, but benefit programs for residential energy consumers are absent.

Section 4901:1-40-04 (C) details how mercantile customer-sited resources may be used to satisfy a utility's renewable energy benchmark obligations. Again interested mercantile customers would have to enter an agreement that provides both incentives and penalties for their level of participation. Also, they now have an additional opportunity to benefit from this new relationship and its increased attention to detail to better achieve lower electric costs.

Again, where is the residential customer in this part of the process? Many residential energy consumers are looking at renewable energy technology for their home. They want this technology to help them control their energy costs, as well as provide a basis for additional financial incentives and benefits provided through a closer relationship with the electric utility. The Commission's work with advanced metering initiatives (AMI) and customer-friendly revisions for Ohio's interconnection rules will see little use unless recognition of residential customer-sited resources is part of this process.

4901:1-41
Greenhouse Gas Reporting & Carbon Dioxide Control Planning

Section 4901:1-41.01 (D) defines an "electric generating facility" as a plant and associated facilities capable of producing electricity. Moreover, Section 4901:1-41-02 (A) says that any person which owns and operates an electric generation facility within Ohio shall become a participating member in the climate registry, and (B) says that such a person would be responsible for filing specific reports with the Commission.

In theory, under this draft rule all electric generation assets, encompassing megawatt-level systems delivering generation into the transmission grid, as well as kilowatt-level systems designed principally for on-site use with net metering capabilities into the distribution network would apply. OFBF suggests that this definition and its impact on the rule mentioned needs to be reexamined.

The Commission Staff should draw a dividing line between the purpose/scope of megawatt and kilowatt level generation facilities detailed above. Definition of an Electric Generating Facility as found in Section 4901:1-41-01 (D) of this draft could be revised to better reflect the definition, purpose and scope of a Major Utility Facility as defined in Chapter 4935.04 of the Ohio Revised Code.

Final Comments

OFBF understands that once approved, these rules will be subject to review by the Joint Committee on Agency Rule Review (JCARR) process. Moreover, the organization looks forward to working with the Commission, Staff, the Ohio Consumers Counsel and other interested parties representing energy consumers as the rule making process continues on other provisions as addressed in SB 221.

Once again, thank you for your time and consideration.

Respectfully Submitted,

A handwritten signature in black ink that reads "Dale R. Arnold" with a horizontal line extending to the right.

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