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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Adoption of Rules for)
Alternative and Renewable Energy Technologies) Case No. 08-888-EL-ORD
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.

**COSE'S COMMENTS FILED IN RESPONSE TO PROPOSED RULES TO
IMPLEMENT S.B. 221 FOR ALTERNATIVE AND RENEWABLE ENERGY
TECHNOLOGY AND RESOURCES, EMISSION CONTROL REPORTING
REQUIREMENTS, AND AMENDMENT OF FORECAST RULES IN CHAPTERS
4901:5-1, 4901:5-3, 4901:5-5, AND 4901:5-7 OF THE ADMINISTRATIVE CODE.**

I. INTRODUCTION

A. Background

COSE, Northeast Ohio's largest small business support organization, strives to help small businesses grow and maintain their independence. Comprised of more than 17,000 member companies, COSE has a long history of fighting for the rights of all small business owners, whether it's through group purchasing programs in healthcare, workers' compensation, payroll services, or shipping, or advocating for specific changes in legislation or regulation. COSE also produces more than 100 networking and business education events each year - all focused on connecting our members to each other to increase their ability to succeed. (www.cose.org)

II. Initial Comments to Proposed Rules

A. 4901:1-40 – Alternative Energy Portfolio Standard

1) 4901:1-40-01, 4901:1-39-01 Definitions

i) As illustrated in previous filings, COSE continues to advocate for the inclusion of a new definition for the term "mercantile customer" in Section 4901:1-40-01 to read:

"mercantile customer" has the same meaning set forth in division (A)(19) of section 4928.01 of the Revised Code, and further includes a group of commercial

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or industrial customer if the electricity consumed is for nonresidential use and the customers collectively consume more than seven hundred thousand kilowatt hours per year or are part of a national account involving multiple facilities in one or more states.”

The purpose of section 4901:1-40 of the proposed rules is to address the implementation of an alternative energy portfolio, including the incorporation of renewable energy credits (REC's). Section C of proposed rule 4901:1-40-04 allows utilities to utilize new or existing mercantile customer-cited resources in the utilities annual renewable energy resource benchmarks or advanced energy resource benchmarks. COSE's proposed definitional change would allow utilities to use the aggregated groups and their potential qualified resources within the utilities renewable energy resource benchmarks or advanced energy resource benchmarks.

This definitional change would be further useful to small commercial users in Section 4901:1-39-05. Section 4901:1-39-05 allows for utilities to apply for and receive recovery costs for peak demand reduction, demand response, and energy efficiency program costs, appropriate lost distribution revenues, and potential shared savings. However, Section 4901:1-39-5(A)(2) of the proposed rules provides the ability of mercantile customers who commit their peak demand reduction, demand response, or energy efficiency programs for integration with the electric utility's programs to apply for an exemption from recovery costs as set forth in 4901:1-39-06 of the proposed rules.

If small commercial users are able to aggregate their resources to qualify as a mercantile customer, and can commit their demand reductions, etc. to the utility, then they too should be able to apply for and receive these exemptions. These cost recovery exemptions are very important to small commercial users who will see rising energy costs and make further investment in these demand reduction/energy efficiency programs.

As previously stated, it is important that the rules not leave out small commercial users. As currently written, “only a mercantile customer that uses more than seven hundred thousand kilowatt hours per year is eligible to apply to the Commission for a reasonable arrangement with the utility.” COSE believes that it is critical that a group of smaller commercial users be eligible to apply to the Commission to be included within this definition. This would provide benefits to both the utility and the small commercial user.

B. 4901:1-39 Energy Efficiency and Demand Reduction Benchmarks

1) 4901:1-39-04 Benchmark Report Requirements

i) **Section (B)(4)** provides that a utility may apply to amend its benchmarks due to regulatory, economic, or technical reasons beyond the utility's reasonable control. COSE recommends that, should the utility apply for an amendment to its benchmark that the utility file a public notice of said amendment and provide a copy of the amendment to all parties to the utility's most recent ESP or MRO.

Further, this provision should also be reconciled with 4901:1-39-03(B) and pending an amendment is filed, allow any person to file comments regarding this

amendment within thirty days of the filing of such a report. COSE believes that it is imperative that the Commission have a full understanding of the impacts of any amendment to the benchmark reports and should allow public comment on said amendment filings.

ii) **Section (B)(5)** should have a new provision added to it entitled **(B)(5)(d)** which would state, "All new energy efficient technologies and programs available to the market since the date of the last filing of the benchmark report should be analyzed by the utility and adopted, or an explanation of why said technology or program was not adopted be provided."

By requiring the utility to analyze new technology and programs, the Commission will ensure that each available energy efficient product is at a minimum examined and considered. This requirement is important as the state moves toward implementation of the mandated statewide energy efficient benchmarks as outlined in SB 221.

2) 4901:5-1-03 Long Term Forecast Reports Requirements

Section 4901:5-1-03(C) provides that "each person furnishing electricity directly to customers within the state shall annually file a long term forecast report with the Commission for its review in compliance with the rules set forth in this chapter." While this Section does not include groups who aggregate electricity, COSE believes that it is important to be clear that groups such as these will not be required to comply with these reporting requirements in the future. Since the aggregation groups are the groups by which the customer is utilizing for said power, it's important to be clear that they are not directly supplying the power. By explicitly exempting out the aggregation groups, the Commission will maintain its limitation to these long term reports to only those persons "directly furnishing electricity to customers".

3) 4901:5-5-05 Resource plans for electric distribution utilities.

Section 4901:5-5-05(B)(1)(b) specifically provides that for those filing long term forecast reports, that the integrated resource plan shall contain a narrative discussion and analysis of the availability and potential development of alternative energy resources pursuant to section 4928.64 of the Revised Code for generation of electricity. COSE commends the staff's inclusion of this provision and, as indicated above, would advocate the inclusion of energy efficient programs and technologies in addition to the generation of electricity provision be included in the forecast reports.

Respectfully submitted,



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