



**Q.-1 PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

A.-1 My name is Steve Millard and I am the President and Executive Director for the Council of Smaller Enterprises (COSE). My business address is 100 Public Square Cleveland, Ohio 44113.

**Q.-2 PLEASE SUMMARIZE YOUR POSITION AND EXPERIENCE WITH THE COUNCIL OF SMALLER ENTERPRISES.**

A.-2 I am the President and Executive Director of the Council of Smaller Enterprises. I have worked with COSE since 1997 and have played various roles for its partner organization the Greater Cleveland Partnership including its Chief Operating Officer. For the past nine years, I have been responsible for leading strategic opportunities for 17,000 small business members' efforts in providing group purchased products, education and assistance and advocacy efforts for the small business members of COSE.

**Q.-3 PLEASE BRIEFLY DESCRIBE THE ORIGINS AND PURPOSE OF THE COUNCIL OF SMALLER ENTERPRISES (COSE).**

A.-3 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 productivity and sales.

([www.cose.org](http://www.cose.org))

COSE has been involved in advocating the interests of small business in the changing electricity market since the start of deregulation activity in Ohio in 1997 and since that time has worked with small businesses to help them achieve savings and advocate for their interests in Ohio's changing electricity environment.

While COSE has members of all types, the overwhelming majority are small businesses in the commercial rate class most frequently having fewer than 20 employees.

**Q-4 WHAT IS COSE'S INTEREST IN THIS PROCEEDING?**

A-4 COSE is interested on behalf of its members, to ensure that small commercial customers obtain access to the ability to benefit from the energy efficiency resources provided as a part of the ESP. COSE is an electric aggregator and, since 1999, has provided its members with extensive education regarding the electric market, rates and ways to budget for their electric spending. COSE seeks to ensure that, the \$25 million of investment for energy efficiency programs and resources is available and accessible to members of the commercial customer class at a level commensurate with their share of the energy portfolio represented within the ESP.

**Q-5 WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

A-5 To express the position of COSE relative to the need to specifically include small business/commercial class customers in the focus on energy efficiency education

and demand management activities outlined in the ESP as a part of the companies proposal.

**Q.-6 WHY IS IT IMPORTANT FOR COMMERCIAL CLASS CUSTOMERS TO PARTICIPATE IN ENERGY EFFICIENCY, DEMAND MANAGEMENT AND OTHER EFFICIENCY RELATED INITIATIVES??**

A.-6 In our experience over the past 10 years with electric deregulation and, specifically with the small customers that we serve, we have seen a real desire on the part of small customers to improve the way in which they utilize electricity and the savings they can achieve from doing so. With rising costs for small businesses in every segment of their operations from increasing health care costs, to workers' compensation costs, natural gas, gasoline and the cost of people within their operations, any opportunity for small businesses to become more efficient with their utilization of electricity and achieve savings for those efforts are important to the success of those firms and the related success of Ohio's economy. Many of the ideas and practices established within larger companies can be applied to create a benefit for smaller companies. Those companies however, typically don't have the resources or expertise to pursue these ideas independently.

While residential customers are specifically identified in the ESP for an energy efficiency focus through an AMI pilot, we see no such specific reference to commercial customers anywhere within the ESP. While we presume that the intention of the Companies is to provide this opportunity to customers of all classes, it is possible to envision an environment where these resources are only directed towards the largest customers - where there is a perception of a more significant opportunity for return on investment. We want to make sure that

there is a commitment to providing these programs and these opportunities to commercial class customers as well and believe a specific minimum allocation of resources to commercial class customers should be included in the ESP.

**Q.-7. WHAT LEADS YOU TO BELIEVE THAT COMMERCIAL CLASS CUSTOMERS WOULD BE INTERESTED IN ACCESSING THESE TYPES OF PROGRAMS?**

A.-7 In our experience over the last 10 years working with small commercial class customers, we have found that they are open and eager to hear ideas on ways to improve energy efficiency operations within their businesses. However, because these customers are typically more expensive to acquire and secure than larger customers, energy efficiency opportunities, consultation and support are not typically targeted to them. In fact, a recent survey of our electric program members demonstrates that 94% of them noted that implementing energy efficient practices is an important consideration for business and 52% of them have already implemented energy efficient practices in the forms of energy efficient equipment and lighting. Additionally, we asked our members if they ever considered implementing energy efficient equipment or practices. While 56% said they had considered it for cost savings and environmental concerns, 44% said that have not considered implementing energy efficient equipment or practices because they were unaware of the actual savings and unable to take the time to investigate the options available to them.

Although these statistics demonstrate that some small businesses have begun thinking about and implementing energy efficient practices within their workplaces, there remains a definite need for education and awareness to let

these small businesses know the various options available to them and the impact energy efficient practices can have on their businesses.

**Q.-8 HOW DOES COSE BELIEVE THAT ACCESS TO THESE CUSTOMERS AND DELIVERY OF THESE OPPORTUNITIES COULD BE MADE ENERGY EFFICIENT ENOUGH TO CREATE GAINS FOR THE OVERALL SYSTEM?**

A.-8 COSE has more than 35 years of experience in bringing together small companies to access resources collectively. In health care, workers' compensation, natural gas, payroll, freight, office products, and a variety of other areas, COSE has been successful in aggregating the needs of small businesses to both create efficiency for the companies they serve and also to help those companies achieve benefits they would not otherwise be able to access on their own. Our recent conversations with providers of energy efficiency products, resources and consultation indicate a willingness of those companies to develop products and services for smaller businesses if organizations like COSE are able to provide economies of scale to make the costs of reaching those companies more reasonable. Our past experience in other industries shows that we can apply the same group aggregation concepts to energy efficiency initiatives for our members.

COSE and organizations like COSE have communications, education and support infrastructure already in place to facilitate and efficient connection with these customers. In addition, as a member organization, COSE has loyalty and trust with those members that will result in a higher resonance of these concepts with those customers.

**Q.-9 WHY DO YOU BELIEVE THAT COSE CAN ASSIST COMPANIES IN THIS WAY WITH ENERGY EFFICIENCY PROGRAMS?**

A.-9 There are many aspects of delivering energy efficiency education and tools that lend themselves to the kind of scale that COSE and other organizations like it have achieved. Currently, COSE provides education via communications to its members on a regular basis and is a preferred resource to small businesses for these offerings. Over the last 10 years, in working with over 1,000 electricity commercial customers, COSE has found them to be receptive to the education that we have provided and active in consuming that information for the benefit of their companies. We believe that there is significant opportunity working with companies that have not had the resources or ability to focus in on this issue in the past.

COSE has been advocating with the PUCO for the creation of energy efficiency aggregation units that would work to channel information, resources and consultative support to small commercial customers in an effort to help them achieve success with energy efficiency. We believe that COSE and other organizations that are in a similar situation that have the ability to conveniently communicate and consult with their members, therefore, are able to operate as effective channels of support for their members. It is our desire to ensure that the energy efficiency programs identified in the ESP will reach these small commercial customers.

**Q.-10 WHY DO COMMERCIAL CLASS CUSTOMERS NEED TO BE SPECIFICALLY ADRESSED IN THE ESP?**

A.-10 COSE is concerned that in an effort to satisfy the requirements of support for these programs as outlined in the ESP, that the Companies may be inclined to invest in efforts of larger customers where it may be easier to channel efforts and activities. While this focus may create efficiency gains for the system overall, we

believe that a more significant incremental impact is available from small commercial customers that have not had the opportunity or ability to take on efficiency efforts in the past. By specifically committing some level of support to commercial customers, we will be able to pilot ideas that may be more broadly applied to the a class of customers that could see significant improvements over time. The Companies have specifically addressed an AMI pilot for residential customers. Specifically addressing a commitment to commercial class customers with a similar commitment to working out the best ways to accomplish efficient use of those resources for the highest benefit to the system seems like a reasonable request that is very likely to have a positive outcome for the system overall.

**Q.-11 DOES THIS CONCLUDE YOUR TESTIMONY?**

**A.-11** Yes, it does.



**CERTIFICATE OF SERVICE**

A copy of the foregoing Direct Testimony of Steve Millard on Behalf of The Council of Smaller Enterprises has been forwarded by regular U.S. Mail, postage prepaid, this 29 day of September, 2008, to:

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