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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of)
Columbus Southern Power Company and)
the Ohio Power Company for Authority to)
Establish a Standard Service Offer Pursuant)
to R.C. § 4928.143 in the Form of an)
Electric Security Plan)

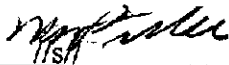
Case Nos. 08-0917-EL-SSO
08-0918-EL-SSO

**MOTION FOR LEAVE TO INTERVENE OUT OF TIME BY
ENERNOC, INC**

Now comes EnerNoc, Inc. ("EnerNOC") and pursuant to Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, moves for intervention out of time in the above-styled proceedings as a full party of record. The reasons supporting the intervention out of time is contained in the accompanying Memorandum in Support.

WHEREFORE, EnerNOC respectfully requests that the Commission grant its motion for leave to intervene and that it be made a full party of record.

Respectfully submitted,



M. Howard Petricoff (0008287)
Stephen M. Howard (0022421)
VORYS, SATER, SEYMOUR AND PEASE LLP
52 East Gay Street
P. O. Box 1008
Columbus, Ohio 43216-1008
Tel. (614) 464-5414
Fax (614) 464-6350
E-mail: mhpetricoff@vorys.com

Attorneys for the
EnerNOC, Inc.

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**MEMORANDUM IN SUPPORT OF THE MOTION TO INTERVENE BY
ENTERNOC OUT OF TIME**

Standards for Intervention

Section 4903.221, Revised Code, and Rule 4901-1-11 of the Ohio Administrative Code establish the standard for intervention in the above-styled proceeding as a full party of record.

Rule 4901-1-11 of the Ohio Administrative Code states in part:

Upon timely motion, any person shall be permitted to intervene in a proceeding upon a showing that:

* * *

(2) The person has a real and substantial interest in the proceeding, and the person is so situated that the disposition of the proceeding may, as a practical matter, impair or impede his or her ability to protect that interest, unless the person's interest is adequately represented by existing parties.

In addition to establishment of a direct interest, the factors that the Public Utilities Commission of Ohio (the "Commission") considers in implementing the above rule are the nature of the intervenor's interest, the extent that interest is represented by existing parties, the intervenor's potential contribution to a just and expeditious resolution of the issues involved, and whether intervention would result in an undue delay of the proceeding. (See also Section 4903.221(B), Revised Code upon which the above rule is authorized). A review of these factors in light of following facts supports granting EnerNOC's intervention.

Qualifications of EnerNOC

The General Assembly established as State Energy Policy specific goals for conservation of electric energy and significant reductions in the peak demand for electric service through out the state. Section 4928.66, Revised Code. Conservation and peak demand reduction is the primary business of EnerNOC. In fact, EnerNOC is one of the leading demand response, energy

efficiency, and energy management service providers in the United States and Canada. As of June 30, 2008, EnerNOC had more than 1,643 MW of demand response resources under management across approximately 3,067 sites in North American. EnerNOC's demand response offerings include enabling end use customers to participate in a range of reliability-based demand response programs, price response programs, and ancillary services markets. EnerNOC's demand response activities are implemented via automated, aggregated, and intelligent management of end-user lighting, heating, ventilation, air-conditioning, distributed generation, and industrial process equipment. In addition to demand response activities, EnerNOC offers on site consultation with energy users including an analysis of energy efficiency and conservation programs and equipment and cost benefit of implementing such programs.

EnerNOC is active in Ohio today by its participation in the wholesale market demand response programs of PJM Interconnection, LLC the regional transmission organization to which AEP Ohio¹ belongs. PJM wholesale market rules permits individual retail customers both individually or collectively via a demand response aggregator such as EnerNOC to participate in conservation and peak load management opportunities in the wholesale power market.

The two most common programs are capacity market programs known as Interruptible Load for Reliability ("ILR") or Demand Response ("DR). Resources from both programs compete in PJM wholesale market to supply capacity to the market. ILR resources are registered annually, whereas DR resources are bid into the PJM Reliability Pricing Model forward capacity market. Aside from the forward nature of DR commitments, ILR and DR are identical capacity products. Participants in the ILR and DR programs must reduce their demand upon dispatch by the regional transmission organization so that capacity and energy is made available to maintain

¹ The entity of American Electric Power which operates Columbus Southern Power and Ohio Power who are the electric distribution companies sponsoring the application in the matter at bar.

system reliability. In exchange for reducing usage on the request of the regional transmission organization, the participating customers are compensated as capacity in PJM's wholesale market.. The capacity payment helps customers manage their energy costs by enabling them to manage their own peak demand. Large industrial customers have the expertise and staffing to monitor the PJM market and respond as appropriate in response to price or when the reliability of the electric grid is under stress.. Demand Response aggregators such as EnerNOC, or curtailment service providers as they are often called, allow many medium-sized and smaller customers to participate in the provide programs by providing expertise at the customer level to identify processes and energy uses that can be quickly curtailed making participation practical. Demand response aggregators also as serve as the interface with regional transmission organization to receive the interruption requests, implement the reductions and process settlements for energy and capacity transactions in the wholesale market. Demand response aggregators must formally join as member of PJM and meet the financial requirements and expertise criteria established by PJM to assure performance. A PJM Demand Response aggregator bears the financial risk of non compliance with the demand curtailment orders form PJM, which can include substantial penalties. Demand response aggregators typically manage a portfolio of demand response resources in order to insulate customers from penalties, thereby making participation more attractive and maintaining reliable performance.

As the Ohio General Assembly has recognized in Senate Bill 221 that effective demand response and conservation can be substituted for the need to build costly new generation capacity as well as reduce the emission of green house gases and other pollutants. The PJM programs are a helpful tool in reaching this goal, for the payments which the individual customer participants receive from PJM are substantial and can be used to finance conservation. Today, customers of

AEP Ohio can participate in the PJM demand response programs as can commercial and industrial customers in the other PJM participating states. That would come to an end though for Central Ohio customers if the AEP Ohio application in the matter at bar is approved as filed. For buried in the application is a little discussed provision which would bar individual customers from participating in the PJM demand response programs. Instead those customers are offered AEP Ohio programs, which are much less financially attractive than the PJM programs. This provision is likely to reduce conservation and demand results and thus is in contravention to the goals set by the General Assembly in SB 221.

It would also prevent EnerNOC from continuing its current demand response aggregation programs or expanding them to other Central Ohio customers. Thus, EnerNOC has a direct and unique interest in the matter at bar that cannot be adequately represented by other intervenors.

Waiver of the intervention deadline

A uniform intervention date of September 4, 2008 was set for all the Electric Security Plan applications. This was done irrespective of when the matters were individually set for hearing. The AEP Ohio hearing is not scheduled until November and the cut off date for intervenor testimony is not until October 31st. Thus, if EnerNOC was granted intervention it would not delay the proceeding even if EnerNOC was to present evidence. Further, the Commission could benefit from the information that EnerNOC would provide on the issue demand response programs.

Late intervention has been recently granted in other Electric Security Plan cases with trial dates well in advance of AEP Ohio's schedule. On October 2, 2008 the Attorney Examiner in FirstEnergy's Electric Security Plan, Case No. 08-935-EL-SSO permitted the late intervention of Morgan Stanley Capital Group, Wal-Mart Stores, Macy's, Inc. and BJ Wholesale Club, Inc.

noting that this is the first time that electric utilities have filed standard service offers under Senate Bill 221 and thus the Commission should be liberal in allowing late intervention. The same should apply here, particularly when the issue – demand response – is not one normally associated with Commission rate and service term proceedings.

WHEREFORE, in light of the ENERNOC's direct, real, and substantial interest in the issues in the above-styled proceeding, ENERNOC respectfully requests that the Commission grant its motion for leave to intervene and that it be made a full party of record.

Respectfully Submitted,



M. Howard Petricoff (0008287)
Stephen M. Howard (0022421)
VORYS, SATER, SEYMOUR AND PEASE LLP
52 East Gay Street
P. O. Box 1008
Columbus, Ohio 43216-1008
Tel. (614) 464-5414
Fax (614) 464-6350

Attorneys for Ohio School Business Administrator's
Association

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing documents was served this 10 day of October, 2008 by regular U.S. mail, postage prepaid, or by electronic mail, upon the persons listed below.



M. Howard Petricoff

Marvin Resnik
American Electric Power
1 Riverside Plaza, 29th Floor
Columbus, OH 43215
miresnik@aep.com

Joseph Clark
McNees, Wallace & Nurick
21 East State Street, 17th Floor
Columbus, OH 43215
jclark@mwncmh.com

Michael Smalz
Ohio State Legal Service Assoc.
555 Butts Avenue
Columbus, OH 43215-1137
msmalz@oslsa.org

David Rinebolt
Ohio Partners for Affordable Energy
231 W. Lima Street
Findlay, OH 45839-1793
drinebolt@aol.com

David I. Fein
Vice President, Energy Policy - Midwest
Constellation Energy Group, Inc.
550 West Washington, Blvd., Suite 300
Chicago, IL 60661
david.fein@constellation.com

David Boehm
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202-4454
dboehm@bkllawfirm.com

Jacqueline Roberts
Michael Idzkowski
Ohio Consumers Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
roberts@occ.state.oh.us
idzkowski@occ.state.oh.us

Matthew S. White
Chester, Wilcox & Saxbe
65 E. State Street, Suite 1000
Columbus, OH 43215
mwhite@cwslaw.com

Barth E. Royer
Bell & Royer Co. LPA
33 S. Grant Avenue
Columbus, OH 43215-3927
barthroyer@aol.com

Cynthia A. Fonner
Senior Counsel
Constellation Energy Resources, LLC
550 West Washington, Blvd., Suite 300
Chicago, IL 60661
cynthia.a.fonner@constellation.com