

FILE

BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Protocols for the )  
Measurement and Verification of Energy ) Case No. 09-512-GE-UNC  
Efficiency and Peak Demand Reduction )  
Measures )

PUCO

2009 JUL 15 PM 3:32

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COMMENTS OF  
THE DAYTON POWER AND LIGHT COMPANY  
ON APPENDIX B OF COMMISSION ENTRY

The Dayton Power and Light Company ("DP&L" or the "Company"), consistent with paragraph 22 of the June 24, 2009, Entry in this proceeding of the Public Utilities Commission of Ohio ("PUCO" or the "Commission"), hereby submits its initial comments with respect to Appendix B of such Entry.

I. DP&L Supports the Concept of a Technical Manual.

DP&L supports the policy decision that a technical reference manual should be developed and agrees that it will assist all parties in the planning, implementation and evaluation of cost-effective energy efficiency and demand management measures by providing predictability and consistency. A technical reference manual also offers a potential to reduce administrative costs, leaving more resources for actual programs. The Commission can accomplish that by establishing a set of Evaluation, Measurement, and Verification ("EM&V") procedures for certain measures and programs that are objective and readily applied without the need for every individual site to be visited and audited. As the smallest of the investor owned utilities in Ohio, this is especially important to DP&L. Complex EM&V requirements add to administrative cost of the programs and often detract from the resources that are available to deliver programs to customers.

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II. The Appendix B Matrix Should Be Developed,  
But an Inadequate Amount of Time Has Been Allotted for Development.

The Entry requests comments on this date regarding Appendix B (the Deemed Measure and Deemed Calculated Measure Data Matrix). DP&L agrees with the broad concept that the Technical Reference Manual should focus on measures and projects where a reasonably accurate measure of demand and energy savings can be estimated using what is referred in Appendix B as "Deemed Measures" and "Deemed Calculation Measures." DP&L has also reviewed the two tables set forth in Appendix B and has generally concluded that they are structured appropriately to capture the type of information necessary. DP&L has two caveats to offer in this regard, however. First, while DP&L will diligently attempt to complete the data fields, there may be certain fields where data is not available. For instance, there are times when customers consider the value of a capital cost/investment to be proprietary and, thus, that data will not be available. Second, DP&L is uncertain that the PUCO fully appreciates the amount of time that it will take for DP&L and other parties to compile this information, develop drafted deemed values addressing all data fields and reach consensus on the assumptions and values of these measures.

DP&L has approximately 150 individual measures and based on statements made at the public meeting on July 8, 2009, at least one other utility has even more. Behind each deemed savings calculation for each measure may be a variety of assumptions and data sources. Some measures may be the same but many will most likely have somewhat different assumptions behind them. Completing the data fields in Table 1 or Table 2 for each deemed measure is a significant amount of work for each utility.

But completing the data fields is only a first step. Certain aspects of the process outlined in the Entry appear to be either unnecessary or unworkable within the time allotted. Specifically, it is not feasible to require all utilities to reach a consensus by September 15, 2009, while getting

input from other parties such as mercantile customers and the Ohio Consumers' Counsel. See Entry paragraph 17. Before DP&L could even meet to discuss such values and protocols, it will need to go through each of these individual measures and develop its own proposed values and/or protocols to compute values for each data field. Only then could it be in a position to meet with other utilities or other interested parties to start the discussions of trying to standardize or reach a consensus position.

Reaching "consensus" will be a very time consuming and data intensive process, particularly since there is no defined procedure in place under which any one utility or consultant is designated to take the lead on the project. The process will require consensus to be reached on the definitions of necessary terms, the appropriate assumptions about the life of each measure, weather impact, algorithms and transmission and distribution system losses.

DP&L therefore proposes that the Commission grant an extension to the September 15, 2009, deadline for filing a consensus of proposed values and protocols. This extension should not delay the initial draft of the manual -- the Commission gives its consultant until the end of the second quarter of 2010 to complete a draft of a manual.

### III. Demand Response Credit Should Be Recognized for Energy Efficiency Programs.

DP&L is a strong advocate for the position that participation in PJM demand response and energy efficiency programs should "count" towards compliance with the demand reduction and energy efficiency requirements of S.B. 221. There are several reasons for that position, including: 1) PJM demand response programs are already up and running, obviating the need to incur administrative and other costs to recreate programs that already exist<sup>1</sup>, and 2) the purpose

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<sup>1</sup> PJM administers a peak load reduction program under which 4,620 MW of demand response was committed for the June 2008- May 2009 PJM year. PJM has additional programs that allow entities with demand response capabilities to participate in ancillary services markets.

behind a demand reduction program is to reduce the capacity obligations and thus reduce costs to consumers, which is what the PJM demand response programs do.<sup>2</sup> These and other reasons for DP&L's position are thoroughly discussed in DP&L's pleadings in Case No. 08-888-EL-ORD, where the PUCO promulgated the rules to implement that portion of S.B. 221. In its Entry in this proceeding, the PUCO asks for comments on a relatively narrow issue that is related in part to the above issue but has other implications beyond that. The question posed is the extent to which energy efficiency gains should also be reflected as providing demand savings. That question has applicability under PJM rules because PJM has initiated a process under which energy reduction commitments can bid into the PJM capacity market as a demand resource, subject to penalties for non-compliance. The same question has broader applicability, however, because irrespective of PJM's programs, a measure or program that results in energy efficiency savings on an ongoing basis would almost certainly have some effect on demand. As an example, so long as some energy efficient lighting is operating during peak periods, there is an obvious downward effect on what demand would have been absent the program.

At this time, DP&L's recommendation on this issue is limited to the position that some level of demand savings should be recognized for energy efficiency programs. The effects may vary depending on the specific type of energy efficiency program measure, but it is indisputable that there will almost always be some demand savings effect.

#### IV. Conclusion.

WHEREFORE, for the foregoing reasons, The Dayton Power and Light Company urges the Commission to recognize the need for more time to be built into the schedule to develop

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<sup>2</sup> Of note, if DP&L demand response programs for Ohio purposes were developed in a way that did not mesh with PJM requirements, there would be few or no benefits obtained. DP&L, as a member of PJM, is obligated to have sufficient capacity to meet its peak requirements as computed by PJM. A reduced demand for Ohio purposes that is computed a different way and did not reduce the peak requirements as computed by PJM would not change the amount of capacity that DP&L is required to have available.

consensus positions used for the development of the Appendix B Matrix and further urges the Commission to support the development of demand reduction values for energy efficiency programs.

Respectfully submitted,



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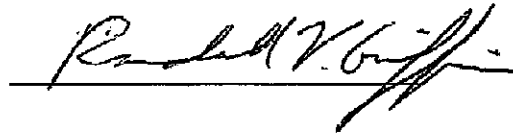
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**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been served either electronically or via first class mail, postage prepaid, this 15th day of June, 2009 upon the individuals or companies listed in the service lists attached hereto:

A handwritten signature in black ink, appearing to read "Randall V. Giff", is written over a horizontal line.

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Service Notice For Case: 09-0512-GE-UNC

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CASE NUMBER: 09-0512-GE-UNC

CASE DESCRIPTION: IN THE MATTER OF THE PROTOCOLS FOR THE MEASUREMENT AND VERIFICATION OF ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION MEASURES

DATE OF SERVICE: 7/14/2009

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