

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of Protocols for the</b>	<b>:</b>	
<b>Measurement and Verification of Energy</b>	<b>:</b>	<b>Case No. 09-512-GE-UNC</b>
<b>Efficiency and Peak Demand Reduction</b>	<b>:</b>	
<b>Measures</b>	<b>:</b>	

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**INITIAL COMMENTS  
OF  
THE OHIO ENVIRONMENTAL COUNCIL**

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By its entry in this docket of June 24<sup>th</sup>, 2009, the Commission has called for comments from interested parties with respect to Appendix B of that entry, concerning a proposed technical reference manual, the calculation of a “deemed measure” and a “deemed calculated measure data matrix”. As explained in the entry, Senate Bill No. 221 (SB221), which became effective on July 31, 2008, includes provisions that require investor owned utilities (IOU’s) to implement energy efficiency and demand reduction measures according to a legislatively enacted schedule. SB221 requires the commission to verify and regulate savings. Appendix B of the June 24<sup>th</sup>, 2009 entry proposes to develop data requirements for “deemed measures” and “deemed calculated measures.”

The Ohio Environmental Council (“OEC”) is a non-profit, charitable organization comprised of a network of over 100 affiliated group members, whose mission is to secure a healthier environment for all Ohioans. Over its 40-year history, OEC, relying on scientific principles, has been a leading advocate for fresh air, clean water, and sustainable land use before the legislature and administrative agencies, as well as in the courts. Consistent with its mission, OEC was an active participant in the effort that led to the inclusion of energy efficiency

mandates and renewable and alternative energy standards in SB 221, and has a real and substantial interest in assuring that the rules adopted by the Commission will produce the intended environmental benefits. Additionally, the OEC was aggressively and actively involved in the rulemaking process, and in IOU rate making and compliance actions with the aim of protecting the important energy efficiency standard. Accordingly, OEC hereby offers the following initial comments pursuant to the Commission's June 24<sup>th</sup>, 2009 entry.

**Deemed Measures:**

The OEC agrees with the content of the comment on deemed measure in Appendix B of the entry. We agree that “deemed savings can result in over or under-estimates of savings if the projects or products do not perform as expected...” The OEC recommends an investment in site inspections to ensure more accurate calculations, and encourages systematic audits of performance for programs utilizing a deemed savings calculation method. As the OEC has noted in previous comments submitted to the Commission, verification of savings is an essential component of program success – customers must have full confidence that the energy efficiency charge on their bill is creating energy savings. This is particularly true in the first few years of program operation, when energy efficiency initiatives are new to the public. As public trust is so essential to program operation, the OEC recommends that a higher proportion of program dollars be spent on verification of programs and program performance analysis in the first few years of implementation. This spending will allow program audits for deemed measure programs, and allow more site visits.

**Deemed Calculated Measures:**

The OEC believes that deemed calculated measures are an appropriate tool for some program applications. Again, the OEC would reiterate our opinion that spending on solid

monitoring and verification in early years, which means by implication spending on site visits, site-specific analysis, and regular auditing, is appropriate given the scope of the energy efficiency provisions in SB221.

**Regional EM&V Collaboration:**

The OEC would like to note its support for regional collaboration on EM&V requirements. The Midwest Energy Efficiency Alliance (MEEA) is developing a regional EM&V forum that will develop a regionalized deemed savings. We believe that the benefits of participating on a regional basis are: Potential participation and credibility of demand-side resources in the capacity markets (PJM's Reliability Pricing Model) as they evolve; Assessments of demand-side resource potential contributions and actual impacts to meet environmental goals including: potential national Carbon allowance markets, State and regional climate change action plan goals; State and regional ozone attainment program goals; and Consistency and transparency across states in demand-side resource planning and procurement (e.g., ratepayer funded demand-side resource programs) and related state energy efficiency and demand-side resource procurement policies and programs.

Regional collaboration also makes sense in light of potential federal agency or legislative action on climate change. In particular, any federal energy bill passed and signed into law by the President is likely to include a federal energy efficiency resource requirement for states. Although this requirement is likely to be weaker than the requirements of Ohio's forward looking SB221 energy legislation, it will nonetheless be important to have consistent EM&V requirements on a regional level, which could allow Ohio to comply with state and federal requirements simultaneously. If our EM&V standard is markedly different from regional partners or federal requirements, we may be subject to two different, non-concurrent standards.

OEC appreciates the opportunity to comment on these proposed measures. The PUCO's commitment to public participation and stakeholder engagement on this matter is much appreciated.

Respectfully submitted,

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**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/15/2009 4:19:24 PM**

**in**

**Case No(s). 09-0512-GE-UNC**

Summary: Comments Initial Comments of the Ohio Environmental Council electronically filed by Mr. Nolan M Moser on behalf of The Ohio Environmental Council