

In the Matter of the Annual Energy)
Efficiency Portfolio Status Report of Duke) Case No. 11-1311-EL-EEC
Energy Ohio, Inc.)

¹ Ohio Adm. Code 4901:1-39-05(C)(1).

PDR values and the cost-effectiveness of each EE and demand-side management program reported in the company's portfolio status report, and a recommendation for whether each program should be continued, modified, or eliminated.²

On March 15, 2011, Duke Energy, Ohio Inc. ("Duke" or "Company") filed the annual status report of its EE/PDR programs. The Office of the Ohio Consumers' Counsel ("OCC") files comments on Duke's s EE/PDR status report.³ Duke Energy Ohio's filed 2010 energy efficiency (EE) and peak demand reduction (PDR) status report highlights the progress of its EE and PDR implementation efforts. Overall, OCC is satisfied with the progress of the Companies' EE/PDR initiatives. For 2010, the report indicates that Duke Energy Ohio met and exceeded its EE/PDR benchmark five fold.⁴ Duke Energy Ohio accomplished this in a cost-effective manner as indicated by the positive Total Resource Cost test scores.⁵ But there are four areas in which Duke could have improved its Status Report.

First, Duke did not include a detailed portfolio budget status, program cost information and the dollar savings of the programs behind the Company's cost-effectiveness results as required by OAC 4901:1-39-05(C)(2)(b):

* * * Such report shall include documentation of any process evaluations and expenditures, measured and verified savings, and cost-effectiveness of each program.

² Ohio Adm. Code 4901:1-39-05(C)(2).

³ See Ohio Adm. Code 4901:1-39-06(A).

⁴ Status Report at 8.

⁵ Id. at 25.

Dayton Power & Light Company, Ohio Power Company and Columbus and Southern Power Company included such information in their filings.⁶ For those reasons, the Commission should require Duke to include the detailed portfolio budget status, program cost information and the dollar savings of the programs behind the Company's cost-effectiveness results.

Second, Duke's Status Report requires additional information to determine whether programs have been optimally implemented. The Commission should require the Company to discuss the results of completed impact evaluations, evaluators' recommendations from completed process evaluations, and program costs and cost effectiveness with the Duke Energy Community Partnership ("DECP"). In addition, the Company should consider including the Home Depot and discounts for specialty bulbs programs in its Smart Saver Residential CFL program, and implementing a targeted marketing pilot in its Smart Saver for Non Residential Customers program.

Third, the 2010 Annual Status Report is meant to address the performance of 2010 energy efficiency and demand response programs. To this end, the Company includes Appendix A to its report, which includes, for 2010, participants and gross energy savings impacts for each energy efficiency measure, apparently from the Company's measure tracking database. This information, while a component of a successful evaluation, would be more complete if it demonstrated program performance.

⁶ *In the Matter of the Dayton Power and Light Company's Portfolio Status Report*, Case No. 11-1276-EL-POR, Status Report (March 15, 2011); *In the Matter of the Annual Portfolio Status Report Under Rule 4901:1-39-05(C), Ohio Administrative Code, By Columbus Southern Power Company*, Case No. 11-1299-EL-EEC, Status Report (March 15, 2011); and *In the Matter of the Annual Portfolio Status Report Under Rule 4901:1-39-05(C), Ohio Administrative Code, By Ohio Power Company*, 11-1300-EL-EEC, Status Report (March 16, 2011).

As stated in the rule, the Status Report's compliance demonstration must report "verified savings." For 2010, Duke only reports the number of measures for which it has provided incentives. The Commission should require Duke to discuss the results of these 2010 impact evaluations with the Duke Energy Community Parties. Moreover, Duke should schedule future evaluations so that it reports evaluated, measured, and verified savings from the covered year when it submits future annual status reports. Duke will have this information once impact evaluations covering 2010 programs are complete. It may be necessary to extend the deadline for annual status reports by 1-3 months to allow time for evaluation results.

Fourth, Appendix B of the Status Report is an "Annual Summary of M&V Activities for Duke Energy's Energy Efficiency Programs in Ohio," prepared by Duke's evaluator, TecMarketworks. The summary includes a summary of results of completed evaluations, including recommendations for improving each program evaluated. Improving program performance is one of the important reasons for independent evaluation of energy efficiency programs.

Duke, however, does not explain why it rejects many of the evaluator's recommendations when describing potential changes in its 2011 programs. For example, TecMarketworks' evaluation of the company's non-residential prescriptive incentive program recommended that the Company pilot targeted marketing to important market segments (restaurants, for example). When discussing potential changes to its 2011 program, the Company does not include this recommendation. As improving program performance is one of the reasons for independent program evaluation, and customers ultimately pay for this evaluation, the Commission should require the Company to

discuss evaluator recommendations with members of the DECP. While the Company indicates it is over-complying with its energy savings targets, there are always opportunities to increase the impact and cost-effectiveness of programs.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

/s/ Ann M. Hotz

Ann M. Hotz, Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
Telephone: (614) 466-8574
hotz@occ.state.oh.us

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Comments by the Office of the Ohio Consumers' Counsel* was served on the persons stated below via electronic mail, this 14th day of April 2011.

/s/ Ann M. Hotz

Ann M. Hotz
Assistant Consumers' Counsel

PERSONS SERVED

William L. Wright
Assistant Attorney General
Public Utilities Commission of Ohio
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

Elizabeth H. Watts
Associate General Counsel
Amy B. Spiller
Deputy General Counsel
Duke Energy Ohio, Inc.
155 East Broad Street, Suite 2100
Columbus, Ohio 43215

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Summary: Comments Comments by the Office of the Ohio Consumers' Counsel electronically filed by Mrs. Mary V. Edwards on behalf of Hotz, Ann M. Ms. and Office of the Ohio Consumers' Counsel