

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application of)
Ohio Edison Company for Integration of)
an Energy Efficiency or Peak-Demand) Case No. 09-1206-EL-EEC
Reduction Program with Plastipak)
Packaging, Inc.)

FINDING AND ORDER

The Commission finds:

- (1) Section 4928.01(A)(19), Revised Code, defines a “mercantile customer” as a commercial or industrial customer that consumes more than 700,000 kilowatt hours of electricity per year or that is part of a national account involving multiple facilities in one or more states. Section 4928.66, Revised Code, imposes certain energy efficiency and peak demand reduction requirements upon Ohio’s electric distribution utilities, but also enables mercantile customers to commit their energy efficiency, peak demand reduction, and demand response (EEDR) programs for integration with an electric utility’s programs in order to meet the statutory requirements. Section 4928.66, Revised Code, establishes a three-year period for the measurement of EEDR programs.
- (2) The Ohio Edison Company (OE or utility) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission. OE recovers its costs of complying with the EEDR requirements imposed by Section 4928.66, Revised Code, from its customers through its Rider DSE2 (EEDR rider).
- (3) Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), permits a mercantile customer to file, either individually or jointly with an electric utility, an energy efficiency commitment (EEC) application to commit the customer’s EEDR programs for integration with the electric utility’s programs, pursuant to Section 4928.66, Revised Code, in order to meet the utility’s statutory requirements.
- (4) On October 28, 2009, OE and Plastipak Packaging, Inc. filed an application pursuant to Rule 4901:1-39-05(G), O.A.C. Motions to intervene were filed by the Ohio Environmental Council (OEC) and the Office of the Ohio Consumers’ Counsel (OCC) on February 5,

2010 and March 30, 2010, respectively. OEC and OCC also filed joint comments on May 19, 2010, asserting that this application fails to adequately identify verification methodologies, lacks information on remaining useful life of replaced equipment or avoided incremental cost, and includes inadequate descriptions of energy efficiency programs and initiatives. They advocated that OE significantly revise the application or file supplemental information, and they suggested the Commission use this filing as an opportunity to elaborate on the criteria to judge mercantile exemption applications. They also urged the Commission to convene a workshop and develop a standard EEC application form. On June 3, 2010, OE filed a reply to OEC and OCC's comments, to which OEC and OCC filed a response on June 3, 2010.

- (5) OEC, a non-profit environmental advocacy organization, is hereby granted intervention as an interested party in these proceedings. OCC withdrew its request for intervention on July 25, 2011. With respect to the comments and objections of the parties, we trust that these concerns have been addressed by the creation of a pilot program by the September 15, 2010 entry in Case No. 10-834-EL-POR establishing the use of a standard template and a 60-day automatic approval process for mercantile customer EEC applications.
- (6) On December 13, 2011, the applicants filed a letter requesting the application be amended to eliminate projects which involved behavior modifications.
- (7) On December 19, 2011, the Commission's Staff filed its recommendation for approval of remaining projects involving chiller adjustments and compressed air reductions implemented between July 2008 and March 2009. The application, as amended by the December 13, 2011 filing, would result in a commitment payment to the customer of \$43,014.
- (8) Staff has reviewed the application and all supporting documentation, has verified that the customer meets the definition of a mercantile customer, and has provided documentation that the methodology used to calculate energy savings conforms to the general principals of the International Performance Measurement Verification Protocol used by the utility. The customer has attested to the validity of the information, and its intention to participate in the utility's program. The project either provides for early

retirement of fully functioning equipment, or achieves reductions in energy use and peak demand that exceed the reductions that would have occurred had the customer used standard new equipment or practices where practicable.

- (9) Upon review of the applications and supporting documentation, and Staff's recommendations, the Commission finds that the requirements related to this application have been met. The Commission finds that the request for mercantile commitment pursuant to Rule 4901:1-39-05, O.A.C., does not appear to be unjust or unreasonable. Thus, a hearing on this matter is unnecessary. Accordingly, we find that this application should be approved as amended by the December 13, 2011 filing, and the utility should credit the customer with a commitment payment of \$43,014. As a result of such approval, we find that the utility should adjust its baselines, pursuant to Section 4928.66(A)(2)(c), Revised Code, and Rule 4901:1-39-05, O.A.C. We note that although these projects are approved, they are subject to evaluation, measurement, and verification in the portfolio status report proceeding initiated by the filing of the utility's portfolio status report on March 15 of each year, as set forth in Rule 4901:1-39-05(C), O.A.C. Further, every arrangement approved by this Commission remains under our supervision and regulation, and is subject to change, alteration, or modification by the Commission.

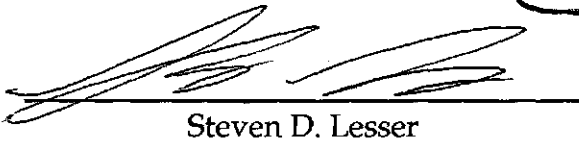
It is, therefore,

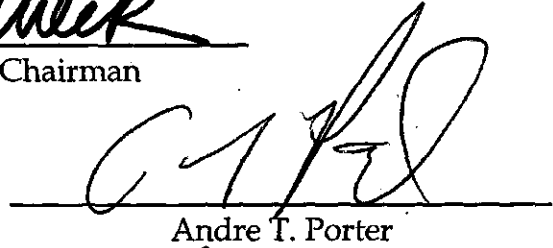
ORDERED, That the application be approved as amended and the utility credit the customer with the commitment payment set forth above. It is, further,

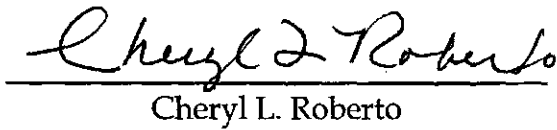
ORDERED, That a copy of this finding and order be served upon all parties of record.

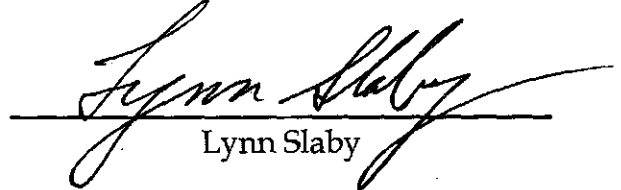
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


Andre T. Porter

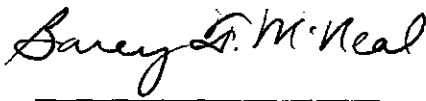

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Entered in the Journal

APR 11 2012


Barcy F. McNeal

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Secretary