BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Time-Differentiated and Dynamic Pricing Options for Retail Electric Services.	))))))	Case No. 12-150-EL-COI

COMMENTS OF THE
DEMAND RESPONSE AND SMART GRID COALITION (DRSG)

I. INTRODUCTION

On January 11, 2012, the Commission requested that interested stakeholders file written comments in the above-captioned matter.

The Demand Response and Smart Grid Coalition (DRSG) is pleased to provide comments in response to the Commission's solicitation. DRSG is the trade association for companies that provide products and services in the areas of demand response, smart meters and smart grid technologies. DRSG works to educate and provide information to policymakers, utilities, the media, the financial community and stakeholders on how demand response and smart grid technologies such as smart meters can help modernize our electricity system and provide customers with new information and options for managing their electricity use. DRSG's members include numerous technology companies and leading providers of automation products used in homes and businesses. More information is available at www.drsgcoalition.org.

DRSG's comments are structured around the questions the Commission asked in its January 2012 Order. In what follows, the Commission's questions are italicized. DRSG's response to each question immediately follows that question.

II. COMMENTS

(a) "Should EDUs offer consumers with advanced or interval meters time-differentiated or dynamic retail rates to ensure that such options are available to such consumers?"

Yes. EDUs currently offering pilot time-based programs should consider offering them to all customers with AMI. DRSG also believes that EDUs without any time-based options should develop and offer at least one to such customers. One of the options that should be considered for inclusion is Peak Time Rebate (PTR), which is a time-based pricing program. The time-based options should be voluntary.

(b) "In addition to or in conjunction with Commission-approved time of use programs, should such choices include dynamic pricing options that reflect time varying PJM Interconnection, LLC (PJM) market prices?"

Yes. PJM market prices should be used to design dynamic prices, and market-based dynamic pricing is one of the options that should be considered. Residential consumers have responded positively to hourly pricing in Illinois and also in the PowerCentsDC Program in the District of Columbia. It would not be unreasonable to consider this.

(c) *"Should EDUs offer consumers with advanced or interval meters two-part dynamic pricing, such that the offer provides a dynamic price signal and a hedging or insurance component that addresses consumer risk aversion?"*

DRSG believes this is something that is not necessary to pursue for residential customers at this time. While it has been used at places like Georgia Power, and customers have received it well, it is likely too complex an undertaking when compared to other options that can be pursued in Ohio.

(d) *"Are there specific forms of dynamic or time-differentiated pricing which should be offered to different groups or classes of consumers who have the requisite metering?"*

DRSG believes that consideration must be given not only to different customer classes but also to different customer types when designing time-base pricing options. Not all residential customers should be expected to desire the same option; the same would hold for commercial and industrial customers. That said, PTR and Time of Use Pricing (TOU) are well suited for residential and small commercial customers; TOU, Critical Peak Pricing (CPP), and hourly pricing are well suited for large commercial and industrial customers.

(e) *"Should the Commission support well designed field tests by EDUs and/or CRES providers of additional time-differentiated or dynamic pricing options and various approaches to and combinations of consumer education, targeted messaging, information feedback, and/or enabling technology to better assess what options may work best for consumers and have the greatest beneficial impacts?"*

DRSG does not believe that this needs to be a threshold to movement forward on time-based pricing. There is already an extensive literature on the options and

approaches, as discussed by Dr. Ahmad Faruqui in his presentation "Dynamic Pricing for Residential and Small C&I Customers" at the Commission's Technical Workshop on March 28, 2012. DRSG does not see additional pilots as providing any necessary information to use in getting started. That is not to say that Ohio should adopt a cookie-cutter approach in adopting the work of others. Any new option or program must be continually fine-tuned as lessons are learned as things are phased in.

(f) *"What barriers, if any, are there to CRES providers offering dynamic pricing to consumers with advanced or interval meters?"*

There are costs. One area is obtaining interval data from the EDUs. Another is software upgrades and additional IT related to billing, informing and educating consumers. DRSG does not believe that these costs should be termed barriers, however, as that term can easily carry a negative connotation. These are the straightforward business costs of modernizing an existing system to take advantage of advanced metering that has been put in place and to use it to offer a new option to customers that may help them better manage their usage and costs.

(g) *"What steps, if any, should the Commission consider to encourage or to remove barriers to CRES providers offering packages that include dynamic pricing?"*

DRSG believes one important step would be to promote the use of the ESPI data-exchange standard to exchange interval data between the EDUs and CRES providers.

(h) "Should EDUs and/or CRES providers develop and implement a plan to better inform eligible consumers regarding time-differentiated and dynamic pricing options?"

Yes. Most definitely. The plans must not only focus on informing customers that the options are available, but also educate them as to what they are and how a customer may benefit.

(i) "If so, what should such plans include?"

The plans should include online tariff comparisons using actual customer data and informing customers of their pricing choices in a neutral fashion when they contact EDUs or CRES providers to initiate service at a new premise.

(j) "Is the development of such an on-line application reasonable and practicable?"

There are two key levels of online application: 1) usage data in a standard format that can then be utilized by a variety of applications provided by EDUs, CRES providers, or third parties (Green Button, an element of the ESPI standard, fits this profile); and 2) online tariff comparisons using the customer's actual data, as seen in the California (PG&E) example. Over 30 utilities have already implemented or are planning to implement Green Button.

(k) "Are comparable applications already commercially available?"

Yes. A number of vendors have consumer-data presentment software that includes Green Button and, in some cases, tariff comparisons.

(l) "If so, what steps, if any, should the Commission consider to facilitate appropriate customer access to such applications?"

DRSG believes the Commission should consider requiring EDUs to add Green Button to their websites and should consider whether it applies only to AMI data or to all customer data. Those without AMI data only would have monthly data, but such data is useful for evaluating energy efficiency measures, solar installations, EV purchases, and general energy management—even in the absence of interval data and time-based tariff options.

(m) "What elements would help make such an application useful to customers?"

Using a standard approach and then informing customers of its availability would increase usefulness and use. This could be done via bill inserts and online information banners—advertising essentially—within the utility's website. The advantage of a universally-available Green Button is that channels such as bill inserts can be used more cost-effectively. For tools and options limited to AMI customers, the marketing and education needs to be tailored accordingly.

(n) "Are there alternative approaches which the Commission should consider that could provide customers comparable or superior capabilities for comparing different forms of pricing and different competitive retail service offerings?"

As noted above, Green Button is an approach which can be used as a foundation for this.

III. CONCLUSION

DRSG appreciates the opportunity to file comments.

Respectfully submitted this 11th day of April 2012,

/s/ *Dan Delurey*

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Summary: Comments of the Demand Response and Smart Grid Coalition (DRSG) on the Commission's Review of Time-Differentiated and Dynamic Pricing Options for Retail Electric Services electronically filed by Mr. Paul Pietsch on behalf of Demand Response and Smart Grid Coalition (DRSG)