

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Following Applications)
of Ohio Edison Company for Integration of)
Mercantile Customer Energy Efficiency or)
Peak-Demand Reduction Programs with:)
)
McMaster-Carr Supply Company) Case No. 09-1228-EL-EEC
Ashland County West Holmes Joint) Case No. 10-2021-EL-EEC
Vocational School District)

FINDING AND ORDER

The Commission finds:

- (1) Section 4928.66, Revised Code, imposes certain annual energy efficiency and peak demand reduction requirements upon Ohio's electric distribution utilities, beginning in 2009; but the statute also enables mercantile customers to commit their peak demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order to meet the statutory requirements.
- (2) 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 is part of a national account involving multiple facilities in one or more states.
- (3) Ohio Edison Company (OE) 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 energy efficiency and demand reduction requirements imposed by Section 4928.66, Revised Code, from its customers through its DSE2 Rider.
- (4) Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), provides for the filing of an application by a mercantile customer, either individually or jointly with an electric utility, to commit the customer's demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order to meet the utility's statutory requirements.

- (5) The captioned energy efficiency credit (EEC) applications were filed, pursuant to Rule 4901:1-39-05(G), O.A.C., to commit the customer programs, which were implemented within three calendar years prior to the date of filing for integration with OE's programs, to meet the utility's energy efficiency and peak demand reduction benchmarks. In each case, the customer has amended its application to request commitment payments or cash rebates in lieu of an exemption from the DSE2 Rider. In each case, a staff report was filed recommending approval of the application and the payment of the cash rebate or commitment payment set forth below.

| <u>Case No.</u> | <u>Customer</u> | <u>Payment</u> |
|-----------------|---|----------------|
| 09-1228 | McMaster-Carr Supply Company | \$182,415 |
| 10-2021 | Ashland County West Holmes Joint Vocational School District | \$ 4,519 |

- (6) The Commission's staff has reviewed each application, amendment, and all supporting documentation and has: (1) verified that the customer meets the definition of a mercantile customer; and (2) provided documentation that the methodology used to calculate energy savings conforms to the general principals of the International Performance Measurement Verification Protocol used by OE. The customer has attested to the validity of the information and its intention to participate in OE'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.
- (7) Upon review of the applications, supporting documentation, and Staff's recommendations, the Commission hereby finds that the requirements related to each of these applications have been met. The Commission further finds that the requests for mercantile commitment, pursuant to Rule 4901:1-39-05, O.A.C., do not appear to be unjust or unreasonable. Thus, a hearing on these matters is unnecessary. Accordingly, we find that these applications are approved. As a result of such approval, we find that OE should adjust its baselines, pursuant to Section 4928.66(A)(2)(c), Revised Code, and Rule 4901:1-39-05, O.A.C. However, 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 OE's portfolio status report on March 15 of each year, as set forth in Rule 4901:1-39-05(C), O.A.C. The Commission also notes that 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 each of the captioned applications be approved, and that the record of these cases be closed. 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



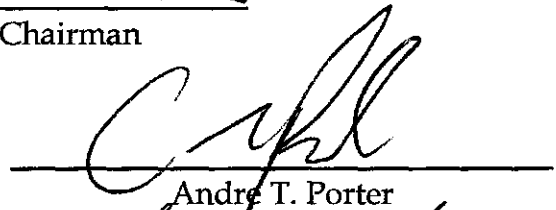
Todd A. Snitchler, Chairman



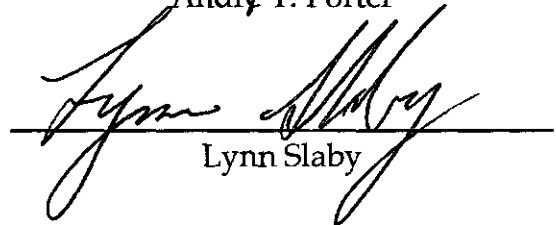
Steven D. Lesser



Cheryl L. Roberto



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Barcy F. McNeal
Secretary