

**BEFORE  
THE PUBLIC UTILITY COMMISSION OF OHIO**

In the Matter of the Review of the Application	)	
of Ohio Edison Company, The Cleveland	)	
Electric Illuminating Company and The	)	Case No. 12-2190-EL-POR
Toledo Edison Company for Approval of Their	)	Case No. 12-2191-EL-POR
Energy Efficiency and Peak Demand	)	Case No. 12-2192-EL-POR
Reduction Program Portfolio Plans for 2013	)	
through 2015.		

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**THE OBJECTIONS OF  
THE OMA ENERGY GROUP**

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**I.     INTRODUCTION**

On July 31, 2012, FirstEnergy filed an application for approval of its Energy Efficiency and Peak Demand Reduction Program Portfolios (“Application” and “EE/PDR Plan”). Pursuant to the Attorney Examiner’s Entry dated August 16, 2012, and Ohio Administrative Code (O.A.C.) Rule 4901:1-39-07(B), the OMA Energy Group (“OMAEG”) submits its objections to Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively “FirstEnergy”) energy efficiency and peak demand reduction program portfolio for 2013 through 2015, including its initial benchmark report.

**II.    OBJECTIONS**

The OMAEG strongly requests that FirstEnergy modify its EE/PDR Plan to reflect the objections and recommendations below. As proposed, FirstEnergy’s EE/PDR Plan does not reflect the intent of Ohio Revised Code Section (“R.C.”) 4928.66, nor does it

reflect the real world consideration and adoption of energy efficient measures in customer facilities.

FirstEnergy's energy efficiency incentive programs are insufficient and cumbersome for manufacturers to adopt. For manufacturing, maintaining costs are extremely important and tools for controlling costs through energy efficiency are vital for maintaining and enhancing competitiveness. Innovation has transformed manufacturing products and processes, and as a part of that, energy efficiency is an increasingly important competitiveness strategy as Ohio transitions to market. Accordingly, the OMAEG objects to several of FirstEnergy's proposals, and provides recommendations for improvement with respect to the objections below.

**A. FirstEnergy's EE/PDR Plan lacks program offerings that are accommodating to manufacturers' unique energy opportunities.**

Many industrial efficiency opportunities have low material-costs, but are knowledge intensive. For example, efficient sequencing of a process chiller requires new knowledge but no new equipment. Additionally, constrained capital funding for manufacturers limits opportunities for equipment replacement, which makes up a significant portion of FirstEnergy's EE/PDR Plan. Accordingly, the OMAEG recommends that FirstEnergy implement a "Track and Tune" program, and/or an Operations and Maintenance program.<sup>1</sup>

**B. FirstEnergy's EE/PDR Plan lacks technical assistance for manufacturers.**

FirstEnergy's prescriptive measures are largely targeted at commercial loads and the savings are based upon the same. Therefore, the largest industrial electrical loads

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<sup>1</sup> A sample Track and Tune outline is attached as Exhibit A, and a sample Operations and Maintenance program outline is attached as Exhibit B.

typically require custom measure analysis, which imposes an additional cost to the manufacturer to participate in the program. The only available technical assistance is \$4,000 for a Level II energy audit, surprisingly, the same for industry as for churches, for example. Accordingly, the OMAEG recommends using a \$4,000 cap only for facilities that use less than 3,000 MWh/year in energy. For facilities that use more than 3,000 MWh/year in energy, the cap should be increased to incentivize manufacturers by 1.5 cents/MWh for energy audits.

**C. FirstEnergy's EE/PDR Plan lacks quality in technical assistance.**

During the technical conference on September 6, 2012, FirstEnergy provided that its Pennsylvania utilities experience low project output from cost-shared energy audits. While data is still preliminary, we have reason to believe that many of OMAEG's top energy efficiency performers in AEP-Ohio's territory received energy audits, therefore, suggesting that program and/or auditor quality may be an issue in FirstEnergy's Pennsylvania territory.

The OMAEG recommends establishing a requirement that energy audit savings estimates be stamped and certified by a licensed Professional Engineer in the State of Ohio, in order to encourage quality in work and establish a minimum level of qualification for energy auditors. Further, certified energy managers and certified energy auditors should not qualify to perform the audits, because their certification requirements are not as rigorous as professional engineers.

**D. FirstEnergy's EE/PDR Plan fails to bid energy efficiency resources into PJM market.**

As proposed, FirstEnergy's EE/PDR Plan does not budget PJM revenue into its programs, thereby increasing the cost of programs to manufacturers. Accordingly, the

OMAEG recommends that FirstEnergy bid a hedged amount of energy efficiency resources into the PJM market.

**E. There should not be a shared savings cap.**

The OMAEG recommends maintaining no cap for the shared savings arrangement.

**F. It would be improper for FirstEnergy to suspend programs without approval.**

FirstEnergy proposes that they will suspend all energy efficiency programs in 2013 if the proposed program or an alternative is not approved. The OMAEG recommends that FirstEnergy continue all existing programs in 2013 until a new program is approved.

**G. FirstEnergy's EE/PDR Plan lacks prescriptive measures for manufacturers.**

FirstEnergy's prescriptive measures are largely targeted at, and savings are based on, commercial loads. This increases the burden of custom analysis on industry. Accordingly, the OMAEG recommends that it be authorized to develop a pilot of three (3) industry-specific prescriptive measures, such as, industrial insulation, cogged V-belts, and venturi compressed air nozzles. FirstEnergy would cover a fraction of the development cost and pay only a \$0.01 /kWh commission on any project using these measures, in addition to payment of the administrator fee.

**III. CONCLUSION**

The OMAEG strongly requests that FirstEnergy modify its EE/PDR Plan to reflect the objections and recommendations above in order to provide reasonable, affordable, and efficient programs for customers.

Respectfully submitted on behalf of  
THE OMA ENERGY GROUP



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## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Objections was served upon the parties of record listed below this 17<sup>th</sup> day of September 2012 via electronic mail.



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# Energy Smart Industrial

BPA ENERGY EFFICIENCY

## Track and Tune

Low-cost and no-cost solutions  
to save energy and money

Scarce capital can be a significant hurdle to overcome in achieving energy efficiency savings. The BPA Energy Smart Industrial (ESI) program's Track and Tune (T&T) offering allows industrial facilities to realize significant energy savings for little to no cost.



T&T focuses on operations and maintenance savings instead of typical capital-intensive projects. Benefits to industrial facilities include:

- Immediate achievement of energy cost savings when tune-up actions are implemented
- Little to no capital investment required to achieve cost savings
- Co-funding of technical resources to support tune-up events and action implementation
- Incentives are available to encourage facilities to sustain and improve efficiency

### What are the requirements to qualify for the T&T component?

To qualify for the T&T component an industrial facility must meet the following requirements:

- Statement of commitment to the operations and maintenance tune-up, implementation and maintenance over time
- Willingness to share data required for tracking energy performance over time
- Willingness to implement an energy performance tracking system. Technical and funding assistance is provided by the ESI program
- Annual energy savings potential of at least 250,000 kWh/yr (facility, system, or process)

### How does the T&T component work?

The T&T process follows the steps defined below:

1. An initial project screening is provided by your utility and Energy Smart Industrial Partner (ESIP).
2. A T&T project scoping is conducted by either an outside technical expert or in-house resource.
3. A T&T agreement between the facility and utility is signed.
4. A T&T performance tracking system is installed.
5. A tune-up provider is selected (outside technical expert or in-house resource).
6. Perform tune-up on area of focus (facility, system or process).
7. Implement action items.
8. Provide T&T completion report. An incentive check is issued by the utility to the facility for completed action items.
9. Provide sustained savings over time. An incentive check is issued by the utility to the facility annually based on actual performance for five years.



## Are there financial incentives available for energy savings?

Yes, the following incentives are available for qualifying T&T projects:

- \$0.075 per kWh of verified energy savings up to 70% of incremental project cost.
- \$0.025 per kWh of energy savings for each year in years 1 through 5 (after action item implementation) for verified and sustained savings.
- \$0.0025 per kWh of baseline energy use (up to \$50,000) for purchase and installation of performance tracking system.
- Contact your Energy Smart Industrial Partner or utility for more information.

**For more information, please contact your Energy Smart Industrial Partner or your utility**

The BPA Energy Smart Industrial program is sponsored by your local public utility and the Bonneville Power Administration.

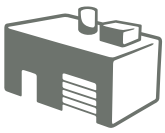
**Learn more at [www.EnergySmartIndustrial.com](http://www.EnergySmartIndustrial.com)**



EXHIBIT B

# DRIVE DEEP ENERGY SAVINGS WITH LOW-COST STRATEGIES

UNLOCK THE POWER OF STRATEGIC ENERGY MANAGEMENT  
WITH ENHANCED TECHNICAL SERVICES



## PROJECT EXAMPLES

After a comprehensive energy assessment, the energy team at **CalPortland**, a Portland-area cement terminal, identified process and inventory management improvements that reduced annual electricity costs by eight percent.

The green team at **Hampton Lumber's Willamina plant** helped trim energy costs by \$150,000 a year by identifying waste in the most energy-intensive areas of the plant, changing practices and streamlining production.

After a five-day team "blitz" to brainstorm and implement no- and low-cost energy-saving solutions, **Safeway's Clackamas distribution center** reaped immediate energy savings of 6.7 percent and annual energy savings of 7.9 percent.

While many industrial operations have made energy-efficiency improvements in the last decade, the recession has slowed capital investment in recent years. However, more businesses are capturing significant savings with little or no capital investment by looking deeply at how they use energy and adopting a strategic approach to energy management. Low- and no-cost improvements can consistently reduce energy costs by two to 20 percent, typically through operations and maintenance and behavior changes.

Can your business afford to leave savings like these on the table? Now there's no need for time or resource constraints to stand in the way. Energy Trust of Oregon can help you overcome barriers to action—and begin managing energy as a variable cost—with a robust set of enhanced technical services, tools and cash incentives designed for a wide range of medium- to large-sized industrial operations.

## Customized solutions and services

We contract with highly skilled, industry-specific experts—Program Delivery Contractors—to advise Oregon businesses on how to make the most of energy-saving opportunities. At no cost to you, the Program Delivery Contractor for your industry and

region can conduct a scoping study to determine the best energy strategies for your facility.

Strategic energy management or operations and maintenance improvements are often the most cost-effective first steps. Regardless of where you start, your Program Delivery Contractor will be a resource for the long-term, helping you achieve continuous energy improvement, reduce costs and improve productivity, product quality and environmental performance.

Your Program Delivery Contractor can help you:

- Take stock of what you're already doing
- Identify cost-effective improvements
- Apply industrial management practices to managing energy use
- Develop an energy management plan
- Overcome organizational and financial barriers
- Cultivate executive sponsors
- Train energy champions and engage employees
- Access Energy Trust cash incentives

## ENERGY TRUST CUSTOM INCENTIVES

Your Program Delivery Contractor can work with you to identify the improvements and incentives that make sense for your operation. The technical services we provide at no cost—typically valued at \$20,000 to \$50,000—deliver the greatest value for most participating businesses.

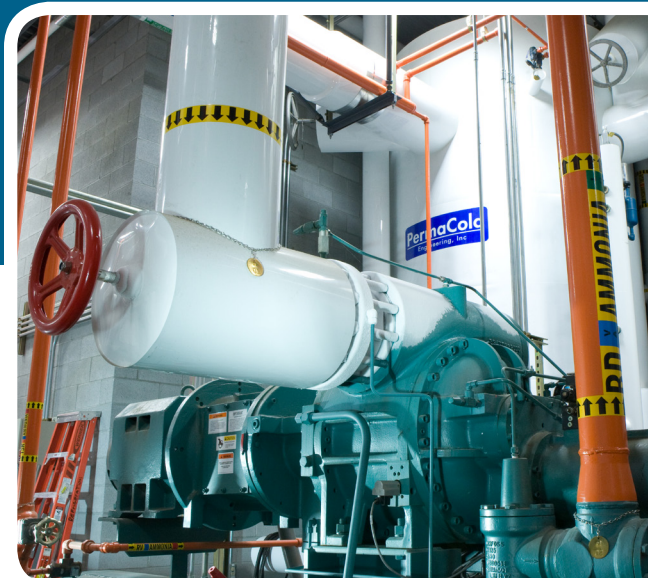
Incentive type	Incentive amount
Enhanced technical services	Up to 100 percent of the cost of a study to identify energy-efficiency opportunities at your facility
Operations and maintenance efficiency improvements	\$0.08/annual kilowatt hour saved* or \$0.40/annual therm saved  Up to 50 percent of eligible project costs or up to 90 percent if completed within 90 days
Strategic energy management practices	\$0.02/annual kWh saved* or \$0.20/annual therm saved
Custom process or production equipment projects	Up to \$0.25/annual kWh saved* or \$2.00/annual therm saved  Up to 50 percent of eligible project costs

*\*Companies that self-direct the conservation portion of the public purpose charge are eligible for one-half of the electric incentive.*

To receive technical assistance and incentives, your business must be a qualified Oregon customer of Portland General Electric, Pacific Power, NW Natural or Cascade Natural Gas.



To learn more about how we can help your business, contact Energy Trust at **503.445.2956** or **production@energytrust.org**. To connect directly with the Program Delivery Contractor for your region and industry, visit **[www.energytrust.org/pe](http://www.energytrust.org/pe)**.



### IS YOUR ORGANIZATION READY?

Consider the following questions and contact your Program Delivery Contractor to discuss:

- Is learning to manage energy costs strategically a priority in the next year?
- Are there major expenditures or process improvements planned that are competing priorities?
- Does your company have, or plan to have, sustainability or energy-efficiency goals?
- Do you have the information, budget or people you would need to meet those goals?
- Is there someone at the company who is responsible for energy efficiency?
- Have you ever had an energy team? If so, what worked and what didn't?

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

**Commission of Ohio Docketing Information System on**

**9/17/2012 4:38:26 PM**

**in**

**Case No(s). 12-2190-EL-POR, 12-2191-EL-POR, 12-2192-EL-POR**

Summary: Objection electronically filed by Teresa Orahood on behalf of OMA Energy Group