

GEM Energy
5505 Valley Belt Road
Suite F
Independence, Ohio 44131

January 4, 2013

Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

Subject: Case No. 12-2050-EL-ORD

To Whom It May Concern:

In the Matter of the Commission's Review of Chapter 4901:1-10, Case No. 12-2050-EL-ORD, we have the following comments regarding the draft rules:

1. Re safeguards for disclosure of energy usage data: Ohio utilities have policies in place that respect the relationship between the utility and customer as a confidential matter limited normally to the two parties and opened to others only by permission of the customer. We support continuing this simple safeguard and look to the PUCO to provide oversight.
2. Re safeguards for disclosure of environmental performance and generation resource mix: Ohio utilities have policies in place that respect the relationship between the utility and customer as a confidential matter limited normally to the two parties and opened to others only by permission of the customer. We support continuing this simple safeguard and look to the PUCO to provide oversight.
3. Re net metering:
 - a. Clarify definition of customer generator: We agree with the clarification that the definition of a customer generator should include hosting and/or leasing generation equipment on its premises.
 - b. Define "intention to offset all or part" as customer generates less than 120%: We feel that this clarification is both reasonable and appropriate. We agree with the establishment of an upper limit of 120% for this purpose.
 - c. Clarify customer generator's requirements as average annual usage over previous three years: In as much as a customer may be expanding his facility by adding new electrical load and considering self-generation of all or part of this new electrical load, the previous three years of usage would not be a correct total estimate of the customer's requirements. Therefore, in addition to historical data, the customer should be permitted to provide an estimate of new generation requirements going forward.

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- d. Clarify the calculation of credit: We agree with the calculation of a credit as explained on page 4 of the PUCO Entry statement regarding 12-2050-EL-ORD.
- e. Clarify the definition of customer generator's premises: In as much as there are many Ohio customers with operations and facilities in multiple locations and with properties that are not contiguous, it would seem that this definition is incomplete. Perhaps, the statement that the customer's electrical load may be interconnected with the utility at a single meter point needs to be included. We encourage others to provide their thoughts as to how to proceed with this clarification.
- f. Define micro-turbine: We praise the PUCO's leadership and submit that microturbine technology is correctly included as an advanced technology that qualifies for net metering. In this matter, we agree with the PUCO's decision to remove an upper limit on the size of a microturbine. In as much as microturbine technology continues to evolve, we do not believe that an upper limit has been established by the industry. Furthermore, we ask that the PUCO clarify that there is no restriction on the number of microturbines that qualify for a customer's net metering contract as stated in the PUCO Staff Report 05-1500-EL-COI, page 17. We want to point out that misunderstanding in this regard continues to exist as found in recent examples. We state in support of our request for clarification that multiple microturbines are normally installed by a net metering customer because this is a best practice use of this advanced technology. Regarding the definition of a microturbine and a comparison with combustion turbine technology, we look to the description of a stationary microturbine power plant found in the 2005 Energy Policy Act. In this action, Congress defined 'qualified microturbine property' as: "a stationary microturbine power plant which has a nameplate capacity of less than 2,000 kW and has an electricity-only generation efficiency of not less than 26 percent at ISO conditions." A 'stationary microturbine power plant' is defined as: "an integrated system comprised of a gas turbine engine, a combustor, a recuperator or regenerator, a generator or alternator, and associated balance of plant components which converts a fuel into electricity and thermal energy. Such term also includes all secondary components located between the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards such as voltage, frequency and power factors."
- g. Consider whether virtual or aggregate net metering could be implemented and would promote public policy: In as much as there are many Ohio customers with operations and business facilities dispersed in multiple locations that are not single contiguous properties, it would seem that aggregation of multiple meter points would be a reasonable net metering solution. We believe that aggregation in this sense, applicable to net metering, is consistent with the original intent of the legislation. We encourage others to provide their thoughts as to how to proceed with an aggregation arrangement.

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4. Re a standard market-based rate for transactions between EDU's and qualifying facilities of 20 megawatts or less: We have no comments and encourage others to provide their thoughts as to how to proceed.

Submitted by,



David R. Blair, P.E.
Senior Vice President

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Case No(s). 12-2050-EL-ORD

Summary: Correspondence electronically filed by Mr. David R Blair on behalf of Blair, David R Mr.