# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of	)
Chapter 4901:1-10, Ohio Administrative Code,	) Case No. 12-2050-EL-ORD
Regarding Electric Companies.	)

## REPLY COMMENTS OF THE OMA ENERGY GROUP

#### I. <u>INTRODUCTION</u>

On November 7, 2012, the Attorney Examiner issued an Entry requesting that all interested parties file reply comments regarding the Public Utilities Commission of Ohio's ("Commission") proposed revisions to Ohio Administrative Code ("OAC") Chapter 4901:1-10, on or before February 6, 2013. Pursuant to the Entry, the OMA Energy Group ("OMAEG") submits the following reply comments in response to the other interested party comments filed on January 7, 2013 in this proceeding.

#### II. REPLY COMMENTS

## A. 4901:1-10-28(B)(6) Net Metering – Customer Generators.

The OMAEG respectfully disagrees with AEP-Ohio's suggested 105% cap for defining an excessive generator for two reasons.<sup>1</sup> First, it is common for facilities to have the potential for 10%, 20%, or even 30% energy consumption reductions. Thus, implementing energy-efficiency at a facility after installing distributed generation could result in the facility being classified as an excess generator. The excess generator definition should not be an impediment to implementing additional energy-efficiency

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<sup>&</sup>lt;sup>1</sup> See Ohio Power Company Comments at 14-15.

measures at a facility. Second, as the OMAEG discussed in its Initial Comments, manufacturers' annual energy consumption can very significantly from year to year. In the event of even a mild economic downturn, a manufacturer would be more likely to be improperly classified as an excessive generator by AEP-Ohio's definition. Therefore, the Commission should reject AEP-Ohio's suggestion.

## B. 4901:1-10-28(A)(4) Net Metering – Microturbine.

The OMAEG respectfully disagrees with Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company's (collectively, "FirstEnergy") proposed cap of 500 kW in defining a "microturbine". Net metering is an important mechanism for encouraging distributed generation, including combined heat and power ("CHP"). It is unlikely that a microturbine, or any other combustion-based generator, could be utilized economically without capturing the waste-heat for a useful purpose. Thus, most combustion-based generators utilizing net metering will be CHP systems. Further, it is possible that many mid-size manufacturers with properly sized CHP systems would have combustion-based generators or microturbines greater than 500 kW. These same systems would likely be sized to the process heat load of the manufacturer, and could under or over-generate electricity in different months, based on production demands instead of weather. Therefore, it is quite likely that mid-sized manufacturers would utilize a net-metering tariff rather than a standby services tariff. A 500 kW cap may discourage mid-sized manufacturers from implementing CHP; thus, the Commission should reject FirstEnergy's suggestion.

<sup>2</sup> See FirstEnergy Comments at 17-18.

#### C. Additional Comments.

Several parties address roll-over credits versus monetary credits, and virtual netmetering in some capacity. The OMAEG supports the monthly roll-over of a kWh credit,
rather than a monetary credit. Also, the OMAEG remains supportive of its Initial
Comments filed in this proceeding regarding virtual net metering in situations where
aggregated facilities are in close proximity to each other. For example, many
manufacturers are good candidates for CHP systems because they have several
buildings and electrical accounts on contiguous property. However, the heat load that a
CHP system would serve must be extended across these buildings, and the
corresponding electrical generation could in some cases exceed the load of one building.
Therefore, in order to take full advantage of a CHP system without virtual net-metering
would require manufacturers to build separate, redundant electrical lines to connect the
buildings to one meter and account. Many times, this extra cost creates an additional
financial obstacle to adoption of CHP. For this reason, the OMAEG supports virtual net
metering where buildings are in close proximity to each other.

#### III. CONCLUSION

The OMAEG remains supportive of its Initial Comments filed on January 7, 2013 in this proceeding, and respectfully requests the Commission to consider and adopt its recommendations provided in its Initial and Reply Comments.

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 Reply Comments of the OMA Energy Group was served upon the parties listed below this 6<sup>th</sup> day of February 2013 *via* electronic mail.

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Summary: Reply Comments of the OMA Energy Group electronically filed by J. Thomas Siwo on behalf of OMA Energy Group