

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Mercantile Customer    )  
Pilot Program for Integration of Customer    ) Case No. 10-834-EL-POR  
Energy Efficiency or Peak-Demand        )  
Reduction Programs.                                )

ENTRY

The Commission finds:

- (1) Pursuant to Section 4928.66, Revised Code, mercantile customers may commit their energy efficiency, peak demand reduction, and demand response programs for integration with an electric utility's programs. Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), permits a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's energy efficiency, demand reduction, and demand response (EEDR) programs for integration with the electric utility's programs.
- (2) On September 15, 2010, the Commission issued an entry in this case adopting a Pilot Program (EEC Pilot) which established an automatic approval process for applications filed by mercantile customers under Rule 4901:1-39-05(G), O.A.C. The EEC Pilot is designed to simplify the Energy Efficiency Credits (EEC) application process through the development of a standard application template posted on the Commission's website for use by mercantile customers. Under the EEC Pilot, complete applications that use the template are deemed automatically approved unless suspended by a Commission or attorney examiner entry within 60 days. The EEC Pilot was initially established for an 18-month period, but subsequently extended for an additional six months by the Commission's fourth entry on rehearing on September 20, 2011.
- (3) On September 5, 2012, the Commission issued an order which, *inter alia*, extended the EEC Pilot for an additional six months, through March 15, 2013. The order also discussed the Commission's previous rejection of the Benchmark Comparison Method (BCM) for calculating EEDR rider exemption periods (which incorporates use of the "as found"

method for calculating energy savings), but subsequent allowance of such method during the EEC Pilot; and directed the Commission's Staff to file, by January 15, 2013, a report of its review and recommendations of the pilot program, including the appropriate method for calculating EEDR rider exemption periods. In addition, the order scheduled a technical workshop for November 15, 2012 to specifically explore alternatives to the BCM and review the experience of other jurisdictions which have enacted similar self-direct programs.

- (4) On October 5, 2012, the Ohio Environmental Council (OEC) filed an application for rehearing, pursuant to Section 4903.10, Revised Code, and Rule 4901-1-35, Ohio Administrative Code (O.A.C.), objecting to the continued use of the "as found" method, arguing that such method results in the over-counting of savings from business-as-usual practices and is inconsistent with the plain language and legislative purpose of Section 4928.66, Revised Code. OEC also argued that the Commission had failed to provide a reasoned explanation for its decision to reverse course, and continues to impermissibly waive its own regulations in Rule 4901:1-39-05(H), O.A.C.
- (5) On October 31, 2012, the Commission issued a sixth entry on rehearing which denied OEC's application for rehearing. The Commission indicated that it would further consider the use of, and explore alternatives to, the BCM for calculating rider exemption periods (and the underlying "as found" method for calculating energy savings) after the scheduled workshop was held and Staff's recommendations were filed, but that the BCM could continue to be used during the EEC Pilot.
- (6) At the November 15, 2012 technical workshop, Merrian Borgeson of Lawrence Berkeley National Laboratory presented a review of self-directed demand-side management programs across the country, including alternatives to the BCM for calculating rider exemptions, and the "as found" method for calculating energy savings. Pursuant to an attorney examiner entry issued November 16, 2012, comments regarding the workshop and EEC Pilot were filed by seven parties or groups on November 30, 2012, and three reply comments were filed on December 7, 2012.

- (7) On December 31, 2012, OEC filed a notice of appeal, pursuant to Sections 4903.11 and 4903.13, Revised Code, from the Commission's October 31, 2012 sixth entry on rehearing, in Ohio Supreme Court Docket No. 12-2182, setting forth the same arguments as in its October 5, 2012 application for rehearing.
- (8) On January 15, 2013, Staff filed a report of its review and recommendations for the EEC Pilot. Staff recommends permanent adoption of the pilot and continued use of the BCM, with certain changes to the filing period, payments, forms and processes.
- (9) To assure that all parties are provided due process in informing the Commission's evaluation of Staff's recommendations on these issues, all persons desiring to file comments or objections to Staff's recommendations should do so by March 27, 2013, and any reply comments should be filed by April 10, 2013. Further, the EEC Pilot is hereby extended until June 15, 2013 to allow parties to participate in the Commission's consideration of these issues.

It is, therefore,

ORDERED, That the EEC Pilot Program be extended until June 15, 2013. It is, further,

ORDERED, That any comments or objections to Staff's recommendations regarding the EEC Pilot Program be filed by March 27, 2013; any reply comments should be filed by April 10, 2013. It is, further,


ORDERED, That notice or a copy of this entry be served via the electric-energy listserve and upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

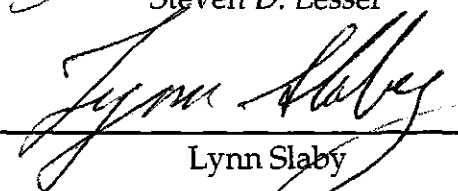
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Todd A. Snitchler, Chairman

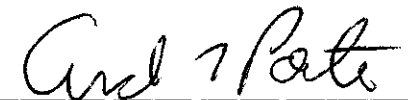
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Steven D. Lesser

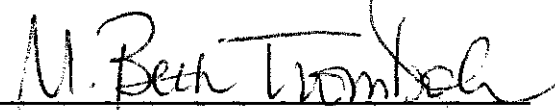
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Lynn Slaby

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Andre T. Porter

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M. Beth Trombold

RMB/vrm

Entered in the Journal

**MAR 06 2013**

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Barcy F. McNeal  
Secretary