

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)
Energy Ohio, Inc. for Approval of its)
Energy Efficiency and Peak-Demand)
Reductions Portfolio of Programs.)

Case No. 13-0431-EL-POR

**OBJECTIONS BY OHIO ENVIRONMENTAL
COUNCIL**

I. Introduction.

The Application filed by Duke Energy Ohio, Inc. (“Duke”) concerns the implementation of the energy efficiency and peak demand reduction (“PDR”) requirements of Senate Bill 221 (“S.B. 221”). Duke’s application was filed on April 15, 2013. OAC 4901:1-39-04(D) provides that any person may file objections after the filing of an electric utility’s program portfolio plan. OAC 4901:1-39-04(D) specifically states: “Any person filing objections shall specify the basis for all objections, including any proposed additional or alternative programs, or modifications to the electric utility’s proposed program portfolio plan.” Accordingly, the Ohio Environmental Council (“OEC”) respectfully submits for the Commission’s consideration specific objections and proposed modifications to Duke’s EE/PDR plans.

II. Objections to the Portfolio Management and Implementation Strategies.

A. Duke failed to ascertain the Combined Heat and Power potential in its territory.

A review of Duke’s application indicates there is not a single program devoted to combined heat and power (“CHP”) projects. Despite the passage of Senate Bill 315 in September of 2012, Duke Energy has neither developed nor provided any CHP focused

energy efficiency program options for customers. Businesses and developers across Ohio have been gearing up over the past 9 months to provide combined heat and power capacity to our state. Duke Energy has had 9 months of opportunity to develop and design energy efficiency options for newly qualified CHP resources. That noted; Duke's plan fails to offer a single CHP program to customers.

The OEC strongly encourages the commission and Duke Energy to make an adequate assessment of the true energy efficiency potential of combined heat and power in the Duke Energy service territory and to develop and promote programs specifically geared toward CHP projects.

Most importantly, there is a tremendous amount of economic and technical potential for smaller CHP systems, i.e. projects from 250 kwh to 3 MW. Duke Energy did not review this potential in its market assessment. Though there are hundreds of these smaller CHP host opportunities in the Duke territory, the potential study only lists 30 sites.¹ Clearly, there is significant potential available that Duke has not considered or factored into its portfolio plans. The fact that Duke Energy's potential study does not predict continued compliance with Ohio's energy efficiency standards should, in and of itself, compel Duke to develop and implement these significant energy savings programs.

Specifically, Duke Energy's market potential study asserts that long term targets could be difficult to meet; "To achieve the SB 221 energy savings target DEO would need to acquire about 75 percent of all technical potential by 2025. However, it appears

¹ See Duke Market Potential Study page 32.

from our analysis that Duke Energy will be able to cost effectively achieve just better than half (57%) of all technical potential, short of the SB 221 target for 2025.”²

This is despite the fact that Duke expects to meet the targets cost effectively through 2017, cumulative overachievement expected to be .6 percentage points by 2017.³ Duke will over comply with the targets in this period, and receive significant revenues through shared savings. It is not clear from the market potential study why the company will find compliance so easy through the plan period; but suddenly so much more difficult beyond the plan years. This is especially troubling considering Duke’s failure to adequately assess the long term potential of CHP resources.

B. Duke failed to bid all anticipated energy efficiency savings into the PJM capacity auction.

Finally, we object to any effort by Duke to avoid bidding all anticipated energy efficiency savings into the PJM capacity auction. Duke witness Timothy Duff states that Duke will offer installed Energy Efficiency resources that qualify for the auction, “but only those resources that appear to be cost effective relative to the required incremental costs of M&V and the time requirements to complete incremental M&V tasks, no installed EE resources were offered into the third incremental auction for 2013/2014.”⁴ Duke has an obligation to work with stakeholders to bid the maximum amount of energy efficiency possible into the capacity market in order to create substantial customer savings.

² See Duke Market Potential Study page 4.

³ See Duke Market Potential Study page 4.

⁴ Testimony of Tim Duff p.15.

III. Conclusion

For the foregoing reasons, OEC respectfully requests its objections and recommendations be adopted in this proceeding.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been served upon the following parties by electronic mail this 1st day of July, 2013.

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Summary: Objection By the Ohio Environmental Council electronically filed by Ms. Cathryn N. Loucas on behalf of The Ohio Environmental Council