

**Staff Review and Recommendations for Case Nos.**

**14-0862-EL-EEC**

**14-0863-EL-EEC**

**14-0864-EL-EEC**

**Request by Ohio Edison Company,  
The Cleveland Electric Illuminating Company, and  
The Toledo Edison Company  
For Approval to Include Transmission and  
Distribution Projects  
In Partial Compliance with  
Energy Efficiency Benchmark Requirements**

**Summary of Filing**

On May 15, 2014, Ohio Edison Company, Cleveland Electric Illuminating Company, and The Toledo Edison Company (Companies), submitted an application for Commission approval to include the efficiency gains resulting from certain transmission and distribution upgrade projects completed during 2013, in partial compliance with energy efficiency and demand reduction benchmarks required by Section 4928.66 of the Revised Code.

The application follows the same methodology used by the applicants in all their previous applications starting with the first applications submitted December 15, 2010 (Case Nos. 10-3023-EL-EEC, 10-3024-EL-EEC, and 10-3025-EL-EEC). The application provides a general description of the methodology used along with website links to technical industry applications and studies used to derive the claimed efficiency savings, as well as exhibits that establish each of the following: allocation factors and loss reductions, by company; loss factor calculation methodologies for transmission and distribution projects; summary listings and descriptions of transmission projects; and, summary listings and descriptions of distribution projects.

**Staff's Review**

The purpose of the Staff's review was to evaluate the efficiency savings that the Companies have claimed in their application and provide Staff's assessment about whether or not the claimed savings should be included as part of the Companies' compliance with the energy efficiency benchmarks set forth in R.C. 4928.66(A)(1)(a). The energy savings claimed for these projects, as described in the Companies' filing, showed a total annual contribution to energy efficiency requirements in 2013 of 44,947 megawatt hours (MWh), allocated as follows among the Companies: 22,828 MWh for Ohio Edison Company; 16,108 MWh for Cleveland Electric Illuminating Company; and 6,011 MWh for Toledo Edison Company.

Staff concurs with the Companies that the projects enhanced transmission and distribution system reliability in specific service areas of the Companies. Replacing the old facilities with the new facilities also resulted in a reduction in system losses.

Staff reviewed all necessary engineering studies and confirmed that the energy savings claimed by the Companies in their application filing were properly determined. For both distribution and transmission projects, the impact of these projects will result in reduced energy losses due anticipated future load growth and will result in these energy efficiency gains being sustained over time.

### **Staff Recommendation**

Based upon its review, the Staff believes that the transmission and distribution projects under consideration in this application meet the requirements for integration in the Companies' energy efficiency compliance plans. The information reviewed by Staff verified that the energy savings claimed in the application filing was appropriately determined.

Although the energy projects in the Companies' application include projects that were conducted by an affiliate of the Companies, rather than by the Companies themselves, Staff believes that it is appropriate to include the results of these projects in each Companies' compliance plan. It is not unusual for entities other than EDUs to conduct acceptable energy projects on non-EDU property. In fact, most projects are completed by parties other than the EDU on non-EDU property. Further, Section 4928.66(A)(2)(d) of the Ohio Revised Code clearly states that programs implemented by a utility may include transmission and distribution infrastructure improvements that reduce line losses. There is no concomitant requirement that the EDU must plan, develop, or even pay for, such transmission and distribution infrastructure improvements. The transmission and distribution projects under consideration in this application have been shown to provide a sustained reduction in line losses and improvements to the efficiency of utilization of electricity by the EDUs, and should properly be included in each EDU's compliance plan.

Prepared by: R. Strom, F. Heizer  
06-June-2014

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

**Commission of Ohio Docketing Information System on**

**6/6/2014 2:21:00 PM**

**in**

**Case No(s). 14-0862-EL-EEC, 14-0863-EL-EEC, 14-0864-EL-EEC**

Summary: Staff Review and Recommendation electronically filed by Raymond W. Strom on behalf of PUCO Staff