BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company for Authority to Establish A Standard Service Offer Pursuant to R.C 4928.143 in the form of an Electric Security Plan.	)	Case No. 13-2385-EL-SSO
In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority.	)	Case No. 13-2386-EL-AAM

REPLY BRIEF OF ENERNOC, INC.

EnerNOC, Inc. ("EnerNOC") submits the following reply brief in the above-captioned proceeding addressing the application of the Ohio Power Company ("AEP Ohio" or "the Company") for approval of an electric security plan. EnerNOC's response is limited to the proposed interruptible load program positions stated by the Ohio Energy Group ("OEG") and AEP Ohio. EnerNOC does not oppose the positions posited. However, if the Commission determines that the proposed interruptible load program should be expanded as proposed by OEG there are not enough details in the record regarding the new program. The Commission should open a new docket and order the parties to develop a reasonable tariff if the proposed interruptible load program is expanded as requested by OEG.

I. Introduction

AEP Ohio's filed direct testimony in the above-captioned proceeding proposed the elimination of the Company's existing interruptible rider, Rider IRP-D.[1] The Application proposed that Rider IRP-D would be eliminated effective June 2015.[2] AEP Ohio witness, Gary Spitznogle, testified that the Company was looking to focus on its Standard Service Offering and that competitive electric retail suppliers ("CRES") could provide the necessary services to ensure compliance with relevant sections of §4928.02(A) including:

> §4928.02(A) Ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service;
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> §4928.02(B) Ensure the availability of unbundled and comparable retail electric service that provides consumers with the supplier, price, terms, conditions, and quality options they elect to meet their respective needs;
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> §4928.02(D) Encourage innovation and market access for cost-effective supply- and demand-side retail electric service including, but not limited to, demand-side management, time-differentiated pricing, waste energy recovery systems, smart grid programs, and implementation of advanced metering infrastructure;[3]

Mr. Spitznogle testified on behalf of the Company that Rider IRP-D would be eliminated because "the market can provide comparable offerings."[4] Furthermore, as part of AEP Ohio's case-in-chief, Company witness, Andrea Moore stated "as a wires company, [AEP Ohio] may not be the entity best able to provide an interruptible service product (though there may be some limited opportunities to receive payment for load curtailment from the Company in connection with its peak demand reduction mandates).[5] Finally, AEP Ohio included a strike-out version of

[1] See Exhibit AEP Ohio-3, AEP Ohio direct testimony of Gary Spitznogle (December 20, 2013) at 7.
[2] See Exhibit AEP Ohio-3, AEP Ohio direct testimony of Gary Stitznogle at 12
[3] Exhibit AEP Ohio-3, direct testimony of Gary Spitznogle at 7.
[4] Exhibit AEP Ohio-3, direct testimony of Gary Spitznogle at 12.
[5] Exhibit AEP Ohio-13, AEP Ohio direct testimony of Andrea Moore (December 20, 2013) at 9.

the current tariff as the only version of the tariff in the record.[6]

The Ohio Energy Group's post-hearing brief provided significant opposition to AEP Ohio's proposed elimination of Rider IRP-D. First, OEG pointed to the evidence at the hearing that suggested the (three) remaining IRP-D customers should be permitted to stay on the rider.[7] Next, OEG's post-hearing brief asserted that the Commission should expand the program with a first option that mirrors PJM's limited demand response program – except it provides better monetary incentives.[8] Finally, OEG seeks a second option that is more comprehensive and is comparable to AEP Ohio's current IRP-D rider.[9]

AEP Ohio significantly modified its position on Rider IRP-D in the post-hearing brief. For the first time in the case, the Company's post-hearing brief states that the Company is no longer opposed to retaining the IRP-D rider in a similar fashion to the current version.[10]

EnerNOC does not oppose AEP Ohio's new position. Rather, EnerNOC simply notes that the record lacks critical details regarding a new interruptible tariff, particularly given the changed circumstances referenced by AEP Ohio in their post-hearing brief, as discussed in more detail below. As such, if the Commission finds it is appropriate to approve a new interruptible program that is open to new customers, we believe it necessary to open a new docket to afford all parties the opportunity to review the terms in order to determine the best structure to afford a fair opportunity for as many customers as possible to participate while balancing against maximizing the benefit to the AEP Ohio system and consumers in their territory, including but not limited to the ability to aggregate customers for participation.

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[6] See Exhibit AEP Ohio-13 (December 20, 2013) (AEM-8) at 170-74.
[7] See OEG Post-hearing brief (July 23, 2014)at 18-20.
[8] See OEG Post-hearing brief at 25.
[9] See OEG Post-hearing brief at 25-26.
[10] See AEP Ohio Post-hearing brief (July 23, 2014) at 72.

II. Discussion

AEP Ohio's post-hearing brief states that the Company has modified its position regarding maintaining an interruptible load program. AEP Ohio states: "Due to changed circumstances since it filed the Application in this case, the Company would not object to the Commission authorizing it to continue offering a modified version of schedule IRP-D."[11] AEP Ohio proceeded to provide some of the support for the change in position on Rider IRP-D. The changed circumstances that support continuing to offer an IRP-D tariff include: (1) the recent polar vortex, which illustrated that there may still be an important role for demand response programs even when sponsored by a wires-only company;[12] (2) a federal appeals court issued a decision that calls into question to some extent the Federal Energy Regulatory Commission's approval of PJM's demand response programs while emphasizing the states' role in overseeing demand response programs for retail customers;[13] and finally, (3) that it may be appropriate to maintain the IRP-D tariff in a modified form in order to provide a more stable revenue stream for certain customers that are able to provide emergency demand response services that can benefit the reliability of the electrical grid in AEP Ohio's service territory.[14] Thus, while stating that it – as a "wires only" company -- might not be the best entity to provide an interruptible service product, the Company would not object to the idea of continuing schedule IRP-D for existing customers and making some modifications to the rider as proposed by the Ohio Energy Group.[15] Again, EnerNOC does not oppose AEP Ohio's new position but rather suggest that a new docket to fully consider these changed circumstances may be appropriate.

[11] AEP Ohio Post-hearing brief at 72.
[12] See AEP Ohio Pos-hearing brief at 72.
[13] See AEP Ohio Post-hearing brief at 72-73.
[14] See AEP Ohio Post-hearing brief at 73.
[15] See AEP Ohio Post-hearing brief at 72.

The Ohio Energy Group was the only other party in the proceeding to file a post-hearing brief addressing the IRP-D Rider. Ohio Energy Group cited extensively from the testimony of it's witness, Stephen Baron, and his opposition to AEP Ohio's plan to eliminate rider IRP-D. OEG cited a number of reasons from the record why it would be inappropriate for AEP Ohio to terminate this rider. Of note, OEG mentioned the many benefits that interruptible loads offered by commercial and industrial customers provide for the grid and for AEP Ohio's general customer base.[16] In addition, OEG addresses AEP Ohio's initial position that Rider IRP-D was inappropriate now that AEP Ohio will be a "wires only" Company. OEG points to the testimony of Mr. Baron to suggest that the Commission has an established history of approving interruptible load programs for "wires only" companies including the FirstEnergy Companies interruptible load program.

Moreover, OEG states that the Commission has approved Rider IRP-D in the past "because it is consistent with state policy under Section 4928.02(N)[17], Revised Code, as it furthers Ohio's effectiveness in the global economy."[18] Those same conditions exist today.

The Ohio Energy Group not only seeks the continuation of the current interruptible load program opportunity for the existing customers but OEG also proposes an expansion -- including a new two-level approach. OEG outlines a few of the parameters as identified in the record for option one of its proposed approach: "The first option would be based on the approach approved by the Commission for Duke and would be patterned after the PJM Limited Emergency Demand Response program."[19] The proposed interruptible credit for the first option is set equal to 50% of Net Cone (about $5.36/kW-month) and the rate is available to all customers, both SSO and

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[16] See OEG Post-hearing brief at 20-25.
[17] R.C. 4928.02):"It is the policy of this state to do the following throughout this state: (N) Facilitate the state's effectiveness in the global economy."
[18] OEG Post-hearing brief at 26.
[19] OEG Post-hearing brief at 25.

shopping.[20] The proposed "option one" would be comparable to the PJM Limited Emergency program in that mandatory interruptions would be limited to 10 times during the months of June through September.[21]

There are very limited details in the record on the first option. Because the program would be patterned after the PJM Limited Emergency Demand Response Program it appears that aggregation of customers would be permitted but the record is not clear on this. The record is also not clear on such requirements as the the minimum kilowatts needed to sign up for the program or the length of the commitment. These are all details that, particularly given the changed circumstances referenced by AEP Ohio, lead to the logical conclusion that the rider should be developed in a separate proceeding.

OEG's proposal for option two is very similar to AEP Ohio's current IRP-D and thus, there are much less uncertainties regarding this proposal. The proposed "option two" would be an unlimited emergency interruptible program that continues to pay $8.21/kW per month credit.[22] Customers electing this option would continue to be interrupted at any time in the event of an AEP Ohio or PJM emergency with the same notice provisions that currently exist for Rider IRP-D.[23] There could be an unlimited number of emergency interruptions and no limitation on the length of such interruptions.[24]

While option two is well laid out there are a few provisions that will need to be developed if the program is open to new customers. Again, the record is also not clear on aggregation parameters or such requirements as the minimum kilowatts needed to sign up for the program or the length of the commitment. These are all details that EnerNOC believes would be

[20] OEG Post-hearing brief at 25.
[21] OEG Post-hearing brief at 25.
[22] See OEG Post-hearing brief at 25.
[23] See OEG Post-hearing brief at 25.
[24] See OEG Post-hearing brief at 25.

suitable to develop in a separate proceeding if the Commission finds it appropriate to implement a new interruptible program.

III. Conclusion

EnerNOC does not oppose the parameters proposed by OEG as part of maintaining the current three customers on Rider IRP-D or creating two new programs -- options "one" or "two". EnerNOC cannot express support for either of these options without knowing the full details behind the provisions and whether the provisions will allow equal opportunities for all in a fair manner. There is no record of what the other parameters in the rider will look like. If the Commission authorizes OEG's proposed options we then request that the Commission order the parties to work out the remaining details of the tariff in a separate docket.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply Brief was served by e-mail to the persons listed below on this 15th day of August, 2014.

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