# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren	)	
Energy Delivery of Ohio, Inc. for	)	
Authority to Amend its Filed Tariffs to	)	Case No. 07-1080-GA-AIR
Increase the Rates and Charges for Gas	)	
Service and Related Matters.	)	

# REPLY TO MEMORANDA CONTRA OF VECTREN, OHIO PARTNERS FOR AFFORDABLE ENERGY, AND INTERSTATE GAS SUPPLY BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

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#### MEMORANDUM IN SUPPORT

#### I. INTRODUCTION

Even with the memoranda contra filed by three stakeholders who favor \$100 rebates for Wi-Fi thermostats, it remains unclear why 314,000 natural gas customers should be required to subsidize \$100 rebates (up to \$300 in rebates per household) for other customers of Vectren Energy Delivery of Ohio, Inc. ("Vectren" or the "Utility) who are program participants. The case for allocation of scarce resources in this fashion is even less proven considering natural gas prices are at historic lows. The PUCO Staff originally testified against any Vectren energy efficiency programs funded by other customers: "as a general proposition, [natural gas DSM programs] do not provide the type of system-wide benefits that justify a rider attached to all customer bills"

After a resolution of this issue with the Collaborative was not forthcoming,<sup>3</sup> the Office of the Ohio Consumers' Counsel ("OCC") filed a Motion with the Public Utilities

<sup>&</sup>lt;sup>1</sup> The number of program participants is extremely small, which itself calls into question benefits of this program.

<sup>&</sup>lt;sup>2</sup> Case No. 05-1444-GA-UNC, Puican Testimony (March 20, 2006).

<sup>&</sup>lt;sup>3</sup> See OCC's January 12, 2016 Motion at 2-6, describing the efforts the Consumers' Counsel made to resolve this issue through the Collaborative.

Commission of Ohio ("PUCO" or "Commission"). The Motion sought to decrease the \$100 rebate to a lower, tiered approach that was matched to the differing technology levels of the Wi-Fi thermostats. The rebate program is part of the Utility's proposed natural gas Demand-Side Management ("DSM")<sup>4</sup> Program Portfolio for 2016. As stated, the program allows up to three \$100 thermostat rebates (\$300 in total) per household, and OCC has also asked the PUCO to stop that offering of multiple rebates per household. On January 27, 2016, Vectren—the Utility; Interstate Gas Supply ("IGS")—a marketer; and the Ohio Partners for Affordable Energy ("OPAE")—a group of low-income weatherization providers filed Memoranda Contra OCC's Motion. Vectren alleged that Wi-Fi thermostats "have been successful in enabling customers to reduce consumption."<sup>5</sup> Vectren makes this conclusion despite the fact that it readily admits its Wi-Fi thermostat program has not been independently evaluated. Vectren also restated its unwillingness to modify its Wi-Fi thermostat rebate program.

IGS, a non-voting member of the Collaborative, <sup>8</sup> acknowledges that natural gas prices are currently low (as pointed out in OCC's Motion). <sup>9</sup> But IGS asserts that without incentives (such as Wi-Fi thermostat rebates), customers may be less likely to modify their behavior or invest in these technologies. <sup>10</sup>

Finally, OPAE claims that OCC failed to demonstrate that the amount of

<sup>&</sup>lt;sup>4</sup> Demand Side Management programs typically aim to modify consumer demand for energy through various methods such as financial incentives and behavioral change.

<sup>&</sup>lt;sup>5</sup> Vectren Memo Contra at 4.

<sup>&</sup>lt;sup>6</sup> Id. at 5.

<sup>&</sup>lt;sup>7</sup> Id. at 8.

<sup>&</sup>lt;sup>8</sup> Voting members of the Collaborative are the PUCO Staff, OCC, OPAE and Vectren. IGS expressed no opinion on the Wi-Fi thermostat program during the course of Collaborative discussions.

<sup>&</sup>lt;sup>9</sup> IGS at 4.

Vectren's Wi-Fi thermostat rebate is unreasonable.<sup>11</sup> But, like IGS and Vectren, OPAE does not provide any data or independent analysis to show the \$100 rebate amount is appropriate, or explain why a tiered rebate structure (such as the one OCC recommended) is inappropriate.

The Utility is seeking approval of its DSM programs. And thus the burden is on the Utility to demonstrate that its \$100 rebate program (for any type of Wi-Fi thermostat purchase) is in fact reasonable. For the reasons explained below, Vectren, IGS, and OPAE's claims should be rejected, and OCC's Motion should be granted.

#### II. REPLY

A. Vectren has not provided the PUCO with any analysis (or proof) to demonstrate in its filing that the Wi-Fi thermostat rebate (\$100 per thermostat, up to \$300 per household) is priced appropriately and proper for subsidizing by consumers.

As OCC stated in its Motion, the Consumers' Counsel supports reasonable DSM programs for providing energy savings to participating consumers. But OCC's support (whether for natural gas or electric programs) is not unlimited. DSM programs should be properly designed. And OCC is cognizant that Ohio consumers pay a subsidy to fund these programs. Moreover, whether the subsidy is small or great, the PUCO should ensure that customer funds are well spent under appropriate criteria for such programs.

<sup>&</sup>lt;sup>10</sup> Id.

<sup>&</sup>lt;sup>11</sup> OPAE Memo Contra at 4.

But Vectren failed to demonstrate to the Collaborative or the PUCO how it determined that \$100 is an appropriate amount for a Wi-Fi thermostat rebate. <sup>12</sup> The Utility should take a prudent approach when pricing rebates that customers pay.

Taking a conservative approach to rebate pricing is especially important as the Utility admittedly has not completed an independent evaluation of the Wi-Fi thermostat program. Such analysis will not be completed until the end of 2016.<sup>13</sup> The only justification Vectren offered for keeping the rebate at \$100 was that it would be "premature and somewhat arbitrary to make the recommended changes prior to the evaluation" of the program." Vectren's argument is circular; its original rebate of \$100 is arbitrary. But the problem for consumers is that Vectren's rebate amount is not only arbitrary but unreasonable. What OCC is recommending is to replace the arbitrary and unreasonable Vectren' rebate figure with a reasonable amount. In addition, Vectren offered no data or analysis to explain to the Collaborative members how the \$100 Wi-Fi thermostat rebate amount was derived or why \$100 is the appropriate amount (or why a tiered rebate level should not be adopted as OCC recommended to resolve the matter with the Collaborative members).

The American Council for an Energy-Efficiency Economy ("ACEEE") has noted that there is a need for research on the performance of Wi-Fi thermostats in terms of their energy savings. <sup>15</sup> In addition, ACEEE found that there is a need for research on the *non-*

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<sup>&</sup>lt;sup>12</sup> Consumers Energy (Michigan) prices its Wi-Fi thermostat rebate at \$50 and limits the rebate to one per system: Consumers gas provides a lower \$50 rebate for Wi-Fi thermostat: http://energy.gov/savings/consumers-energy-gas-residential-energy-efficiency-program.

<sup>&</sup>lt;sup>13</sup> Vectren Memo Contra at 5.

<sup>&</sup>lt;sup>14</sup> See Vectren Memo Contra at 5.

<sup>&</sup>lt;sup>15</sup> "New Horizons for Energy Efficiency: Major Opportunities to Reach Higher Electricity Savings by 2030," at 59 (September 2015).

energy benefits of these devices.<sup>16</sup> This information is important to understand the value of these devices to consumers and to determine the cost effectiveness of providing incentives to utility customers for purchasing and installing them.<sup>17</sup>

ACEEE adds that the "newness of [Wi-Fi thermostat] technology also means that there is a need for multi-year savings and persistence studies." Vectren has not conducted savings and persistence studies. Until such studies are complete, Vectren should decrease the amount of its Wi-Fi thermostat rebate.

A key difference between OCC's recommendations and Vectren's approach is that OCC urges conservatism in spending Ohioans' money while research is underway regarding the prudence of the expenditures. And OCC's proposal for a tiered-rebate is based on a fact--Wi-Fi thermostats have a range of technologies that, at the upper end, feature adaptive learning capabilities that can save more energy and thus warrant a higher rebate (but not \$100). At the lower end of the range, the program should not facilitate customer subsidizing of \$100 rebates for lower technology Wi-Fi thermostats that might have uses as more of a convenience than energy savings.

Vectren initiated the Wi-Fi thermostat rebate program in 2015. Vectren indicated during the December 2<sup>nd</sup> Collaborative meeting that a third-party evaluator would be examining the cost effectiveness of the Wi-Fi thermostat program using 2015 data. The Collaborative will review the results of the evaluation during 2016. This analysis could be helpful to adjust the Wi-Fi thermostat program going forward. But, as stated, OCC recommends that a more conservative approach with respect to Wi-Fi thermostat rebates

<sup>&</sup>lt;sup>16</sup> Id.

<sup>&</sup>lt;sup>17</sup> Id.

<sup>&</sup>lt;sup>18</sup> Id.

be taken presently. The more conservative approach is prudent because the rebate involves the use of consumers' money and some of that money could be put to other program uses. Further analysis can be shared with the Collaborative for future consideration.

Vectren stresses that it wants the opportunity to evaluate the Wi-Fi thermostat program before altering it.<sup>19</sup> OCC supports the independent evaluation of energy efficiency programs to gain knowledge and to improve the program in question. However, the argument that the members of the Collaborative should await an independent evaluation of the thermostat program is a red herring in this case. If an energy efficiency program has a flawed program design, or clearly a flawed element in the program design, it should be modified as soon as possible, to improve the program for the benefit of the Utility and its customers (those paying the subsidy and those participating in the program using the subsidy).<sup>20</sup>

In addition, Vectren's approach to its Wi-Fi thermostat program in Ohio is quite different than the efforts it made in Indiana. There, Vectren Indiana used shareholder money (not consumers' money) to test the savings before proposing a full program in Indiana. <sup>21</sup> In Indiana, Vectren for 2013 and 2014 designed, funded, and conducted a smart thermostat pilot program to residential customers who used manual thermostats in their homes. 22 Vectren Indiana conducted the pilot in part because, although Wi-Fi

<sup>&</sup>lt;sup>19</sup> Vectren Memo Contra at 4.

<sup>&</sup>lt;sup>20</sup> OCC's motion gives an example of the Company paying close to the total cost of the lower-technology non-adaptive Wi-Fi thermostat, which is a poor program design element.

<sup>&</sup>lt;sup>21</sup> http://www.cadmusgroup.com/case-studies/indiana-smart-thermostat-pilot-studies/

<sup>&</sup>lt;sup>22</sup> http://www.cadmusgroup.com/case-studies/indiana-smart-thermostat-pilot-studies/

enabled smart thermostats have entered the market with popularity, few comprehensive studies have attempted to quantify these savings in actual customer use.<sup>23</sup>

Vectren Indiana engaged and funded Cadmus, an evaluation measurement and verification entity, to help the Utility understand whether and how customers with smart thermostats saved energy. <sup>24</sup> Cadmus measured the program impact to determine the energy savings from the NEST thermostats over manual thermostats and determine the savings from the NEST thermostats over manual thermostats and conventional programmable thermostats. <sup>25</sup>

The PUCO should protect consumers by reducing Vectren's Wi-Fi thermostat rebate.

B. The PUCO should grant OCC's Motion to protect the use of customer funds; Vectren's allegation that OCC "provides no basis for special intervention by the Commission" separates the Collaborative to a level of independence from the PUCO that is misplaced and beyond what has been delegated to it.

Vectren alleges that OCC's motion "shows no issue that demands extraordinary Commission action." Then, Vectren melodramatically asserts that "[i]f every point of disagreement is elevated to the Commission, the incentive to form new collaborative groups, or to continue existing ones, is greatly diminished. These stakeholder groups are intended to reduce litigation, not become a source of it." Vectren exaggerates.

<sup>&</sup>lt;sup>23</sup> Id.

<sup>&</sup>lt;sup>24</sup> Id.

<sup>&</sup>lt;sup>25</sup> Id.

<sup>&</sup>lt;sup>26</sup> Vectren Memo Contra at 6.

<sup>&</sup>lt;sup>27</sup> Id.

OCC explained in its Motion the efforts it made to resolve this matter through the Collaborative. <sup>28</sup> Vectren did not make a counter-offer to OCC's proposal.

When it was apparent that this issue could not be resolved through the Collaborative—and OCC tried, OCC followed the dispute resolution process that the PUCO itself set forth in Case No. 05-1444-GA-UNC.<sup>29</sup> To this end, in the event of nonconsensus:

Members of the Collaborative shall make a good faith effort to resolve any disputes through the Collaborative. If a dispute remains after good faith efforts to resolve the dispute, any member of the Collaborative may bring the dispute to the Commission's attention and seek such informal or formal action as the member deems necessary to resolve the dispute. The judgment of a majority of the Collaborative shall control unless and until such judgment is abrogated or modified by the Commission. <sup>30</sup>

Vectren's criticism of OCC's efforts is disingenuous. OCC negotiated.

Vectren didn't. OCC then followed the dispute resolution process that the PUCO ordered (and that Vectren agreed to).<sup>31</sup>

# C. Vectren's argument in favor of three Wi-Fi rebates per household is unsupported and should be rejected.

Vectren allows a household to obtain up to three Wi-Fi thermostat rebates (up to \$300 in rebates). OCC noted in its Motion that this practice is unreasonable.<sup>32</sup> In its Memorandum Contra, Vectren argues that "[h]omes with multiple systems tend to consume higher quantities of gas, so it makes sense to ensure that such households are

<sup>29</sup> See Case No. 05-1444-GA-UNC, Stipulation and Recommendation at 5 (April 10, 2006).

<sup>&</sup>lt;sup>28</sup> See OCC Motion at 2-6.

<sup>&</sup>lt;sup>30</sup> Case No. 05-1444-GA-UNC, Stipulation and Recommendation at 5 (April 10, 2006).

<sup>&</sup>lt;sup>31</sup> Vectren was a signatory to the April 10, 2006 settlement in Case No. 05-1444-GA-UNC.

<sup>&</sup>lt;sup>32</sup> See OCC Motion at 9. See also, https://www.consumersenergy.com/eeprograms/RRebateChart.aspx?id=4123, where Consumers Energy restricts consumers to "one incentive per system."

encouraged to implement the technology."<sup>33</sup> But an examination of Vectren's rebate offerings on its website shows that the three Wi-Fi thermostat rebate per household offer has no restrictions.<sup>34</sup> If the purpose of allowing three rebates per household is in fact to serve homes with multiple systems, Vectren should have, at a minimum, restricted the offer in some way. Vectren provided no data to support its claim that only households with multiple systems are taking advantage of the three rebates per household limit.

In addition, Vectren's argument is flawed. Vectren's rationale would make sense if its thermostat program had an unlimited budget. But that is not the case. The more thermostat rebates given to one customer (up to three) means that other customers may not even get one thermostat because there is a limited budget. OCC is aware that there are some customers who have received more than one rebate per household.

IGS does not oppose the existing allowance of three \$100 rebates per household. But it "does not oppose verification requirements to ensure that a thermostat is in fact installed at the household using the rebate." OCC agrees that the PUCO should require that Vectren should have some sort of a verification system in place to ensure that a thermostat is in fact installed at the household using the rebate. Though verification is important, it is not a substitute for OCC's recommendation to limit rebates to one per household.

It is unreasonable for Vectren to allow up to \$300 in Wi-Fi thermostat rebates per household. Adding a verification program does not solve that issue. But adding a verification program would be a positive development for the program.

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<sup>&</sup>lt;sup>33</sup> Vectren Memo Contra at 7.

<sup>&</sup>lt;sup>34</sup> https://vectren-residential-rebates.clearesult.com/IN/#rebateintakewelcome.

## D. Vectren, IGS, and OPAE did not present any counterarguments to OCC's proposal for consumers to have a tiered rebate structure.

OCC's Motion on the thermostat rebate issue was very specific. The rebate for a non-adaptive Wi-Fi thermostat should not be the same as the rebate for a more costly, sophisticated and more energy-saving Wi-Fi adaptive thermostat. OCC recommended a two-tiered approach of lowering the rebate for Wi-Fi adaptive thermostats to \$50 and lowering the Wi-Fi non-adaptive thermostat to \$20.

IGS only addresses OCC's pricing recommendations for the Wi-Fi adaptive thermostats and argues that OCC's proposed rebate level for these costlier thermostats is too low. But IGS fails to acknowledge that Vectren is giving the same \$100 rebate for an inferior-technology Wi-Fi non-adaptive thermostat as for the better-performing NEST, Ecobee 3, and Honeywell. The most troubling statistic is that, in 2014, 85% of the higher rebate was paid for installations of the inferior-technology thermostat. The inferior-technology thermostats are in the \$100 price range. A rebate should not incent consumer behavior to cover 100% of the desired investment in energy efficiency technology. That distinction was key in OCC's filed Motion.

OPAE does not acknowledge this pivotal thermostat distinction. Vectren does not mention this distinction and instead attempts to minimize, in the abstract, the overall price of the rebate as a percentage of the purchase price of the thermostat.

OCC's recommendation reflects that adaptive Wi-Fi thermostats have the potential to capture more energy savings for customers then non-adaptive models.<sup>36</sup>

<sup>&</sup>lt;sup>35</sup> VEDO email to collaborative on 12/10/2015.

<sup>&</sup>lt;sup>36</sup> T. Galvin and P Goodman, "Don't Be Fooled Again with Thermostats: Market Review, Design Considerations, and Early Findings of Savings Potential for Smart Thermostats," September 22, 2015. http://aceee.org/sites/default/files/pdf/conferences/eer/2015/Pace\_Goodman\_Session6D\_EER15\_9.22.15.p

OCC's recommendation for a tiered-structure offering is not a novel concept. In fact, Columbia Gas of Ohio, Inc. ("Columbia") currently offers customers a \$25 rebate for a simple programmable thermostat.<sup>37</sup> And Columbia will charge customers \$199 for a full home energy audit and the installation of a NEST thermostat (that retails for \$250).<sup>38</sup>

Vectren's Wi-Fi thermostat program should promote these adaptive thermostats by using a higher level rebate (but lower than \$100) for such thermostats.

E. IGS' claim that a \$100 rebate for an adaptive thermostat "will still fall far short of the total cost of the technology" misses the point; the customer-funded rebate is instead a "giveaway" for the overwhelming majority of non-adaptive thermostats installed by the program. Therefore IGS' argument is unsupported and should be rejected.

IGS apparently takes issue with OCC's point that, in some cases, a \$100 rebate for a Wi-Fi thermostat could cover nearly the entire cost of the thermostat.<sup>39</sup> OCC pointed out in its Motion that a consumer can purchase a non-adaptive Wi-Fi thermostat ranging in price from \$99.98-\$265.00 at the Home Depot, and pay \$109.14 for White Rodgers Model # 1F86U-42WF on Amazon.<sup>40</sup> With Vectren's rebate, a consumer can choose to be reimbursed for nearly the entire cost of a thermostat.

This approach of making the efficiency device free to the customer is contrary to the idea of a rebate, which is to encourage a consumer to make a purchase where the customer uses some of his or her own money. It is not reasonable for the rebate amount to be at or nearly 100% of the full price of some thermostats. In fact, such a rich rebate

df. Also, see table 3 on page 11 of J. Woolley et al, "Why Occupancy-Responsive Adaptive Thermostats Do Not Always Save - and the Limits for When They Should," http://aceee.org/files/proceedings/2014/data/papers/3-490.pdf.

<sup>&</sup>lt;sup>37</sup> https://www.columbiagasohio.com/ways-to-save/simple-energy-solutions.

<sup>&</sup>lt;sup>38</sup> https://nest.com/energy-partners/columbia-gas-ohio/.

<sup>&</sup>lt;sup>39</sup> IGS Memo Contra at 4.

(\$100) for a non-adaptive thermostat could represent a participating customer payback of a year or less (when the subsidized rebate of \$100 is not included in the cost of the payback). The PUCO in the past has frowned upon offering rebates for DSM measures with less than a one-year payback.

...the Commission finds that, in order to minimize the potential for freeriders and some of the need to calculate net savings, utilities should not provide incentives for programs that have a payback of one year or less.<sup>41</sup>

IGS contends that adaptive thermostats such as the NEST cost approximately \$250 at retail, which does not include installation costs or tax. 42 An adaptive thermostat, such as a NEST, can cost around \$250. In fact, OCC acknowledged as such in its Motion. 43 But IGS ignores the fact that Vectren's 2015 thermostat program statistics demonstrate that 85% of the installed thermostats are not adaptive, but are of the lower-technology, less costly and less effective Wi-Fi thermostats. 44

Vectren disputes that it is "giving away" thermostats by saying "a customer must make a purchase to receive a rebate, so this is not a "'giveaway," contrary to OCC's characterization." Vectren goes on to say that it is "not simply shipping thermostats to unsuspecting customers, and the rebate program *does* encourage customer engagement." In any event, Vectren fails to address OCC's point - a rebate is meant to encourage a customer to make a particular purchase not to cover the entire purchase

<sup>&</sup>lt;sup>40</sup> http://www.amazon.com/Sensi-Wi-Fi-Programmable-Thermostat-1F86U-42WF/dp/B00HHE60CE.

<sup>&</sup>lt;sup>41</sup> October 15, 2009 Finding and Order in Case No. 09-512-GE-UNC, at 6.

<sup>&</sup>lt;sup>42</sup> IGS Memo Contra at 4.

<sup>&</sup>lt;sup>43</sup> OCC Motion at 8.

<sup>&</sup>lt;sup>44</sup> Vectren email to collaborative on 12/10/2015.

<sup>&</sup>lt;sup>45</sup> Vectren Memo Contra at 6.

<sup>&</sup>lt;sup>46</sup> Id.

price. In this regard, Cadmus<sup>47</sup> concluded in its study of Vectren's Indiana Wi-Fi thermostat program that when thermostats were offered to customers for free, customers were not necessarily motivated to engage with the programmable or smart thermostat on their own.<sup>48</sup> Cadmus found that a program designed to offer incented thermostats, rather than free thermostats, could attract customers who are more likely to be engaged with their thermostat and consequently slightly increase energy savings potential.<sup>49</sup>

As demonstrated in our Motion, it is quite possible under the Utility's Wi-Fi thermostat program for a customer to purchase a Wi-Fi thermostat and be entirely reimbursed for that purchase using the rebate. This is a mistaken program element and should be remedied by the PUCO.

F. OPAE's commentary against competitive procurement of DSM programs for low-income customers is not ripe for the PUCO's consideration.

OCC explained in its Motion that it proposed, in its letter to the Collaborative on December 18, 2015, a transition to a competitive procurement of DSM programs for low-income customers to ensure minimizing costs to customers paying the program subsidy. Vectren responded that it will make this issue a Collaborative topic in April 2016. OCC noted in its Motion that it planned to await the resolution of that discussion topic before seeking a PUCO resolution, if needed. OCC did not propose to amend or decrease the

<sup>&</sup>lt;sup>47</sup> Cadmus is an independent evaluation measurement and verification entity.

<sup>&</sup>lt;sup>48</sup>See.

 $http://www.cadmusgroup.com/wpcontent/uploads/2015/06/Cadmus\_Vectren\_Nest\_Report\_Jan2015.pdf?submissionGuid=7c8a6971-f152-4610-b68d-af2b5059834f at 42.$ 

<sup>&</sup>lt;sup>49</sup> Id.

<sup>&</sup>lt;sup>50</sup> See, e.g., Testimony of PUCO Staff witness Scheck at 3-5, in *FirstEnergy*, Case No. 14-1297-EL-SSO (September 18, 2015).

amount of the Vectren DSM program budget allocated towards programs for low-income customers.

Despite the fact that the competitive procurement issue is not before the PUCO for resolution, OPAE spends a considerable portion of its Memorandum Contra arguing against competitive bidding for the low-income weatherization program.<sup>51</sup>

The PUCO should transition to a competitive procurement of DSM programs for low-income customers. In the pending FirstEnergy electric security plan, PUCO Staff witness Scheck testified in favor of competitive procurement for low-income energy efficiency programs: "The Staff recommends that the Community Connections Program be competitively bid out as a way to achieve the maximum of savings per dollar spent by the Companies to acquire the benefits of reducing low income customers bills." 52

However, OCC is not seeking PUCO resolution of this issue at this time, as stated in our Motion. OPAE's arguments in this regard are not ripe for PUCO consideration.

#### III. CONCLUSION

The PUCO should evaluate Vectren's Wi-Fi thermostat rebate program and strike a reasonable balance for consumers paying the subsidy. The PUCO should reduce the rebates and create a dual rebate tier, reducing what consumers subsidize for the rebates and matching the magnitude of rebates with technology type. The PUCO should grant OCC's January 12th Motion.

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<sup>&</sup>lt;sup>51</sup> OPAE Memo Contra at 9.

<sup>&</sup>lt;sup>52</sup> Testimony of PUCO Staff witness Scheck at 3-5, in *FirstEnergy*, Case No. 14-1297-EL-SSO (September 18, 2015). That position of the PUCO Staff for competitive procurement was not carried into the settlement that the PUCO Staff and OPAE signed.

# Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Reply to Memoranda Contra has been served upon the below-named persons via electronic service this 3rd day of February, 2016.

/s/ Kyle L. Kern Kyle L. Kern

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Summary: Reply Reply to Memorandum Contra of Vectren, Ohio Partners for Affordable Energy, And Interstate Gas Supply by The Office of the Ohio Consumers' Counsel electronically filed by Ms. Jamie Williams on behalf of Kern, Kyle L. Mrs.