BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of Demand Side Management Program for its Residential and Commercial Customers.	)	Case No. 16-1309-GA-UNC
In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval to Change Accounting Methods.	)	Case No. 16-1310-GA-AAM

INITIAL BRIEF OF THE ENVIRONMENTAL LAW & POLICY CENTER, THE NORTHWEST OHIO AGGREGATION COALITION, AND THE NOAC COMMUNITIES

INTRODUCTION

On June 10, 2016, Columbia Gas ("Columbia" or "Company") filed an application for approval to continue its Demand Side Management Program ("DSM Plan"). Columbia Exhibit 1. On August 12, 2016, Columbia and seven parties entered into a Stipulation and Recommendation ("Stipulation") for approval of a slightly modified version of the filed DSM Plan. Joint Exhibit 1. The Environmental Law & Policy Center ("ELPC") has championed energy efficiency programs in state legislatures and at public utility commissions across the Midwest. The Northwest Ohio Aggregation Coalition ("NOAC") serves approximately 45,000 residential and small commercial natural gas customers on Columbia's distribution network. The NOAC Communities have approximately 500,000 residents who rely on natural gas from NOAC or another supplier. NOAC and NOAC Communities directly represent the interests of the customers and residents in their territories and see to ensure that they get the most efficient service possible.

ELPC, NOAC, and the NOAC Communities (collectively "ELPC/NOAC") cannot support Columbia's Application and Stipulation because they lack detail and fall short of any standard of reasonableness that Ohio law requires for approving utility spending on energy efficiency. In essence, the Company proposes spending an average of $26.8 million of customer money per year on programs that reach only a small number of customers, while ignoring the opportunity to implement a strong smart thermostat program that would address many of the DSM Plan's shortcomings. As set forth below, ELPC/NOAC request that the Public Utilities Commission of Ohio ("PUCO" or "Commission") reject the Application and Stipulation as filed and order Columbia to modify its DSM Plan to shift spending from other more expensive programs to the Simple Energy Solutions program, which houses Columbia's smart thermostat program.

ARGUMENT

I. COLUMBIA'S PROGRAM FAILS TO PROVIDE ADEQUATE SAVINGS

ELPC/NOAC appreciate that Columbia filed this DSM Plan voluntarily, but that does not mean that the Commission should not hold the Company to high standards. The Company should be trying to optimize savings for customers and also ensure that as great a number of customers can participate as is reasonably possible. Electric utility efficiency plans reach the most customers by discounting lighting, which requires minimal customer investment and provides high savings. On the gas side, utilities have no such easy program where customer can so easily benefit, but the Commission should ensure that Columbia's program offers savings opportunities to as many customers as practical given the constraints. Programs such as weatherization and discounting furnaces provide significant savings, but come at a high cost per customer.

The Office of the Ohio Consumers' Counsel ("OCC") Witness James D. Williams notes that Columbia's programs fail to present an opportunity for most customers to participate in and benefit from its efficiency programs. According to Mr. Williams (quoting the Application), while the Home Energy Reports reached 430,000 customers between 2012 and 2015, the other programs combined reached only 160,000 out of 1.4 million customers. OCC Exhibit 9 at page 7. Most pointedly, Mr. Williams notes that under the WarmChoice program Columbia spends $14.3 million annually and only reaches "a relatively few number of low-income households compared to the need for assistance," with only 2,032 customers participating annually from 2012 to 2015. OCC Exhibit 9 at page 7.

While OCC's witness raises valid concerns, smart thermostats offer a solution that allows many more customers to participate than Columbia's current program without raising the cost of the total DSM Plan. Columbia already has a smart thermostat program – housed in Simple Energy Solutions – and expansion of that program would make it possible for hundreds of thousands of Columbia customers to save significantly on their heating costs for a relatively small investment. Columbia Exhibit 1 at page 12.

There are varying definitions of "smart thermostats" but as ELPC/NOAC Witness John Paul Jewell testifies, "Generally they fit the common description of being a wifi-connected thermostat, with temperature settings that can be adjusted remotely via a smartphone or computer, and have some type of occupancy sensing that allows the thermostat to automatically adjust heating and cooling settings to save energy." Joint ELPC/NOAC Exhibit 1 at page 5. The key aspect of a smart thermostat is that it learns customer behavior and adjusts the temperature in homes accordingly so that customers do not waste energy heating and cooling empty homes.

Customers can reduce their bills without sacrificing comfort, and can do so with only a small investment.

In order to properly fund the program, Mr. Jewell argues that Columbia should shift funds from the weatherization and furnace programs to smart thermostats:

> While each of these measures can provide significant energy savings and are incented in some way in Columbia Gas's proposed plan, smart thermostats have the lowest incremental cost, and can be installed in the greatest number of homes given Columbia Gas's budget. The OCC raises a concern in its comments that most of Columbia Gas's customers do not participate in the DSM programs despite paying into them. Columbia Gas can reach more customers to reduce wasted energy for a lower cost by emphasizing smart thermostats in its programs.

Joint ELPC/NOAC Exhibit 1 at pages 6-7 (footnotes omitted).

Columbia currently plans to spend only $5,085,444 over six years on the Simple Energy Solutions program – which includes smart thermostats – compared to $47,300,524 on Home Performance Solutions (home energy audits) and $15,113,129 on HE HVAC Rebates (rebating energy efficient water heaters). Columbia Exhibit 1 at page 25. According to Columbia's own data, both Home Performance Solutions and HE HVAC Rebates produce far fewer savings per dollar:

Table 1

Program	Savings (Mcf)	Budget	$ per Mcf saved
Home Performance Solutions	525,493	$ 47,300,524	$ 90.01
HE HVAC Rebates	488,584	$ 15,113,129	$ 30.93
Energy Efficient New Homes	403,695	$ 19,738,010	$ 48.89
Simple Energy Solutions	241,663	$ 5,085,444	$ 21.04

Joint ELPC/NOAC Exhibit 1 at page 11. The differences in savings per dollar reflected in the right column are dramatic. While Columbia does not state the exact number of customers it

predicts will participate in the programs listed above (which exemplifies Columbia not meeting its burden of proof), if it raised its smart thermostat rebate to $100 and moved funds from the HE HVAC Rebates and the Home Performance Solutions budgets, Columbia could discount up to 46,000 smart thermostats per year (46,000 x $100 = $4.6 million).

According to Joint ELPC/NOAC Witness Jewell, smart thermostat savings estimates for an average household range from 71 to 220 therms per year and 101 to 253 kwh per year. Joint ELPC/NOAC Exhibit 1 at pages 8-9. Mr. Jewell also notes that he believes that many studies underestimate savings because they use flawed control groups and that many early adopters already use a programmable thermostat. Joint ELPC/NOAC Exhibit 1 at page 10. Hence, ELPC/NOAC believe that the actual savings for Columbia customers from smart thermostats will be higher than projections.

ELPC/NOAC are also concerned that the Columbia program is too small to generate the public education and marketing needed to make the program successful. Mr. Jewell notes:

> Smart thermostats are a relatively new technology and product class, and it will likely take significant investment in marketing and customer education from the utility and thermostat providers to reach high penetration targets. Customers at first are unlikely to fully understand how a smart thermostat can save on energy costs and maximize comfort as it learns a user's habits. A $100 rebate and a concerted educational campaign from Columbia Gas and other Ohio utilities will help raise the profile of smart thermostats as an energy saving device and will allow many more customers to access the technology quickly. This spending will produce greater results and economies of scale if the targets are sufficiently high.

Joint ELPC/NOAC Exhibit 1 at page 12. He elaborates that this theory has played out in Illinois where ComEd, Nicor Gas, and Peoples Gas committed to a large program, and the thermostat companies Nest and Ecobee deployed comprehensive marketing campaigns that worked side by side with the utility educational efforts. Joint ELPC/NOAC Exhibit 1 at page 12. The Illinois

program led to ComEd issuing 35,000 rebates the first ten months of the program.[1] Joint ELPC/NOAC Exhibit 1 at page 10.

II. THE COMMISSION SHOULD ORDER COLUMBIA TO IMPLEMENT AN EXPANDED SMART THERMOSTAT PROGRAM

While Columbia has proposed a smart thermostat program, it is insufficiently sized and lacks important components in order to get the most out of the program. The proposed rebate of $75 is too low, and the program lacks a meaningful customer education effort and does not include a strong direct install component. Hence the Commission should order Columbia to revise its smart thermostat program to:

A. Increase the Simple Energy Solutions budget to an average of $4.6 million per year;
B. Provide a retail rebate of at least $100 per smart thermostat;
C. Undertake a smart thermostat customer education effort; and
D. Provide a direct install option for smart thermostats.

These changes will significant improve the proposed DSM Plan and allow many more customers to actively participate in the programs they pay for.

A. Columbia should increase Simple Energy Solutions budget to an average of $4.6 million per year

In order to fund this improved smart thermostat program, Columbia should increase its spending on the Simple Energy Solutions budget from an average of less than $850,000 per year to an average of $4.6 million per year. It can achieve this budget by moving half of the HE HVAC Rebates budget to the Simple Energy Solutions budget and an additional $2.5 million per

[1] This number does not include what is believed to be a significant number of customers who purchased thermostats because of the publicity from the program but do not apply for the rebate.

year from the Home Performance Solutions budget.[2] This additional funding should be used for enhancing the smart thermostat program. As the table below indicates this would increase annual savings by 661,143 Mcf, or nearly 10% of total program savings (722,245 year 1-746,040 year 3). Application of Columbia Gas at 25, Appendix B (Attachment 1).

Table 2

Program	Change in Spending ($) 2017 - 2022	Change in Gas Savings (Mcf)
HE HVAC Rebates	-$7,556,565	-244,292
Home Performance Solutions	-$15,000,000	-166,645
Simple Energy Solutions (smart thermostats)	+$22,556,565	+1,072,080
Total	**$0**	**+661,143**

The HE HVAC Rebates program provides rebates for customers buying energy-efficient furnaces and boilers. Columbia Exhibit 1 at page 9. While savings from energy efficient furnaces and boilers can be significant, as Mr. Jewell explained, it is often unnecessary to provide rebates for more efficient furnaces and boilers because customers make those purchases when their existing units need replacing and "federal standards have been making those more and more efficient over recent years." Transcript vol. 2 at page 202, lines 2-7.

The Home Performance Solutions program, while an important component of a good efficiency plan, does not have nearly the savings potential of the Simple Energy Solutions program. As shown in Table 1 above, the Simple Energy Solutions program (driven mostly by smart thermostats) is more than four times as efficient in terms of dollars per Mcf saved than the Home Performance Solutions program.

With this improved smart thermostat program Mr. Jewell believes that Columbia should "aim to reach 10% of its customers with a smart thermostat in the first three years of the plan,

[2] This would still leave the HE HVAC program funded at $7.5 over six years and the Home Performance Solutions program funded at $32 million over six years.

which amounts to roughly 46,000 [customers] per year." Joint ELPC/NOAC Exhibit 1 at page 13. ELPC/NOAC recognize that this is an ambitious goal, but believe that it is a goal that Columbia should aim for over the course of this proposed DSM plan. It is likely that Columbia will not reach 46,000 customers in the first year, but by the end of the DSM plan, the smart thermostat program should surpass that annual goal.

B. Columbia should increase its smart thermostat rebates to a minimum of $100

While the Stipulation proposes a significant rebate of $75, that rebate remains too low. Stipulation at page 3. In order to properly incentivize customers to participate in the smart thermostat program, this rebate should be raised to at least $100. As explained by Mr. Jewell, a $100 rebate "would cover roughly 40% of the cost of a smart thermostat, which is generally the amount that would incent the average utility customer to take action." Joint ELPC/NOAC Exhibit 1 at page 13. Further, in Mr. Jewell's experience, "when the thermostat has a rebate of about $100 . . . smart thermostat manufactures tend to pay attention to that and invest in marketing and customer education outside of the utility program to encourage people to adopt the device as well." Transcript vol. 2 at page194, lines 16-21. Mr. Jewell provided several examples from Illinois in which manufacturers such as Ecobee, Nest, and HVAC contractors began marketing smart thermostats to customers when they saw ComEd and the gas companies offer rebate upwards of $120. Joint ELPC/NOAC Exhibit 1 at page 12

It is also important to recognize that smart thermostats are a new technology in Ohio and therefore would benefit from higher rebates in the first years of their inclusion as an efficiency measure. Transcript vol. 2 at page194, lines 12-15. For example, in Illinois, Commonwealth Edison and the gas utilities in its service territory currently offer a combined rebate of $150 for smart thermostats in order to incent customers to adopt this new technology. Transcript vol. 2 at

page 244, lines 1-15. As Mr. Jewell explained, at the start of a smart thermostat program it is helpful to have rebates that exceed $100. Transcript vol. 2 at page 243, lines 14-17. In this case, the $100 rebate need not come entirely from Columbia. The Commission should direct Columbia to work with AEP and FirstEnergy on a joint program and make the rebate at least $100.

C. Columbia should undertake a smart thermostat customer education effort

Neither Columbia's Application nor the Proposed Stipulation provide any indication of exactly how Columbia intends to educate customers on the benefits of smart thermostats. Instead, the Application and Proposed Stipulation focus on rebate values and installation options. *See e.g.* Columbia Exhibit 1 at page 12. However, as Mr. Jewell explained, "a customer education campaign by the utility" is part of a successful smart thermostat program. Joint ELPC/NOAC Exhibit 1 at pages 4-5. As noted above, having a rebate at $100 or more will also likely trigger significant marketing and education investments by manufacturers and contractors, thereby furthering the ability for customers to learn about the ability of smart thermostats to save energy. The Commission should order Columbia to do its part and lay the foundation for this new product.

D. Columbia should include a direct install option for smart thermostats

Columbia's Application does not specify whether or not Columbia will provide a direct install for smart thermostats or what level of funding the Company will provide for a direct install program. The Application merely states that some level of direct install will be available for the Simple Energy Solutions program, which includes not only smart thermostats but also programmable thermostats, energy-efficient showerheads, and faucet aerators. Columbia Exhibit 1 at page 12.

While many customers are comfortable installing their smart thermostat, there are customers who are unwilling or unable to install them despite their desire to have a smart thermostat in their home or business. Joint ELPC/NOAC Exhibit 1 at pages 14-15. As Mr. Jewell explained, "A direct install option is also important, which will allow customers who are not comfortable with the installation to have a thermostat professionally installed, or will allow utility contractors to install a smart thermostat during a residential energy assessment." Joint ELPC/NOAC Exhibit 1 at pages 14-15. Therefore, the Commission should require Columbia to provide a substantial direct installation of smart thermostats to customers who cannot or would prefer not to do the installation themselves.

As explained above, smart thermostats are much cheaper per Mcf saved than other efficiency measures. The technology is capable of reaching many more customers than other measures and is a crucial component to a good DSM plan. Joint ELPC/NOAC Exhibit 1 at page 7.

E. Columbia should work directly with electric utilities and other stakeholders to enhance its smart thermostat program

Smart thermostats provide both gas and electric savings. Joint ELPC/NOAC Exhibit 1 at pages 5-6. It is important that Columbia work with electric utilities within its service territory – including AEP and FirstEnergy – to not only fund smart thermostat rebates, but also to make it easy for customers to take advantage of rebates and understand the benefits and operation of smart thermostats. As Mr. Jewell explained, "[A]ny utility smart thermostat rebates or programs should be coordinated between electric and gas utilities to maximize customer benefits." Joint ELPC/NOAC Exhibit 1 at page 6. To date, however, Columbia does not appear to be engaging at all with AEP, the electric utility whose territory overlaps the most with Columbia's. When asked on cross-examination, Columbia's Manager of Demand Side Management Witness John Laverty

did not even know whether or not AEP is including smart thermostat incentives in its proposed DSM plan. Transcript vol. 2 at pages 266-67, lines 21-1. Columbia must coordinate its smart thermostat program with those of electric utilities such as AEP in order to best take advantage of the significant benefits smart thermostats can have for customers.

One way that Columbia should coordinate with electric utilities on its smart thermostat program is to create a single application that customers can fill out to get both gas and electric utility rebates when they buy a new smart thermostat.[3] By coordinating the application process, the gas and electric utilities will make it easier for customers to take advantage of the programs they are already paying for and reduce their gas and electricity usage.

The Proposed Stipulation also requires Columbia to "engage in discussions with RESA, IGS, and Staff on mechanisms to streamline and/or enhance the rebate process associated with the Simple Energy Solutions program." Stipulation at page 3. RESA represents both competitive retail natural gas ("CRNG") and competitive retail electric service ("CRES") providers in Columbia's service territory. The Commission should require Columbia to expand these discussions to include all CRNG and CRES providers as well as other stakeholders such as ELPC/NOAC. A coordinated stakeholder process with all interested parties – including ComEd, gas companies, ELPC, the Citizens Utility Board, the City of Chicago, and thermostat manufactures – has been crucial to the success of the smart thermostat program in Illinois. Joint ELPC/NOAC Exhibit 1 at page 15. The Commission should not allow Columbia to limit engagement in the development and deployment of its smart thermostat program only to those parties who signed the Stipulation, but rather should require Columbia to create a broad stakeholder group to get the most out of the smart thermostat program.

[3] Alternatively Columbia and the electric utilities can use an instant discount.

III. SHARED SAVINGS RAISES THE BAR FOR PERFORMANCE

The proposed DSM Plan and Stipulation include a shared savings mechanism intended to incent the Company to run good energy efficiency programs. Columbia Exhibit 1 at pages 16-19; Joint Exhibit 1 at pages 2-3. Review of Commission Orders on shared savings reflects the Commission's desire to reward utilities for delivering effective efficiency programs, while also modifying shared savings proposals to protect consumers. *See, Ohio Edison, Cleveland Electric Illuminating, and Toledo Edison Company Energy Efficiency and Peak Demand Reduction Program,* Case No. 12-2190, Opinion and Order at 15 (Mar. 20, 2013). The Commission recently noted shared savings, "encourages the Companies to seek to provide to their customers all cost-effective energy efficiency opportunities." *Ohio Edison, Cleveland Electric Illuminating, and Toledo Edison Company Energy ESP IV,* Case No. 14-1297, Opinion and Order at 95 (Mar. 31, 2016). In this instance, ELPC/NOAC submit that Columbia has proposed a generous shared savings program that provides little challenge or risk to the Company, and no real benefit to customers. Columbia's 722,245 Mcf savings target is 10% lower than the 794,286 Mcf it achieved in 2015. Columbia Exhibit 1 at page 18. Nearly half of the savings come from one program, the Home Energy Reports ("HER") that Columbia sends to random customers and requires minimal utility effort or ingenuity. Columbia Exhibit 1 at page 24. Further, excluding the mandatory participation in the HER program, Columbia estimates that only 3% of its customers will participate in the proposed DSM Plan each year. Transcript vol. 1 at pages 62-63, lines 19-1.

In the current proceeding, the Commission should make implementation of the greatly expanded smart thermostat program described above a condition of the shared savings. This would provide customers with real benefits in return for the $10 million pre-tax dollars the

Company requests. The Commission should reward Columbia for a reasonable level of accomplishment, not for marking the minimum effort.

IV. THE COMMISSION SHOULD REQUIRE COLUMBIA TO REDUCE ITS DSM PLAN FROM SIX YEARS TO THREE YEARS

Columbia's Application proposes to extend its DSM Plan from a five-year plan to a six-year plan. Columbia Exhibit 1 at page 2. This proposal moves Columbia in the wrong direction. As Mr. Jewell explained, "Things change dramatically over the course of six years." Joint ELPC/NOAC Exhibit 1 at page 15. On cross-examination he noted that in Illinois, "three years ago almost all of the electric [savings] was CFL; it's now LED. Smart thermostats will be much more heavily emphasized, and three years ago there were not smart thermostats in the programs." Transcript vol. 2 at page 216, lines 16-19. While Columbia could adapt its plan over the course of six years, that is no substitute for a focused three-year plan that will be fully reevaluated to account for market changes three years from now. Being able to make modifications to a smart thermostat program over the course of a six-year plan is "different than filing a large, well-thought-out smart thermostat program . . .." Transcript vol. 2 at page 242, lines 12-14.

The energy efficiency landscape changes too quickly for a six-year program to be effective. Customers should not pay for a DSM plan that is likely to be outdated half-way through its lifetime. The Commission should order Columbia to submit a three-year DSM plan, consistent with the plans submitted by the electric utilities.

V. THE STIPULATION DOES NOT MEET THE REQUIREMENTS THE COMMISSION APPLIES TO SETTLEMENTS

This case is complicated by the fact that a number of parties signed a Stipulation. In analyzing stipulations, the Commission has used the following criteria to determine the reasonableness of the settlement:

1. Is the settlement a product of serious bargaining among capable, knowledgeable parties?

2. Does the settlement, as a package, benefit ratepayers and the public interest?

3. Does the settlement violate any important regulatory principle or practice?

Ohio Edison, Cleveland Electric Illuminating, and Toledo Edison Company Energy ESP IV, Case No. 14-1297, Opinion and Order at 39 (Mar. 31, 2016). Ultimately, while those standards help determine reasonableness, the facts themselves cannot be ignored, and the Commission must find that the Stipulation benefits ratepayers and is in the public interest.

A. The Stipulation is Not the Product of Serious Bargaining

In determining whether a settlement meets public interest standards or provides ratepayer benefits the Commission has a great deal of discretion. However, for the reasons set forth in this brief, ELPC submits that Columbia Gas's Plan and the Stipulation fail to provide sufficient benefits to support approval. At some point the Commission has to give weight to the fact that the two main consumer representatives, The Office of the Ohio Consumers' Counsel and NOAC/NOAC Communities, oppose the settlement. The Commission should also take note that this is an energy efficiency case, and the lone environmental organization in the case opposes the settlement.

While ELPC understands that some "favor trading" exists in settlement negotiations, Ohio Partners for Affordable Energy ("OPAE"), Mid-Ohio Regional Planning Council ("MORPC"), Interstate Gas Supply, Inc ("IGS"), and Retail Energy Supply Association ("RESA") go beyond the usual horse trading. They each get significant financial benefit, but the Stipulation does not quantify the benefit. For example, in Paragraph 6 of the Stipulation Columbia "agrees to work with OPAE and its member agencies including the MORPC . . . to participate in Columbia's Home Performance Solutions Program." Joint Exhibit 1 at page 3.

Similarly, in Paragraph 8 of the Stipulation Columbia agrees to work with MORPC on programs involving energy audits, community education and other tasks that it appears MORPC would conduct. Joint Exhibit 1 at page 3. Part of the problem with these side agreements is that they lack transparency, and it is difficult to determine exactly what they accomplish or how they benefit the organizations involved. Moreover, one cannot discern from the Stipulation whether or not Columbia would have worked with OPAE and MORPC on these things absent the Stipulation.

In terms of the interest of signatories RESA and IGS, their interest is clearer. IGS is a retail supplier and RESA represents all retail suppliers. In Paragraph 9 of the Stipulation Columbia has worked out a deal with these signatories to help them take advantage of the $75 rebate for customers on smart thermostats, as part of their sales efforts to consumers. Joint Exhibit 1 at page 3. While ELPC supports a smart thermostat program and supports alternative suppliers benefiting from the rebate in their sales efforts, Columbia does not explain how its deal with IGS and RESA affects funding available for in-store rebates, on-line rebates, and other important aspects of a good smart thermostat program. The Commission must look at the role of RESA and IGS in the context of the program, not in isolation. The lack of explanation in the Stipulation for how these agreements fit in to a complete program precludes such analysis.

Given the lack of detail in the Stipulation and the questions left unanswered, the Commission cannot conclude that serious bargaining took place.

B. The Settlement Does Not Meet Public Interest Standards and is Not Supported by the Record

When a utility spends customer money on an energy efficiency program it must do so in a manner that optimizes the results and meets just and reasonable standards. ORC § 4905.22. Certainly, it is a long-standing regulatory principle that customers must receive the greatest

benefit possible for their investment. Columbia's proposed DSM Plan – even as modified by the Stipulation – does not meet that principle/standard.

First, the Commission should review Columbia's DSM Plan and compare it to the energy efficiency plans submitted by other utilities. Columbia's DSM Plan consists of 21 pages and several of those pages constitute background and context. Columbia discusses specific details of its programs from page 8 to page 15, or approximately seven pages. The Commission should compare this to the 180-page Energy Efficiency and Demand Reduction Action Plan filed by AEP on June 16, 2015, and other plans filed by Ohio utilities over the years. As OCC, NOAC, and ELPC testify, Columbia's proposed DSM Plan is simply not a good plan. It reaches a small number of customers while ignoring the opportunity to provide customers new opportunities to reduce their heating bills with a comprehensive smart thermostat program.

While the settlement does benefit customers by reducing shared savings, the Commission should give this minimal weight because the DSM Plan itself provides so little benefit. Shared savings should be a reward for providing customers savings, and the Plan as filed does not accomplish that goal. Hence, the Commission should reject the Stipulation.

CONCLUSION

Energy efficiency programs have the potential to provide Columbia Gas customers with significant benefits. However, in this instance Columbia's DSM Plan does not live up to that potential. While Ohio ultimately needs to weatherize homes and provide other expensive measures, it makes sense for Columbia to make the investments that produce the best cost/benefit ratio first. ELPC/NOAC request that the Commission order Columbia to amend its DSM Plan consistent with detailed provisions outlines in this brief. In the alternative, the Commission should require Columbia to work with ELPC, NOAC, the NOAC Communities,

and other stakeholders to create a smart thermostat program consistent with the principals outlined above within 60 days of the final order.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Initial Brief submitted on behalf of the Environmental Law & Policy Center, the Northwest Ohio Aggregation Coalition, and the NOAC Communities was served by electronic mail, upon the following Parties of Record on October 20, 2016.

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3. Columbia DSM Program Projected Budgets

Program	2017	2018	2019	2020	2021	2022	Total
Home Performance Solutions	$ 7,369,691	$ 7,621,030	$ 7,757,603	$ 8,019,555	$ 8,167,033	$ 8,365,611	$ 47,300,524
WarmChoice	$ 6,682,051	$ 6,882,513	$ 7,088,988	$ 7,301,658	$ 7,520,707	$ 7,746,329	$ 43,222,246
HE HVAC Rebates	$ 2,474,613	$ 2,511,614	$ 2,479,126	$ 2,547,162	$ 2,515,739	$ 2,584,874	$ 15,113,129
Energy Efficient New Homes	$ 2,850,140	$ 2,943,908	$ 3,210,465	$ 3,330,773	$ 3,625,866	$ 3,776,857	$ 19,738,010
Home Energy Reports	$ 1,654,422	$ 1,741,492	$ 1,713,136	$ 1,755,902	$ 1,826,691	$ 1,757,503	$ 10,449,145
Simple Energy Solutions	$ 811,456	$ 853,611	$ 825,980	$ 868,570	$ 841,388	$ 884,440	$ 5,085,444
Student Education	$ 325,771	$ 385,244	$ 345,001	$ 405,051	$ 365,403	$ 426,065	$ 2,252,535
On Line Audit	$ 349,349	$ 198,135	$ 199,459	$ 200,823	$ 202,227	$ 203,674	$ 1,353,668
Subtotal: Residential DSM	$ 22,517,494	$ 23,137,547	$ 23,619,758	$ 24,429,493	$ 25,065,055	$ 25,745,354	$ 144,514,701
Innovative Energy Solutions	$ 1,308,250	$ 1,335,798	$ 1,348,722	$ 1,362,033	$ 1,375,744	$ 1,389,866	$ 8,120,413
Energy Design Solutions	$ 538,178	$ 553,723	$ 569,735	$ 586,227	$ 603,214	$ 620,710	$ 3,471,786
EPA Porfolio Manager	$ 208,000	$ 140,300	$ 140,909	$ 141,536	$ 142,182	$ 142,848	$ 915,775
Subtotal: Commercial DSM	$ 2,054,428	$ 2,029,821	$ 2,059,365	$ 2,089,796	$ 2,121,140	$ 2,153,424	$ 12,507,975
DSMSG Support/DSM Planning	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 420,000
Admin (non-program specific)	$ 556,300	$ 572,989	$ 590,179	$ 607,884	$ 626,121	$ 644,904	$ 3,598,377
Total : selected programs	$ 25,198,222	$ 25,810,356	$ 26,339,302	$ 27,197,174	$ 27,882,316	$ 28,613,682	$ 161,041,052
Total Budget	**$ 25,198,222**	**$ 25,810,356**	**$ 26,339,302**	**$ 27,197,174**	**$ 27,882,316**	**$ 28,613,682**	**$ 161,041,052**
WarmChoice Base Funding	$ 7,100,000	$ 7,100,000	$ 7,100,000	$ 7,100,000	$ 7,100,000	$ 7,100,000	$ 42,600,000
Total Budget with WC Base	**$ 32,298,222**	**$ 32,910,356**	**$ 33,439,302**	**$ 34,297,174**	**$ 34,982,316**	**$ 35,713,682**	**$ 203,641,052**

Summary: Brief Initial Brief of the Environmental Law & Policy Center, The Northwest Ohio Aggregation Coalition, and the NOAC Communities electronically filed by Mr. Justin M Vickers on behalf of Environmental Law & Policy Center and The NOAC Communities and The Northwest Ohio Aggregation Coalition