

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application for)	
Approval of Transmission and Distribution)	Case Nos. 18-0844-EL-EEC
Projects of Ohio Edison Company, The)	18-0845-EL-EEC
Cleveland Electric Illuminating Company,)	18-0846-EL-EEC
and The Toledo Edison Company)	

**REVIEW AND RECOMMENDATION
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Summary of Filing

R.C. 4928.66 imposes certain annual energy efficiency and peak demand reduction requirements upon Ohio’s electric distribution utilities (EDUs). R.C. 4928.66(A)(2)(d) provides that programs implemented by an EDU to meet the statutory reduction requirements may include transmission and distribution infrastructure improvements that reduce line losses.

On May 15, 2018, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (Companies), submitted an application for Public Utilities Commission of Ohio approval to include the efficiency gains resulting from certain transmission and distribution upgrade projects completed during 2017 toward the Companies’ 2017 energy efficiency and demand reduction benchmarks required by R.C. 4928.66. On September 17, 2018, the Companies filed an amended application. The amended application corrected errors to the data in the exhibits.

The Companies’ application follows the same methodology used by the Companies in all their previous applications, starting with the first application submitted December 15, 2010 (Case Nos. 10-3023-EL-EEC, 10-3024-EL-EEC, and 10-3025-EL-EEC). The current 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

Staff evaluated the Companies' claimed efficiency savings and assessed whether or not these 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 2017 of 4,299 megawatt hours (MWh). The Companies' reported energy savings in their application differed by 1 MWh due to rounding error. The following chart displays the energy savings by company.

**2017 Total Transmission and Distribution System Annualized Energy Savings
(in MWhs)**

	Ohio Edison	Cleveland Electric Illuminating	Toledo Edison
Transmission	910	259	224
Distribution	1,062	1,655	189
Total	1,972	1,914	413

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 consulted with the Companies and 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 also result in reduced energy losses due to 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.

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Summary: Staff Review and Recommendation 2017 Energy Efficiency and Demand Reduction Benchmarks. electronically filed by Mr. Jason Cross on behalf of Commission Staff