

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Filing by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company of a Grid Modernization Business Plan |))))) | Case No. 16-481-EL-UNC |
| In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company Application for Approval of a Distribution Platform Modernization Plan |)))))) | Case No. 17-2436-EL-UNC |
| In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company to Implement Matters Relating to the Tax Cuts and Jobs Creation Act of 2017 |)))))) | Case No. 18-1604-EL-UNC |
| In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of a Tariff Change |)))))) | Case No. 18-1656-EL-ATA |

INITIAL COMMENTS OF THE RETAIL ENERGY SUPPLY ASSOCIATION

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On Behalf of the Retail Energy Supply Association

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INITIAL COMMENTS OF THE RETAIL ENERGY SUPPLY ASSOCIATION

I. INTRODUCTION

The Retail Energy Supply Association (“RESA”) appreciates the opportunity to file initial comments in this proceeding regarding The Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company’s (“FirstEnergy”) grid modernization plan (“Grid Mod I”).¹ As discussed in more detail

¹ Application (Feb. 29, 2016).

below, significant progress has been made on the deployment of smart meters, significant progress has been made in access to individual customer data, and the grid modernization collaborative has been a success in working through many of the details necessary for the deployment of innovative and individualized products and services. Two obstacles still remain to the deployment of individualized unique products and services for residential customers (access to interval data and a larger penetration of smart meters). These issues are being addressed in the grid mod collaborative (interval data access) and the Grid Mod II case (deployment of additional smart meters) and as they are addressed the market will be poised to respond with more individualized offers to residential customers.

II. BACKGROUND

On August 4, 2014, FirstEnergy filed its fourth Electric Security Plan (“ESP IV”)² with the Public Utilities Commission of Ohio (“Commission” or “PUCO”). As part of ESP IV, FirstEnergy was required to undertake grid modernization initiatives to promote customer choice in Ohio and to file a grid modernization business plan with the Commission.³ Pursuant to the Commission’s Order, FirstEnergy filed its Grid Mod I on February 29, 2016. However, the case was suspended due to the Commission’s review of grid modernization projects, regulations, and Ohio policies in a coordinated manner.⁴ During this time, FirstEnergy filed an application for the approval of a

² *In re the Application of Ohio Edison, The Cleveland Elect. Illum. Co. and The Toledo Edison Co. for Authority to Provide for a Std. Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 14-1297-EL-SSO (Aug. 4, 2014)[hereinafter “ESP IV Case”].

³ *ESP IV Case*, Opinion and Order at 22, 95-96 (Mar. 31, 2016).

⁴ *PowerForward: A Roadmap to Ohio’s Electricity Future* [available online at www.puco.gov/utilities/electricity/resources/ohio-grid-modernization].

distribution platform modernization plan (“DPM Plan”).⁵ Then on January 10, 2018, the Commission opened an investigation on regulated utilities into the financial impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).⁶ As a result of that case, FirstEnergy filed an application to establish a process to resolve the TCJA issues.⁷

On November 9, 2018, FirstEnergy filed a Stipulation and Recommendation to resolve at least some of the issues in the aforementioned cases.⁸ Among other items, the Stipulation provided plans for FirstEnergy to invest in various sets of grid modernization technologies. Technologies included in the Stipulation were advanced metering infrastructure (“AMI”), a map of where AMI is deployed with dates of deployment and an AMI tag on the Customer Information List provided to CRES providers, a Meter Data Management System (“MDMS”), Distribution Automation (“DA”), Integrated Volt/Var Control (“IVVC”), and an Advanced Distribution Management System.⁹

The cases were consolidated on November 15, 2018, and the Commission issued an Opinion and Order on July 17, 2019, approving the Stipulation.¹⁰ The Commission-approved Stipulation provided that FirstEnergy “will implement data access enhancements for customers and competitive retail electric service (“CRES”) providers. This should include the necessary upgrades to systems and processes for wholesale

⁵ *In re the Application of Ohio Edison, The Cleveland Elect. Illum. Co. and The Toledo Edison Co. for the approval of a Distribution Platform Modernization Plan*, Case No.17-2436-EL-SSO (Dec. 4, 2017).

⁶ *In re the Commission’s Investigation of the Financial Impact of the Tax Cuts and Jobs Act on Regulated Ohio Utility Companies*, Case No. 18-47-AU-COI, (Jan. 10, 2018).

⁷ *In re the Matter of Ohio Edison, The Cleveland Elect. Illum. Co. and The Toledo Edison Co. Relating to the Tax Cuts and Jobs Creation Act of 2017*, Case No. 18-1604-EL-UNC.

⁸ Stipulation and Recommendation (Nov. 9, 2018).

⁹ *Id.* at 10.

¹⁰ *Grid Mod I*, Entry (Nov. 16, 2018) consolidating cases; *Grid Mod I* Stipulation and Recommendation at ¶ 115-116 (Nov. 9, 2018).

market settlements, i.e. calculating and settling individual total hourly energy obligation (“THEO”), peak load contribution (“PLC”), and network service peak load (“NSPL”) values for each customer, instead of relying on generic load profiles.”¹¹ The Stipulation provided further that “CRES data transmitted to PJM will be, at a minimum, hourly interval, and data utilized and transmitted to CRES providers will be at the metered level.”¹² The Stipulation established a collaborative to work through implementation issues including the possibility of FirstEnergy providing interval data at 15-minute intervals.

The Stipulation also contained provisions addressing time-varying rates:

Within six months of an Opinion & Order in the current case, and after consultation with the Grid Mod collaborative group, the Companies will propose a time-varying rate offering for non-shopping customers, which will be designed to achieve the energy and capacity savings detailed in the cost-benefit analysis and should leverage enabling devices, e.g. smart thermostats. The Companies will work with suppliers to have data ready for a supplier-offered time-of-use product to customers upon VEE certification of AMI meters. Once there are either (a) at least three suppliers offering products utilizing AMI data or (b) at least three different types of time-varying products utilizing AMI data, then the Companies, with Commission approval, will withdraw their SSO time- of-use rate offering. Costs associated with the implementation, administration, or marketing of the Companies’ time-varying rate offering shall be recovered through a bypassable charge upon Commission approval.¹³

The Commission subsequently directed Staff to issue a request for proposals for consulting services to assess the operational benefits, functionality, and performance of

¹¹ Stipulation at 15.

¹² *Id.*

¹³ *Id.* at 17-18.

Grid Mod I and to ensure Grid Mod I is consistent with the Stipulation.¹⁴ Daymark was selected to conduct the audit and filed its audit report on November 14, 2022.¹⁵

FirstEnergy filed its Grid Mod II application on December 27, 2022.¹⁶ Grid Mod II proposes to continue core Grid Mod I technologies in Grid Mod II, including installing at AMI to at least 700,000 additional customers, DA on at least 236 distribution circuits, IVVC on at least 219 distribution circuits, ADMS enhancements, and the addition of a Distributed Energy Resource Management System Module.¹⁷

On April 5, 2023, FirstEnergy filed an application for their fifth electric security plan¹⁸ (“ESP V”). As part of its ESP V, FirstEnergy proposes to continue their Advanced Metering Infrastructure/Modern Grid Rider (“Rider AMI”).¹⁹ Rider AMI recovers the costs of FirstEnergy’s distribution grid modernization initiatives and costs associated with FirstEnergy’s Grid Mod I.²⁰

On July 20, 2023, the Attorney Examiner opened this case for interested stakeholders to file comments and reply comments on the audit report.²¹

¹⁴ *Grid Mod I*, Entry (Aug. 25, 2021).

¹⁵ *Grid Mod I*, Report Regarding the Operational Benefits Assessment of FirstEnergy Ohio’s Grid Mod I (Nov. 14, 2022).

¹⁶ *In re the Application of Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co. for Approval of Phase Two of Their Distribution Grid Modernization Plan*, Case No. 22-0704-EL-UNC (Dec. 27, 2022)[hereinafter *Grid Mod II*].

¹⁷ *Grid Mod II*, Application at 4.

¹⁸ *In re the Application of Ohio Edison Co., the Cleveland Elec. Illum. Co. and the Toledo Edison Co. Authority to Provide a Std. Service Offer Pursuant to R.C. Section 4928.143 in the Form of an Elec. Security Plan*, Case No. 23-301-EL-SS (April 5, 2023)[hereinafter *ESP V*].

¹⁹ *Id.* Application at 8.

²⁰ *Id.* Application at 8.

²¹ *Grid Mod I*, Entry (July 20, 2023).

III. COMMENTS

RESA appreciates the opportunity to address the progress FirstEnergy has made towards its grid modernization efforts. As noted above, FirstEnergy was required to develop a portal for CRES providers to access certain customer data, including PLC, NSPL, and THEO values. FirstEnergy was also required to provide interval meter data, at a minimum at an hourly interval. FirstEnergy was further required to roll out smart meters for at least 700,000 customers, with the audit report identifying the installation of 706,545 smart meters as of August 2022. The audit report suggests that FirstEnergy has met its obligations under the Grid Mod I settlement with respect to these items, however, that is only half the story.²²

Critically important to CRES providers being able to provide individualized offers to residential customers is the availability of interval meter data. While the audit report is correct that FirstEnergy has installed over 700,000 smart meters and developed an electronic platform to extract interval meter data from the new smart meters, the grid mod collaborative is still working through the next phase of operationalizing that information. Critically important and being worked through in the collaborative is how to make access to the interval meter data as seamless and easy for customers as possible. Work also needs done to streamline ease of access so that individualized products can be developed and offered in a cost-effective manner. Access to the interval meter data is a necessary prerequisite to CRES providers developing time-varying-rate options for customers. Once CRES providers readily have access to the

²² Audit Report at 31-32.

interval meter data, one significant roadblock to new, innovative, and individualized residential CRES offerings will be removed.

While more work needs done in the collaborative, RESA believes the collaborative has been quite successful thus far. FirstEnergy has also proposed to continue the collaborative as part of its Grid Mod II case. RESA intends to continue to work with the other stakeholders in the collaborative now and in the future to help position FirstEnergy's systems such that there is seamless access to the granular customer data (hopefully 15-minute interval data) and the market can respond with customized offerings for individual customers. Those offerings will only further expand as FirstEnergy deploys smart meters to additional customers. Significant progress has been made thus far, and hopefully in the near future, CRES providers can do their part to help modernize customers' retail electric service experience through individualized product offerings.

IV. CONCLUSION

RESA reiterates its appreciation for the opportunity to comment on the development of FirstEnergy's grid modernization efforts. RESA believes significant progress has been made so far in the efforts necessary to modernize competitive retail electric choice in the FirstEnergy Service territory. However, as noted above, there are still some data access issue and deployment of additional smart meters that are necessary prerequisites for the robust development of new individualized products and services, including time-vary-rates for residential customers.

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with Ohio Adm.Code 4901-1-05, the Commission's e-filing system will electronically serve notice of the filing of this document upon the interested parties, this 11th day of August, 2023. The following parties were provided by electronic mail a copy of this document.

/s/Matthew R. Pritchard

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ATA**

Summary: Comments Initial Comments of The Retail Energy Supply Association
electronically filed by Mr. Matthew R. Pritchard on behalf of Retail Energy Supply
Association.