

MEMORANDUM

May 14, 2012

Prepared for: FirstEnergy Ohio Utilities

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REVIEW OF DEMAND RESPONSE ATTRIBUTES PROGRAM (OHIO)

During 2011, Cleveland Electric Illuminating (CEI) and Ohio Edison (OE) implemented the Demand Response (DR) Attributes program as part of the C/I Interruptible Load Program. The DR Attributes program is designed to achieve demand-response requirements contained in Ohio Amended Senate Bill 221 (SB 221).¹ In June 2011 CEI and OE issued an RFP for PJM Curtailment Service Providers² that have the capability of providing Demand Resources³ amounting to 55 MW for CEI and 68 MW for OE.

The DR Attributes program design requires that the CSP and the utility customer enter into an agreement allowing the CSP to control and operate a specific kW attribute that the customer commits for a specific premise or controlled load.

At the conclusion of the RFP process, CEI and OE entered into a contract with ENERNOC, Inc. which subsequently identified 85 CEI customers who committed total Registered Resources⁴ of 79,367 kW and 62 OE customers who committed total Registered Resources of 77,102 kW.

ENERNOC completed a DR Test on August 24, 2011 confirming the Firm Resource⁵ for CEI and OE. ADM has inspected and analyzed data pertaining to the August 24, 2011 DR Test. The DR Test data indicates Demand Resource for CEI and OE exceeding the requisite load for each:

- For CEI, the Resource Goal was 55 MW, whereas the Firm Resource demonstrated for the August 24, 2011 DR Test was 55,210 kW from Registered Resources of 79,367 kW.
- For OE, the Resource Goal was 68 MW, whereas the Firm Resource demonstrated for the August 24, 2011 DR Test was 68,120 kW from Registered Resources of 77,102 kW.

ADM's confidential review of various files and documents indicates that the CEI and OE contracted amounts of Demand Attribute Resources were met.

¹ http://www.legislature.state.oh.us/BillText127/127_SB_221_EN_N.pdf

² PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia (www.pjm.com). Curtailment Service Provider or CSP is an entity that participates in the PJM Interchange Energy Market in which reduction in demand is provided to PJM in accordance with its emergency demand response program as defined by the PJM OATT.

³ Demand Resource refers to a customer under contract with a CSP to provide a reduction in demand (i.e., a specific kW of load that can be curtailed) at the customer's premise.

⁴ Registered Resources refers to the total MW that CEI and OE customers have contractually committed to ENERNOC control.

⁵ Firm Resource refers to the verified Resource that was achieved during the August 24, 2011 DR Test.