

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Verification of the)	
Energy Efficiency and Peak Demand)	
Reductions Achieved by the Electric)	Case No. 14-569-EL-UNC
Distribution Utilities, Pursuant to Section)	
4928.66, Revised Code for the 2012 and)	
2013 Compliance Years.)	

COMMENTS OF DUKE ENERGY OHIO, INC.

I. INTRODUCTION

Pursuant to the Commission's Entry of January 14, 2019, Duke Energy Ohio, Inc., (Duke Energy Ohio) respectfully submits the below comments on the Independent Program Evaluator's (IPE) verification (Report) of the annual levels of energy efficiency and peak demand reductions achieved by each of the electric utilities for the 2012 and 2013 compliance years.

II. COMMENTS

1. Duke Energy Ohio respectfully submits that the timelines employed by the Commission to date create logistical concerns that have an overall impact on the effectiveness and the efficiency of both the Company's programs and the Commission's review of those programs. For example, planning for evaluations generally begins a year prior to the evaluation completion date. Therefore, sample participants were chosen in 2011 for a report completed in 2012, which may not have been filed until 2013. Sample participants for a summer demand response program are chosen well before the start of the summer. An accepted Commission recommendation

made in August 2013, regarding sample selection methodology chosen any time prior to that date, has no effectiveness due to the timing. Likewise, the IPE's Planning Year PY 2012 and PY 2013 report recommendations from 2014, approved and delivered in 2019, have no value for long past completed EM&V planning and sample selection.

2. Previously Evergreen, the IPE, recommended that Duke Energy Ohio separate Ohio and Kentucky participant samples in evaluations. While the Company agrees that combining samples from two jurisdictions may not always be appropriate, Duke Energy disagrees with the IPE's recommendation in these reports. The comments from the IPE for PY 2012 and PY 2013 were directed to the evaluation of the Power Manager Air Conditioner demand response program. The participants from Kentucky and Ohio for this program received identical program technology (e.g. AC control devices) and experienced the same conditions affecting impacts, such as weather, due to the fact they are all within an approximate 20-mile radius of Cincinnati. The demand response programs were designed identically and managed by the same Duke Energy program management team. Samples were weighted appropriately based on jurisdiction participation.

In this instance, having a larger sample size from the two jurisdictions for an impact evaluation generally improves the confidence and precision of the results, while at the same time, lowers the overall costs of the modeling efforts. Therefore, Duke Energy believes this recommendation is contrary, in this instance and others, to Duke Energy's efforts to lower EM&V costs without sacrificing the reliability of results.

In addition, it should be noted, that the Commission in 2019 reiterated the acceptance of the 2010 Draft Ohio Technical Reference Manual (TRM) as an acceptable source for energy impacts. Many of the cited studies in this TRM were performed in the states of Rhode Island, Vermont, California, and Wisconsin, all of which have far different weather conditions than would be the case for Ohio and Kentucky Power Manager program customers within approximately 20 miles of downtown Cincinnati, Ohio.

3. Many of the comments directed at Duke Energy are focused on work performed by the previous evaluator for the Duke Energy PY2012 and PY2013 programs.¹ Since 2015, Duke Energy's evaluations have been performed by new third-party evaluators chosen through a comprehensive RFP process. All evaluators chosen were made aware of any accepted Commission recommendations and have adhered to those recommendations.
4. Most of the objectives for hiring the previous IPE were not met and therefore the hiring of another IPE is not a prudent use of EM&V budgets. The Commission identified the following objectives for the previous IPE, as stated in the PY 2012 and PY 2013 IPE Reports:
 - Develop independent savings estimates of program savings, cost effectiveness, and nonenergy benefits for utility Demand Side Management programs, transmission and distribution (T&D) measures, and projects undertaken by mercantile customers

¹ Evaluations for PY2012 and PY2013 were conducted by TecMarket Works. TecMarket Works is no longer a third-party evaluator for Duke Energy. TecMarket Works was acquired by Cadmus Group in 2015.

- Provide assurance that claimed measures are properly installed and utilized through due diligence audits and inspections for a sample of projects.
- Improve the design and implementation of existing and future DSM programs through limited and focused process evaluations and targeted research efforts.
- Support the Commission in developing a best-of-class evaluation infrastructure for utility efficiency programs; and
- Develop and initiate long-term evaluation plans to understand issues such as persistence of savings, measure retention, and market effects relating to market transformation.

These objectives were not met. There were no independent savings estimates and few inspections of installations. Duke Energy saw no improvements in the design and implementation of existing and future DSM programs in the IPE reports. Nor was there a best-in-class evaluation infrastructure proposed in the IPE Reports. There were also no long-term evaluation plans for persistence of savings, measure retention, and market effects relating to market transformation.

5. Duke Energy Ohio would support efforts to ensure consistency in the reported energy savings from DSM programs across all the Ohio utilities.

III. CONCLUSION

Duke Energy Ohio appreciates the opportunity to comment on the Report submitted by the Evaluator in this docket and submits these comments for the Commission's consideration.

Respectfully submitted,

/s/ Elizabeth H. Watts

Rocco O. D'Ascenzo (0077651)

Deputy General Counsel

Elizabeth H. Watts (0031092)

Counsel of Record

Associate General Counsel

Duke Energy Shared Services, Inc.

155 East Broad Street, 21st Floor

Columbus, Ohio 43215

Phone: 614-222-1330

Elizabeth.Watts@duke-energy.com

Rocco.D'Ascenzo@duke-energy.com