**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| --- | --- | --- |
| In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Nonresidential Energy Efficiency Program for Inclusion in its Energy Efficiency Portfolio. | :  :  :  :  : | Case No. 14-1575-EL-POR |

**COMMENTS**

**SUBMITTED ON BEHALF OF THE STAFF OF**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

# INTRODUCTION

On September 9, 2014, Duke Energy Ohio (“the Company” or “Duke”) filed an Application for approval of a three-year pilot program, called Smart Energy in Offices (SEiO), to increase the energy efficiency of medium to large sized commercial office buildings (*i.e*., a minimum of 10,000 square feet of occupied office space). The SEiO pilot program is designed to educate and engage commercial customers through an energy management and information system using software hosted by a vendor. The pro­gram will encourage commercial customers to implement no-cost or low-cost energy effi­ciency measures by providing participating customers with periodic energy monitoring, analysis, and reporting. Participating customers’ out-of-pocket costs would be minimal so as to encourage these customers to more proactively manage their energy costs. This program could also make customers aware of prescriptive rebates the Company offers through other programs.

# DISCUSSION

Staff believes that the Commission should approve the Company’s application for the SEiO pilot program. Such a program was contemplated in the Company’s EE Port­folio Plan Application and subsequent cases. In its EE Portfolio Plan, the Company pro­vided: “additional program offerings may be filed with the Commission to seek approval, as appropriate.”[[1]](#footnote-1) Also, in the Company’s EE Portfolio Plan Application, the Company requested a program similar to the SEiO pilot program, which the Commission approved.[[2]](#footnote-2) The program, called “Energy Management and Information Services,” was implemented to encourage commercial and industrial customers to more proactively man­age their energy usage. Staff views the Company’s application for the proposed SEiO pilot program as the type of program that was contemplated when the Company filed its original EE Portfolio Plan in April 2013, not an amendment to the Company’s approved Plan.

Also, the Company has continued to contemplate and obtain Commission-approval for additional EE programs since it submitted its EE Portfolio Plan Application. In Case No. 14-457-EL-RDR, Duke witness Trisha Haemmerle testified that “Duke Energy Ohio is confident that with its strong portfolio and sizeable bank of impacts, that it will continue to evaluate and add new cost effective energy efficiency and demand response programs to enhance the existing portfolio.”[[3]](#footnote-3) And, in Case No. 11-4393-EL-RDR, the Commission approved the Company’s application for three EE programs: The Low Income Neighborhood Program, The Home Energy Manager Program, and The Appliance Recycling Program.[[4]](#footnote-4)

Finally, as shown in Table 1 in Attachment 1, the Company has projected that it will be short of its annual benchmark goals for both 2015 and 2016. Staff believes it would be better for the Company to implement the SEiO pilot program in order to reach, and possibly exceed, its goals for 2015 and 2016 rather than rely on previously banked savings. Consequently, the Staff believes the Commission should allow the Company to include the SEiO pilot program in the Company’s EE Portfolio Plan.

# CONCLUSION

The SEiO program is the type of program contemplated in the Company’s EE Portfolio Plan and will enable the Company to reach its energy efficiency benchmarks without relying on previously banked savings. Consequently, Staff believes the Commis­sion should approve the Company’s application for the SEiO program.

Respectfully submitted,

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Ohio Attorney General

**William L. Wright**

Section Chief

*/s/ Katie L. Johnson*

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# PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Comments** submitted on behalf of the Staff of the Public Utilities Commis­sion of Ohio,was served via electronic mail upon the following Parties of Record, this 27th day of January, 2015.

*/s/ Katie L. Johnson*

**Katie L. Johnson**

Assistant Attorney General

**Parties of Record:**

|  |  |
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| Amy B. Spiller  Elizabeth H. Watts  Duke Energy Business Services, LLC  139 East Fourth Street, 1303 Main  Cincinnati, OH 45202  [amy.spiller@duke-energy.com](mailto:amy.spiller@duke-energy.com)  [elizabeth.watts@duke-energy.com](mailto:elizabeth.watts@duke-energy.com) |  |

**Table 1:  
Duke Energy Ohio’s Projected EE Program Savings & Benchmark Shortfall**

|  |  |  |
| --- | --- | --- |
| **Approved Duke Energy Ohio EE Programs** | **2015 Projected KWH Savings** | **2016 Projected KWH Savings** |
|  |  |  |
| Smart Saver - Residential | 16,632,090 | 16,789,009 |
| Residential Assessments | 8,210,193 | 8,210,194 |
| My Home Energy Report | 59,318,683 | 59,318,683 |
| EE Education for Schools | 965,852 | 1,056,400 |
| Low Income Services | 107,938 | 107,937 |
| Appliance Recycling | 8,135,751 | 8,135,752 |
| Low Income Neighborhoods | 1,261,802 | 1,261,802 |
| Home Energy Solutions | 5,592,640 | 7,840,938 |
| Non-Residential Smart Saver Prescriptive | 57,896,069 | 58,050,585 |
| Non-Residential Smart Saver Custom | 30,631,919 | 32,163,515 |
| Energy Management & Information Services | 1,776,983 | 1,776,983 |
|  |  |  |
| **Total Projected KWH Savings** | **190,529,920** | **194,711,798** |
|  |  |  |
| 3-Year Ave. Weather Normalized Sales - est. | 21,633,024,000 | 21,633,024,000 |
| Annual Energy Efficiency % Benchmark | 1% | 1% |
|  |  |  |
| Annual KWH EE Targets | **216,330,240** | **216,330,240** |
|  |  |  |
| Annual KWH Deficiency | **25,800,320** | **21,618,442** |

1. *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of Its Energy Efficiency and Peak Demand Reduction Portfolio of Programs,* Case No. 13-431-EL-POR (Application at 6) (Feb. 19, 2013). [↑](#footnote-ref-1)
2. *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of Its Energy Efficiency and Peak Demand Reduction Portfolio of Programs,* Case No. 13-431-EL-POR (Direct Testimony of Kevin A. Bright at 8) (Apr. 15, 2013). [↑](#footnote-ref-2)
3. *In the Matter of the Application of Duke Energy Ohio, Inc., for Recovery of Pro­gram Costs, Lost Distribution Revenue and Performance Incentives Related to its Energy Efficiency and Demand Response Programs*, Case No. 14-457-EL-RDR (Direct Testi­mony of Trisha A. Haemmerle at 12) (Mar. 28, 2014). [↑](#footnote-ref-3)
4. *In the Matter of the Application of Duke Energy Ohio, Inc. for an Energy Effi­ciency Cost Recovery Mechanism and for Approval of Additional Programs for Inclusion in its Existing Portfolio*, Case No. 11-4393-EL-RDR (Opinion & Order at 6) (Aug. 15, 2012). [↑](#footnote-ref-4)