

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)	
Edison Company, The Cleveland Electric)	
Illuminating Company, and the Toledo)	Case No. 07-796-EL-ATA
Edison Company For Approval of a)	Case No. 07-797-EL-AAM
Competitive Bidding Process For)	
Standard Service Offer, Electric Generation)	
Supply, Accounting Modifications)	
Associated with Reconciliation Mechanism)	
and Phase In, and Tariffs For Generation)	
Service.)	

COMMENTS OF THE OHIO ENVIRONMENTAL COUNCIL

INTRODUCTION

The Ohio Environmental Council ("OEC") is pleased to submit these comments to the Public Utilities Commission of Ohio ("Commission" or "PUCO") regarding the above mentioned Application. This Application was filed on July 10, 2007 by the electric distribution utilities (EDUs) of FirstEnergy.

OEC offers comments regarding the energy efficiency and renewable energy aspects of FirstEnergy's Application. First, OEC comments on the number of renewable power tranches proposed by FirstEnergy and the qualifications for a renewable resource. Second, OEC submits comments regarding the elimination of block rates and the resulting effect on energy efficiency.

RENEWABLE ENERGY TRANCHES

OEC agrees with and echoes the comments submitted by The Cleveland Foundation with regard to renewable energy tranches. FirstEnergy's Application describes its intent to

hold independent parallel auctions for renewable power supplies. OEC believes that it is important for renewable energy options to become more available to consumers and that more renewable power tranches be developed. Renewable, more efficient energy production can reduce the environmental impacts of power generation, and electric utilities play a critical role in fostering the development of renewable power generation. The development of renewable power generation industries, moreover, could yield many other benefits for Ohioans, such as more jobs and industry, more reliable electric service, and increased tax revenue in the state.

Therefore OEC commends FirstEnergy for proposing to devote a portion of its power supply to renewable power generation. However, OEC believes that FirstEnergy should do more than its Application proposes with regard to renewable energy.

OEC requests that PUCO require FirstEnergy to include more renewable energy tranches in its future power generation portfolios. FirstEnergy proposes that a certain percentage of its power generation portfolio will be renewable sources through 2010. FirstEnergy's target for renewable energy through 2010 is a modest, but commendable first step. To continue the progress of renewable generation sources, however, FirstEnergy should increase the target number of renewable tranches after 2010. (Requiring FirstEnergy to commit to an increase over time of renewable tranches would be consistent with plans in Pennsylvania and New Jersey that FirstEnergy has already accepted.)

OEC agrees with the comments submitted by the Office of the Ohio Consumers' Council with regard to FirstEnergy's qualification of "renewable energy." OEC takes issue with FirstEnergy's proposed definition of "renewable energy" and its proposals to classify certain sources as renewable. For example, FirstEnergy proposes to classify waste coal and coal-mine methane facilities as renewable sources. Sources such as these, which use non-renewable fossil fuels, are not renewable. OEC would like PUCO to ensure that any sources counted as "renewable" are actually renewable.

Finally, OEC would like PUCO to require that FirstEnergy's renewable power tranches consist of new facilities. Allowing older facilities to qualify for FirstEnergy's renewable tranches, by "grandfathering" the facilities, could result in less net renewable power in Ohio. By allowing only newly constructed power generation plants to qualify as renewable would have the effect of increasing the amount of renewable power being generated in the state.

IMPLICATIONS FOR ENERGY EFFICIENCY

Energy efficiency is the quickest, easiest, cleanest, and most secure way to extend our energy supplies. It also is the cheapest energy option for Ohio. Unfortunately, however, Ohio is falling behind the rest of the nation with regard to efficient energy use. Only four states' electric utility industries spend less per capita on energy efficiency than Ohio's do. OEC believes that Ohio's energy producers must improve and begin offering more efficient energy choices to consumers. OEC believes that increased energy efficiency

over time, including more efficient power use by consumers, is essential to curbing greenhouse gas emissions and other environmental harms caused by power generation. Energy efficiency not only reduces emissions, but also stimulates local economies by creating jobs and saving consumers money. Energy efficiency creates 21.5 jobs for every \$1 million invested, making it far more labor intensive than power generation. Further, energy efficiency has proven to be a money saver: every dollar spent on energy efficiency saves 2 to 3 dollars on energy supply costs in the future.

Energy Efficiency Standards are mainstream energy policy. Thirteen states have adopted an Energy Efficiency Standard: CA, CO, CT, HA, IL, MN, NC, NV, PA, TX, VA, VT, and WA, and standards are pending in two other states: NJ and NY. OEC believes that Ohio should be among those states that promote the more efficient use of power.

OEC supports FirstEnergy's proposed elimination of declining block rates and demand charges. By eliminating block rates and demand charges, FirstEnergy will be promoting the use of more efficient on-site generation such as solar power and fuel cell technology.

OEC also asks PUCO to require FirstEnergy to price the street/traffic lighting tariff at the rate used by general service customers (Standard Rate Generation Service) as opposed to the decreased rate currently in place and proposed in FirstEnergy's Application. Currently, municipalities pay significantly less than the market price for power service. Allowing their power prices to move closer to the true market costs for generation will encourage municipalities to adopt more energy efficient lighting systems. OEC asks PUCO to require FirstEnergy to move street/traffic lighting prices closer to true market costs in order to provide municipalities with an incentive to decrease their electric use by increasing energy efficiency.

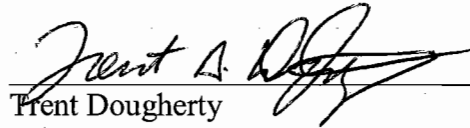
Finally, OEC supports FirstEnergy's proposals to increase the transparency of variations in its pricing system. FirstEnergy proposes to allow consumers greater access to information about when energy is in higher demand and thus more expensive, versus when energy is in less demand and cheaper. Providing consumers with more information about how the economic consequences of their power use can only yield more efficient use and more conscious choices. OEC asks that PUCO approve this component of FirstEnergy's plan because it provides the potential for more informed and efficient power use by consumers.

CONCLUSION

OEC supports many of FirstEnergy's proposals, including the elimination of block rates and providing consumers with more knowledge of power generation rate structures and variation. However, OEC would like FirstEnergy to continue to increase the percentage of renewable energy in its portfolio as well as ensure that all renewable energy is generated from new, efficient, non-fossil fuel facilities.

OEC respectfully asks that PUCO consider OEC's comments outlined above as it is considering this matter.

Respectfully submitted on behalf of,
THE OHIO ENVIRONMENTAL COUNCIL

A handwritten signature in black ink, appearing to read "Trent A. Dougherty", is written over a horizontal line.

Trent Dougherty
The Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, Ohio 43212
Phone: (614) 487-7506

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Summary: Comments Comments of the Ohio Environmental Council electronically filed by Mr. Nolan M Moser on behalf of The Ohio Environmental Council