

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

RECEIVED-DOCKETING DIV
2008 SEP 26 PM 5:30
PUCO

In the Matter of the Adoption of Rules for
Alternative and Renewable Energy Technologies
and Resources, and Emission Control Reporting
Requirements, and Amendment of Chapters
4901:5-1, 4901:5-3, 4901:5-5, and 4901:5-7 of the
Ohio Administrative Code, pursuant to Chapter
4928, Revised Code, to Implement Senate Bill No.
221.

Case No. 08-888-EL-ORD

**COSE'S REPLY COMMENTS FILED IN RESPONSE TO PROPOSED RULES
TO IMPLEMENT S.B. 221 FOR ALTERNATIVE AND RENEWABLE ENERGY
TECHNOLOGY AND RESOURCES, EMISSION CONTROL REPORTING
REQUIREMENTS, AND AMENDMENT OF FORECAST RULES IN CHAPTERS
4901:5-1, 4901:5-3, 4901:5-5, AND 4901:5-7 OF THE ADMINISTRATIVE CODE.**

I. Introduction

A. Background

COSE, Northeast Ohio's largest small business support organization, strives to help small businesses grow and maintain their independence. Comprised of more than 17,000 member companies, COSE has a long history of fighting for the rights of all small business owners, whether it's through group purchasing programs in healthcare, workers' compensation, payroll services, or shipping, or advocating for specific changes in legislation or regulation. COSE also produces more than 100 networking and business education events each year - all focused on connecting our members to each other to increase their ability to succeed. (www.cose.org)

II. Reply Comments Filed in Response to Proposed Rules

A. COSE supports the conceptual proposed rule of the Ohio Consumer and Environmental Advocates (OCEA) but opposes the elimination of the Staff proposed rule 4901:1-39.

This proposed section talks about the process for measuring and verifying the impact of the programs on the desired outcome. OCEA urges the Commission to publish guidelines as part of its rulemaking to ensure careful, diligent and standardized measurement and evaluation protocols for each Ohio utility's energy efficiency and demand response programs. It is the Commission's obligation to ensure that utility resource investments are, in fact, serving the interest of utility customers and that the utility is investing in cost-effective energy efficiency and demand response portfolio.

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business
technician BSM Date Processed SEP 29 2008

COSE agrees with the OCEA and believes that the PUCO must establish firm measurement methods, expectations and guidelines to ensure that the right goals are being met and, if they are not, that the right methods are being utilized to modify the process. These measurements are important to track the progress being made and to ensure that the investments are effectively serving the needs of small commercial users. In addition, the data created through this process of measurement will ensure that both the utilities and customers are able to fully understand the value being created from these programs and, going further, will be able to better able to adapt programs over time to ensure the highest return on investment of energy efficient programs. COSE believes that this section should be added to Section 4901 and should be titled 4901:1-39-07.

COSE supports the proposed language of the Ohio Consumer and Environmental Advocates (OCEA) entitled "Renewable Energy Credits, Small Customer-Sited Installations" 4901:1-40-10.

OCEA comments that, while it is not directly addressed in the proposed rules, S.B. 221 requires the Commission to adopt rules that allow customer-sited projects or actions that provide the broadest opportunities to be eligible for obtaining renewable energy credits (REC's). OCEA recommends that the PUCO direct electric utilities and electric service companies to develop fixed standard offers for smaller customer-owned, customer-sited REC's. The standard-offer programs should be designed to facilitate an efficient market for customer-sited, customer-owned renewables, and exert downward pressure on prices, and to minimize any inherent transactional advantage of developer size. The program should be overseen by the Commission with annual input from stakeholders.

COSE supports this comment and believes that the development of standard offers for smaller customer-owned, customer-sited renewable energy programs will provide small commercial users with an opportunity to further develop renewable energy credits and a financial incentive for doing so by creating this saleable market. Small commercial users would be more likely to participate in opportunities that result in renewable energy credits if they understood the financial output and potential gains for doing so. Thus the advantages are financial certainty for these participants and a reduction in the administrative burden on an open market REC trading process. COSE is further supportive of the notion that the Commission consider educational workshops on this matter and would be willing to take a leading role in the development of these educational platforms.

Respectfully submitted,



Steve Millard

**President and Executive Director
The Council of Smaller Enterprises
The Higbee Building
100 Public Square, Suite 210
Cleveland, OH 44113
Telephone: (216) 592-2436
Facsimile: (216) 621-1827**