

BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Protocols for the	)	
Measurement and Verification of Energy	)	
Efficiency and Peak Demand Reduction	)	
Measures.	)	CASE NO. 09-512-GE-UNC
	)	

**COMMENTS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC  
ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY  
ON APPENDIX B**

Introduction

In its June 24, 2009 Entry ("Entry"), the Commission requested comments from interested parties on a Deemed Measure ("DM") and Deemed Calculated Measure ("DCM") Data Matrix. Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively, "FE Companies") thank the Commission for the opportunity to submit the following comments.

Comments

The FE Companies agree that a *properly designed* technical reference manual ("TRM") is beneficial. Such a manual should have at a minimum the following characteristics:

- Consistent application of principles so as to allow a utility to better estimate results for purposes of projecting compliance with energy efficiency and demand reduction ("EEDR") requirements;
- Simple calculations and formulae that reflect, to the degree practical, actual results;
- Details sufficient to adopt measurements that reflect real savings;
- A design that is intended to streamline the reporting and approval processes;
- A recognition that the TRM is based on estimates and incorporate sufficient flexibility to deviate from the TRM, provided that a utility provides sufficient justification;

- An integration of DM and DCM in a manner that allows the interchangeability as conditions warrant;<sup>1</sup> and
- Explanations of the basis on which deemed values and/or equations were derived, including any assumptions.

It is with these objectives in mind that the FE Companies submit their comments.

Deemed Measures: Table 1 included in Appendix B of the Entry sets forth the beginning of a catalogue in which a user can simply look up a value based on certain scenarios and parameters. Because of the various measures and equipment involved in EEDR, the TRM should attempt to capture as many standard scenarios as possible. While the FE Companies believe Table 1 to be a good start, the FE Companies offer several suggestions. First, more details should be provided under the line item “Applicability Conditions Required.” The FE Companies recommend subcategories for each technology included in the manual and each class of end use described by appropriate customer types. These subcategories may have to be further broken down in order to take into account weather sensitivity on a regional basis.<sup>2</sup> Also, there are variables even within the same types of applications. For example, in the category of air conditioning, additional details, such as the size (tonnage) would have to be included; for refrigerators, manual versus automatic defrost; and for motors, horse power rating and load factors, to name a few.<sup>3</sup> Once a consensus is reached on the types of technologies to be included in the manual, more specifics can be recommended. Further, because these deemed values will be estimates, they should be based on average industry standards, by

---

<sup>1</sup> For example a DCM may be appropriate for commercial lighting situations in which operations vary significantly across customers, while a DM is more than adequate to estimate savings for the same measure with little variance in customer segment behavior (e.g. residential lighting.)

<sup>2</sup> Even though they are located within the state, there can be differences in air conditioner usage between Cleveland and Cincinnati.

<sup>3</sup> While the specifics may vary, the FE Companies suggest a structure similar to that used by the Pennsylvania Public Utility Commission in its TRM.

technology, and should be deemed valid until the next version of the TRM is released, at which time the new values should be applied on a prospective basis only.

Second, the categories “Annual Site Savings (kWh)” and “Annual Site Savings (therms)” should be renamed to more accurately reflect what is actually being measured. The FE Companies suggest “Annual Savings per Measure” or “Annual Savings per Technology” given that savings should be calculated based on the measure or technology, rather than on a site basis. Further, in order to capture total energy savings, the TRM should include a standard conversion factor so that therms and BTUs can be converted to kWh.

Deemed Calculated Measures: Table 2 included in Appendix B of the Entry sets forth the beginning of analytic tools that will be used to derive savings using standardized calculations based on site-specific inputs. Like Table 1, in order for Table 2 to be useful, it must contain sufficient detail for a sufficient number of scenarios, consistently applying assumptions in a manner that will best reflect actual results. The FE Companies believe that Table 2 should incorporate user-friendly algorithms/equations for each technology, along with definitions for all input variables, including units. Such a definitional section will provide consistency in the application of Table 2 both within and across utilities.

Utility Peak Demand Reductions: In order for the TRM to be useful in establishing estimates of Peak Demand Reduction (“PDR”), the manual must recognize that customer classes may require different estimation techniques. For example, specific customer usage data could be used to determine the coincidence factors for large customers. However, such an approach is impractical for determining PDR for the residential class, which has a relatively uniform usage pattern based on significantly more

customers with much less consumption on a per customer basis. The latter requires deemed coincident factors, which the FE Companies believe should be based on averages for each applicable technology.

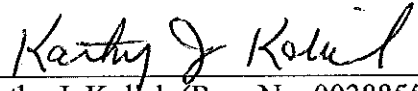
Avoided Cost: Given that not all of Ohio's utilities are located within the same RTO and each of these utilities have different capital structures and unique generation supply strategies, the FE Companies recommend against the use of a standard avoided cost factor, instead allowing each of Ohio's utilities to base their avoided cost on their unique circumstances. The TRM, after allowing the utilities to provide input, should simply include guidelines describing how a utility's avoided cost should be calculated. For example in the case of the FE Companies that own no generation, their avoided cost will be based on future wholesale market prices. Interested parties should come to an agreement on the length of the forecast period, taking into account that each utility has its own assumptions and forecasts. Moreover, because cost information, (as well as price forecasts) is generally considered to be competitively sensitive information, avoided cost information should be protected from disclosure to the public in general, and potential competitors in particular.

#### Summary

In sum, the FE Companies believe that the TRM ultimately developed must incorporate assumptions, formulae and an underlying rationale designed to provide estimates of EEDR that most closely reflect reality. The TRM must have sufficient detail for a sufficient number of scenarios, based on assumptions that are consistently applied until sufficient information becomes available to justify modifications on a prospective basis. The FE Companies look forward to working with Commission Staff and interested

stakeholders during the development of the TRM.

Respectfully submitted,

A handwritten signature in cursive script, reading "Kathy J. Kolich".

Kathy J. Kolich (Reg. No. 0038855)

Senior Attorney

FirstEnergy Service Company

76 South Main Street

Akron, Ohio 44308

Phone: 330-384-4580


Fax: 330-384-3875

[kjkolich@firstenergycorp.com](mailto:kjkolich@firstenergycorp.com)

On behalf of Ohio Edison Company,  
The Cleveland Electric Illuminating  
Company and The Toledo Edison  
Company

**CERTIFICATE OF SERVICE**

**THIS IS TO CERTIFY** that a copy of the foregoing has been served electronically or via first class mail, postage prepaid, this 15<sup>th</sup> day of July, 2009, upon the individuals or companies listed in the service lists attached hereto:

  
\_\_\_\_\_  
Kathy J. Kolich, Esquire

Elizabeth H. Watts  
Duke Energy Corporation  
155 East Broad Street  
Columbus, OH 43215

Samuel Randazzo  
McNees, Wallace & Nurick LLC  
Fifth Third Center, 17<sup>th</sup> Floor  
21 East State Street  
Columbus, OH 43215

Jeffrey Small  
Ohio Consumers' Council  
10 West Broad Street  
Columbus, OH 43215

Marvin I. Resnik  
Steven T. Nourse  
American Electric Power Service Corp.  
1 Riverside Plaza, 29<sup>th</sup> Floor  
Columbus, OH 43215

Randall V. Griffin  
Attorney for Dayton Power & Light Company  
1065 Woodman Drive  
Dayton, OH 45432

VECTREN ENERGY DELIVERY OF OHIO, INC.  
RONALD E. CHRISTIAN  
ONE VECTREN SQUARE  
EVANSVILLE IN 47708

DAYTON POWER AND LIGHT COMPANY  
DONA SEGER-LAWSON  
1065 WOODMAN DRIVE  
DAYTON OH 45432

CLEVELAND ELECTRIC ILLUMINATING CO  
HARVEY L. WAGNER  
76 S. MAIN STREET  
AKRON OH 44308

COLUMBIA GAS OF OHIO  
ROBERT G. KRINER  
200 CIVIC CENTER DRIVE  
COLUMBUS OH 43215

DUKE ENERGY OHIO  
ANITA SCHAFER  
139 EAST FOURTH STREET  
CINCINNATI OH 45202

OHIO POWER COMPANY  
SELWYN J. DIAS  
SUITE 800  
88 E. BROAD STREET  
COLUMBUS OH 43215-3550

THE EAST OHIO GAS COMPANY DBA  
DOMINION EAST OHIO  
280 N. HIGH STREET, PLAZA STE 1300  
COLUMBUS, OH 43215

OHIO EDISON COMPANY  
HARVEY WAGNER, VP AND CON  
76 S. MAIN STREET  
AKRON OH 44308

COLUMBUS SOUTHERN POWER  
SELWYN J. R. DIAS  
SUITE 800  
88 E. BROAD STREET  
COLUMBUS OH 43215

TOLEDO EDISON COMPANY  
HARVEY L. WAGNER  
76 S. MAIN STREET  
AKRON OH 44308



2

CASE NUMBER: 09-0512-GE-UNC  
CASE DESCRIPTION: IN THE MATTER OF THE PROTOCOLS FOR THE MEASUREMENT AND VERIFICATION OF ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION MEASURES  
DATE OF SERVICE: 7/14/2009  
DOCUMENT SIGNED ON: 7/14/09

Sign Here: AMN

PARTY OF RECORD	PARTY OF RECORD	ATTORNEY
COLUMBIA GAS OF OHIO INC ROBERT G. KRINER 200 CIVIC CENTER DRIVE  COLUMBUS, OH 43215 Phone: 614-460-5900  Email:	GALLON, ERIC B PORTER WRIGHT MORRIS & ARTHUR LLP 41 SOUTH HIGH STREET SUITE 3000 COLUMBUS, OH 43215 Phone: (614) 227-2190 Fax: (614) 227-2100 Email: EGALLON@PORTERWRIGHT.COM	
DUKE ENERGY OHIO  139 EAST FOURTH STREET P.O. BOX 960 CINCINNATI, OH 45202 Phone: 513-419-1847	*Watts, Elizabeth H Duke Energy Ohio 155 East Broad Street  Columbus, Oh 43215 Phone: 614-221-7551 Fax: 614-221-7556 Email: wlizabeth.watts@duke-energy.com	
EAST OHIO GAS COMPANY DBA DOMINION EAST OHIO  1201 EAST 55TH STREET  CLEVELAND, OH 44101	COLBERT, PAUL A JONES DAY 325 JOHN H MCCONNELL BOULEVARD SUITE 600 P O BOX 165017 COLUMBUS, OH 43216-5017 Phone: (614) 469-3939 Fax: (614) 461-4198 Email: APCOLBERT@JONESDAY	

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.  
file://C:\disReports\09-0512ServiceNotice.html  
Technician: SM Date Processed: 7/14/2009

7/14/2009

VECTREN ENERGY DELIVERY OF  
OHIO, INC.

RONALD E. CHRISTIAN  
ONE VECTREN SQUARE

EVANSVILLE, IN 47708

Phone: (812) 491-4202

Email: rchristian@vectren.com

\*WHITT, MARK A

CARPENTER, LIPPS & LELAND LLP

280 PLAZA, SUITE 1300

280 NORTH HIGH STREET

COLUMBUS, OH 43215

Phone: 614-365-4100

Fax: 614-365-9145

Email: WHITT@CARPENTERLIPPS.COM

---

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/15/2009 5:20:12 PM**

**in**

**Case No(s). 09-0512-GE-UNC**

Summary: Comments on Appendix B of the Commission's June 24, 2009 Entry electronically filed by Ms. Kathy J Kolich on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company