

**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 Partners for Affordable Energy  
Regarding Appendix A of the Entry of July 8, 2009.**

Ohio Partners for Affordable Energy (“OPAE”) hereby submits the following comments to the Appendix A of the Entry of July 8, 2009.

OPAE supports the Provisional Recommendations of the Public Utilities Commission of Ohio (“PUCO” or “the Commisison”) to utilize gross savings when assessing the energy efficiency achieved by utility portfolios. Because Ohio has not had the benefit of utility demand side management (“DSM”) programs in recent years, the initial implementation of programs will serve to hasten market transformation activities. At this point, spillover effects and “free ridership” are not critical issues; changing Ohioans approach to using energy is. As a result, the Commission’s proposal to utilize gross savings as the measure and to review this resolution in the future is the appropriate approach.

OPAE supports the use of federal standards and state codes as the baseline for determining the effect of installing efficiency measures. However, we have concerns about using current market practice at this stage of

implementation in Ohio. In our view, the utility program is the incentive that causes people to make the decision to move to a higher efficiency option. Using a current market practice that reduces the amount of savings above code serves to discount the savings that was precipitated by the utility funds. Our agencies tend to look at savings as what goes into a customer's pocket due to reduction in use. Discounting the savings above code based on market practice removes the direct link between the utility funding and the reduction in energy use. Current market practice is a somewhat amorphous concept and does not accurately reflect the *customer's* decision. OPAE recommends using codes and standards, and if there is no code or standard using the actual savings against the actual baseline.

**Question 3.**

OPAE supports the provisional recommendation of the Commission.

**Question 4.**

OPAE supports the provisional recommendation of the Commission. We do, however, suggest adding an additional justification for what are described as 'non-cost effective measures'; reduction in arrearages and improved payment behavior which translates into lower bad debt and related costs. This is particularly important for low-income programs. A program that is marginal under a TRC test can have monetary benefits not considered by that test. Those types of factors should be incorporated into the Commission's analysis.

**Question 5.**

OPAE supports the provisional recommendation of the Commission.

## Conclusion

The Commission is moving in a logical fashion and these recommendation generally follow “best practices”. Ohio is just beginning to implement DSM for non-low income customers. The existing low-income programs can provide some insight into the maturation of DSM programs over time. The Commission recommendations reflect the fact that DSM in Ohio will evolve over time and the appropriate policy at this point should evolve as well. OPAE also recognizes that SB 221 imposed somewhat unreasonable benchmarks for at least the first 2 years of the program. DSM programs are complicated because they are retail programs delivered to customers. Unlike using electricity, DSM requires affirmative acts by customers in order to succeed. Defining savings too narrowly as programs are in a nascent stage is counterproductive to the policy espoused in SB 221. At the same time, the savings need to be real, to the customer implementing the measure and to the ratepayers who pay the bill.

SB 221 recognizes that utilities provide a service and that service can be provided through the supply of electricity or through efficiency. The Commission recommendations are a good first step down that path.

Respectfully submitted,

/s/ David C. Rinebolt

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**On Behalf of Ohio Partners for  
Affordable Energy**

## CERTIFICATE OF SERVICE

I hereby certify that a copy of these Objections to the Staff Report of Investigation were served by regular U.S. Mail, postage prepaid, upon the parties of record identified below on this 24<sup>th</sup> day of July, 2009.

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

**Commission of Ohio Docketing Information System on**

**7/24/2009 2:57:00 PM**

**in**

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

Summary: Comments Comments of Ohio Partners for Affordable Energy to Appendix A  
electronically filed by Mr. David C Rinebolt on behalf of Ohio Partners for Affordable Energy