

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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APPLICATION FOR REHEARING OF
ENTRY DATED OCTOBER 15, 2009 REGARDING PROTOCOLS FOR THE
MEASUREMENT AND VERIFICATION OF ENERGY EFFICIENCY AND
PEAK DEMAND REDUCTION MEASURES
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

The Office of the Ohio Consumers' Counsel ("OCC"), on behalf of the residential customers of the electric and natural gas utilities regulated by the Public Utilities Commission of Ohio ("Commission" or "PUCO"), applies for rehearing¹ of the Finding and Order ("Order") of the Public Utilities Commission of Ohio ("Commission" or "PUCO") issued on October 15, 2009.

The Commission's determination regarding its second identified issue (i.e. "Issue 2") appears to be ambiguous, a matter that should be addressed on rehearing to clearly reconcile the stated intent of the Commission in the Order with a determination stated within the Order. The Order addressed baseline measurement for energy, which should be appropriate so that appropriate amounts of energy efficiency are pursued by utilities. As a result, the Order was unjust and unreasonable in the following particulars:

The Commission was unclear and erred when it stated that the baseline for measuring energy efficiency that involves the early retirement of existing equipment "should be set at the higher of federal or state minimum efficiency standards, or, if data is readily

¹ R.C. 4903.10 and Ohio Adm. Code 4901-1-35.

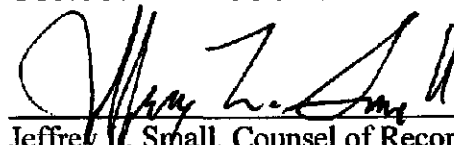
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available for the measures at issue on the Department of Energy's Energy Information Administrator (DOE EIA) website, efficiency levels for current market practices for those measures."² The Commission should clearly state that the baseline should be set at the highest standard that would be provided by any of the three sources of information.

The Commission should modify its Order, pursuant to R.C. 4903.10(B) and consistent with the OCC's assignment of error stated above. The reasons for granting this Application for Rehearing are set forth in the attached Memorandum in Support.

Respectfully submitted,

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² Order at 9, ¶(27) (citation omitted).

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MEMORANDUM IN SUPPORT

I. INTRODUCTION

On June 24, 2009, the Commission set a procedural schedule for development of protocols for measurement and verification of energy efficiency and peak demand reduction measures. Comments were filed on Appendix A and B to the Entry dated June 24, the latter of which involved proposals for the means by which energy and demand savings would be measured.

The Order issued on October 15, 2009 addressed several issues posed by the Commission. Issue 2 asked: How should the Commission define baseline efficiency and market penetration for determining energy savings and demand reductions? The instant Application for Rehearing addresses the Commission's determinations regarding that question, and particularly paragraph (27) on the subject of setting baselines from which to measure energy efficiency when utility programs involve the early retirement of existing equipment.

II. ARGUMENT

For purposes of setting baselines concerning the early retirement of existing equipment, the Commission stated a policy that appears consistent with the OCC's position. The Order notes the provisional recommendation that "the baseline used for calculating energy savings [should be] . . . the minimum efficiency requirements of federal or state minimum efficiency standards, or current market practices, whichever is higher."³ This statement supports the use of the higher of three standards: 1) federal minimum efficiency standards, 2) state efficiency standards, and 3) current market practices. The Order appears to adopt that position, and the OCC supports that result.

The purpose for the instant Application for Rehearing is the manner in which the Order states the result for determining baselines. The Order states:

[T]he Commission finds that for purposes of calculating compliance with statutory benchmarks for programs other than those targeting early retirement of functioning equipment, *the baseline should be set at the higher of federal or state minimum efficiency standards, or, if data is readily available for the measures at issue on the Department of Energy's Energy Information Administrator (DOE EIA) website, efficiency levels for current market practices for those measures.* For purposes of calculating energy savings for programs targeting early equipment retirement, the Commission finds that the as-found method should be used until the remaining useful life of the existing equipment would have expired. Subsequent to the expiration of the existing equipment's useful life, *the baseline should be calculated at the higher of federal or state minimum efficiency standards, or, if data is readily available on the DOE EIA website, efficiency levels for current market practices for that equipment.*⁴

³ Id at 6.

⁴ Id. at 9, ¶(27).

The language italicized above regarding the energy efficiency baseline could be interpreted to provide that the DOE EIA website information should be used instead of minimum efficiency standards, even where such minimum efficiency standards are more stringent. Compliance with such minimum efficiency standards would be required, and should therefore set the standard for baseline values. A contrary result (i.e. not using minimum standards) does not appear to be intended by the Commission, and the language should be modified to ensure consistency with the original provisional statement in Paragraph 18 of the Order.

The result stated above would be accomplished if the italicized words in the quote above were replaced by the following:

The baseline should be set at the higher of federal minimum efficiency standards, state minimum efficiency standards, and efficiency levels for current market practices to the extent that such data on current market practices is readily available for the measures at issue on the Department of Energy's Energy Information Administrator (DOE EIA) website.

The Commission should modify the determination in Paragraph 27 of the Order to ensure that appropriate standards are upheld in determination of baselines.

III. CONCLUSION

The Commission should adopt the above-stated recommendations regarding the determination of issues stated in Appendix B to the Entry dated June 24, 2009.

Appropriate baselines should be used to determine energy efficiency.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

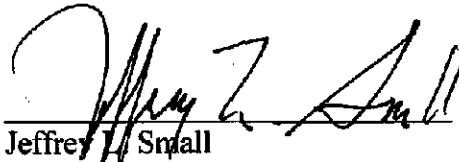
A handwritten signature in black ink, appearing to read "Jeffrey L. Small", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these *Comments* was served on the persons stated below by regular U.S. Mail, postage prepaid, on this 16th day of November 2009.



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