BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Review of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of Their Energy Efficiency and Peak Demand Reduction Program Portfolio Plans for 2013 through 2015.	))))))	Case No. 12-2190-EL-POR Case No. 12-2191-EL-POR Case No. 12-2192-EL-POR

POST HEARING BRIEF OF THE OMA ENERGY GROUP

I. INTRODUCTION

On July 31, 2012, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively "FirstEnergy") filed an application for approval of its energy efficiency and peak demand reduction program portfolio plan ("Portfolio Plan") for 2013 through 2015, including its initial benchmark report, as required by Section 4928.66, Revised Code, and Rule 4901:1-39-04, Ohio Administrative Code ("O.A.C."). The purpose of this proceeding is to review the effectiveness of FirstEnergy's proposed Portfolio Plan.

Pursuant to the procedural schedule established by the Attorney Examiners in this case, the OMA Energy Group ("OMAEG") respectfully submits its initial post hearing brief and requests that the Public Utilities Commission of Ohio ("Commission") modify FirstEnergy's Portfolio Plan by requiring the following: 1) implement a "track and tune" program and/or an operations and maintenance program; 2) increase the funding amount available to manufacturers for energy audits; 3) verify that audits be conducted by a licensed Professional Engineer in the State of Ohio; 4) bid its energy efficiency resources into the PJM market; and 5) develop prescriptive measures for manufacturers.

II. ARGUMENT

The OMAEG intervened in this proceeding to protect the interest of manufacturers. The very purpose of the statutorily-mandated energy efficiency program resides in the fact that energy efficiency investments are a lower-cost option than the alternative, higher cost of other new generation.

FirstEnergy's existing proposal is insufficient to achieve that purpose, and FirstEnergy fails to meet its burden of proof. Under O.A.C. Rule 4901:1-39-04(A), "each electric utility shall design and propose a comprehensive energy efficiency and peak-demand reduction program portfolio, including a range of programs that encourage innovation and customer access for cost-effective energy efficiency…" Further, pursuant to O.A.C. Rule 4901:1-39-04(E), FirstEnergy has the burden of proof to establish that its proposed program portfolio will satisfy the state's statutory requirements. FirstEnergy's proposal, as is, does not encourage innovation and customer access, especially for manufacturers, and should be modified accordingly.

A. The Commission should require FirstEnergy to include program offerings that are accommodating to manufacturers' unique energy opportunities within FirstEnergy's Portfolio Plan.

FirstEnergy's energy efficiency incentive programs are insufficient and cumbersome for manufacturers to adopt. Application at 7-8. For instance, constrained capital funding for manufacturers limits opportunities for equipment replacement, which makes up a significant portion of FirstEnergy's Portfolio Plan.

To alleviate this deficiency, FirstEnergy should be required to implement a "track and tune" program and/or an operations and maintenance program. A track and tune program is analogous to the retro-commissioning programs for the commercial sector. Utilities may take slightly different approaches and use different naming conventions. Whether called "Track and Tune" or "Operations and Maintenance," the end goal is similar in that they incent capturing energy savings from changes in equipment operations. Track and tune, and other similar programs, incent manufacturers to optimize the sequence of operations and control-logic of their industrial process and ancillary supporting equipment. The savings result from "tuning" the existing equipment, not from an equipment upgrade.

B. The Commission should require FirstEnergy to include technical assistance for manufacturers within FirstEnergy's Portfolio Plan.

FirstEnergy's prescriptive measures are largely targeted at commercial loads and the savings are based upon the same. Application at 7-8. These are typically "off-the-shelf" programs which include little or no customization for the particular user's operations and needs. The largest industrial electrical loads, however, typically require custom-measure analysis, which imposes an additional cost to the manufacturer to participate in the program. The only available technical assistance is $4,000 for a Level II energy audit, which surprisingly is, the same for industry as for churches, for example. To rectify this inequality and truly encourage innovation, the Commission should direct FirstEnergy to use a $4,000 cap only for facilities that use less than 3,000 MWh/year in energy. For facilities that use more than 3,000 MWh/year in energy, the cap should be increased to $1.5/MWh for energy audits to incentivize manufacturers to incorporate energy efficiency.

C. The Commission should require FirstEnergy to mandate quality in technical assistance within FirstEnergy's Portfolio Plan.

The Commission should require FirstEnergy to establish a requirement that energy audit savings calculations and estimates be stamped and certified by a licensed Professional Engineer (P.E.) in the State of Ohio, in order to ensure quality in work and establish a minimum level of qualification for energy auditors. Further, certified energy managers and certified energy auditors should not qualify to perform the audits because their certification requirements are not as rigorous as professional engineers.

D. The Commission should require FirstEnergy to bid energy efficiency resources into the PJM market within FirstEnergy's Portfolio Plan.

As proposed, FirstEnergy's Portfolio Plan does not budget PJM revenue into its programs, thereby increasing the cost of programs to manufacturers. FirstEnergy's plan for future base residual auctions is simply to bid *only* installed energy efficiency credits that it *owns* at the time of the PJM auctions. FirstEnergy Ex. 104 at 15. With the likelihood of significant increases in future capacity prices in the PJM American Transmission System Inc. zone, FirstEnergy must exercise cost-effective actions, including, but not limited to, improving energy efficiency. Accordingly, FirstEnergy should be required to at least bid a hedged amount of energy efficiency resources into the PJM market.

E. The Commission should require FirstEnergy to include prescriptive measures for manufacturers within FirstEnergy's Portfolio Plan.

FirstEnergy's prescriptive measures are largely targeted at, and savings are based on, commercial loads. This increases the burden of custom analysis on industry. As recommended by OMAEG witness John Seryak, FirstEnergy should develop a pilot of three (3) industry-specific prescriptive measures, such as, industrial insulation, cogged V-belts, and venturi compressed air nozzles. OMAEG Ex. 101 at 6-7. FirstEnergy could cover a fraction of the development cost and pay only a $0.01/kWh commission on any project using these measures, which is minimal, in addition to payment of the administrator fee.

III. CONCLUSION

For the foregoing reasons, the OMAEG respectfully requests that the Commission require FirstEnergy to modify its Portfolio Plan to reflect OMAEG's recommendations above in order to provide reasonable, affordable, and efficient programs for customers, which will increase energy savings and peak demand reductions.

Respectfully submitted on behalf of
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Initial Brief of the OMA Energy Group was served upon the parties of record listed below this 20th day of November 2012 *via* electronic mail.

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