BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Mercantile Customer Pilot Program for Integration of Customer Energy Efficiency or Peak-Demand Reduction Programs.	)))	Case No. 10-834-EL-POR

REPLY COMMENTS OF
THE OMA ENERGY GROUP

I. INTRODUCTION

The OMA Energy Group ("OMAEG") respectfully submits these Reply Comments in response to the other interested party comments filed on March 27, 2013, regarding the Public Utilities Commission of Ohio ("Commission") Staff's report of the energy efficiency pilot program.

II. COMMENTS

A. As-Found Method

The OMAEG respectfully disagrees with the concerns of the Environmental Law & Policy Center, the Ohio Environmental Council, the Sierra Club, and the Natural Resources Defense Council ("Environmental Advocates") regarding the continuation of the "as-found" method.[1] While the "as-found" method should not be the sole baseline system available for energy efficiency calculations, as previous noted by the OMAEG, the "as-found" calculation should continue to be an option. In many cases, there is not much difference in the "as-found" calculation and the calculation from the baseline in the Ohio Technical Reference Manual ("Ohio TRM"). Nevertheless, it is important to retain

[1] *See generally*, Environmental Advocates Comments.

an “as-found” option so that manufacturers can optimize flexibility in evaluating their energy efficiency options, which further promotes and incents energy efficiency. Without an “as-found” option, some projects may not be deemed worthy of pursuit, thereby reducing energy efficiency in general.

A concern for ratepayers is one that the Environmental Advocates correctly identify – that the “as-found” method is not accepted by PJM. Thus, to adequately bid resources and suppress electricity prices, two savings calculations need to be conducted for each mercantile project. To this end, if customers elect to utilize the “as-found” method to count savings, this should not exempt this resource from undergoing a second calculation such that it is eligible to bid into PJM auctions.

For these reasons, the OMAEG continues to recommend allowing the “as-found” method in the mercantile program, but as a choice, not a requirement.

B. Exemption Length

The OMAEG respectfully disagrees with the Environmental Advocates suggestion to base exemption length on project cost.[2] Because of internal, corporate competition for capital investment funds, manufacturers typically establish shorter payback thresholds than other business industries – less than 2 years, but often even shorter. That is, for $10,000 in annual cost savings, a typical manufacture may at most invest $20,000. In contrast, the commercial and government sectors may invest in projects with much longer payback periods. Therefore, a cost-based exemption method would unfairly limit the manufacturing sector from participating in efficiency programs in comparison to other sectors. Moreover, the mercantile program provides a cost relief-valve for manufacturers

[2] *See* Environmental Advocates Comments at 6.

and other consumers – if a consumer can reduce energy consumption more cost-effectively on its own, the benchmark comparison method allows it to do so. This is especially true in territories where efficiency programs are operated inefficiently and the associated rider cost is high and/or volatile. The OMAEG finds the benchmark comparison methodology to be a fair, accurate, and common sense methodology.

III. CONCLUSION

The OMAEG remains supportive of its Initial Comments filed in this proceeding on March 27, 2013, and respectfully requests the Commission to consider and adopt its recommendations provided in its Initial and Reply Comments in this proceeding.

Respectfully submitted on behalf of
THE OMA ENERGY GROUP

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Comments of the OMA Energy Group was served upon the parties listed below this 10th day of April 2013 *via* electronic mail.

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Summary: Reply Comments of the OMA Energy Group electronically filed by J. Thomas Siwo on behalf of OMA Energy Group