

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke :  
Energy Ohio, Inc., for Authority to : Case No. 14-75-EL-POR  
Establish an Energy Efficiency Pilot :  
Program. :

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**COMMENTS  
SUBMITTED ON BEHALF OF THE STAFF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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**INTRODUCTION**

On January 13, 2014, Duke Energy Ohio (“Duke” or “the Company”) filed an Application for approval to conduct a joint pilot program with the Greater Cincinnati Energy Alliance (GCEA). GCEA is a non-profit organization founded in 2009 and dedicated to promoting energy efficiency in the greater Cincinnati metropolitan area.

In the most recent Duke Energy Ohio (“Duke”) Energy Efficiency Portfolio Plan case, Case No. 13-0431-EL-POR, it was stipulated that the Company would work with GCEA to develop EE pilot proposals and offer energy efficiency programs. In this Application, the Company agrees to coordinate with GCEA on its energy efficiency efforts related to residential home energy improvements within two counties: Warren County and Clermont County. The Company agrees to co-market GC-HELP financing in addition to offering the traditional incentive programs it currently offers. This pilot will

help leverage the existing resources of the Company and GCEA and create a single source for processing the various incentives requested by customers.

## **DISCUSSION**

Staff believes the Commission should approve the proposed pilot program between the Company and GCEA with modification. Staff believes the Company should only receive energy efficiency credits when the Company is responsible for the customers' energy efficiency gains (*e.g.*, rebates and Smart\$aver Program) and should not receive energy efficiency credits that are a result of GCEA's efforts and investments. Therefore, Staff believes the Commission should require the Company to adjust the energy efficiency credits that the Company receives for its efforts under the program.

In this pilot, the Company is using Clermont County as a control group. Since Duke and GCEA will operate independently in Clermont County, Staff does not believe an adjustment to the energy efficiency credits the Company receives is needed for the Company's energy efficiency efforts in Clermont County. However, in Warren County, where the Company and GCEA will work in conjunction, Staff recommends that the Commission require the Company to adjust the energy efficiency credits that the Company receives. Specifically, Staff recommends that the Company use the ratio of Duke kWh savings in Clermont County divided by the combined kWh savings for both Duke and GCEA in Clermont County, so that Duke is not claiming attribution for GCEA's impacts. Then, the Company should adjust the energy efficiency savings in Warren County (the test county) for the number of customers and customer demand in Warren

County and other factors where appropriate. This adjustment will ensure that the Company does not receive energy efficiency credits for efforts GCEA would have achieved on its own with its own resources.

Staff does not recommend that the Company finance homeowner or business energy efficiency expenditures, but instead recommends the Company co-market methods of financing such as the Property Assessed Clean Energy (PACE) Program. Staff recommends that the Commission allow the Company to: recover marketing costs associated with marketing these types of financing and to claim energy efficiency credits when the Company can demonstrate that its co-marketing of financing led to increased customer adoption of energy efficiency measures.

If these modifications are adopted, Staff believes the Commission should authorize the Company to implement this pilot program. The Company has projected that it will not meet its annual benchmark goals in 2015 and 2016.<sup>1</sup> Staff believes it would be better for the Company to reach its current annual goals and possibly exceed them without relying on previously banked savings. Therefore, Staff believes that the Commission should allow the Company to include this cost-effective, low-cost program in its approved EE Portfolio Plan. Also, Staff does not believe the Company's Application to co-market energy efficiency programs with GCEA is an amendment to its approved EE Portfolio Plan. In the Stipulation in Case No. 13-0431-EL-POR, the

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<sup>1</sup> See Table 1 in the Attachments.

Company agreed to work with GCEA to develop proposals for a partnership and coordination between the two organizations.<sup>2</sup> Specifically, the Stipulation provided that the Company and GCEA would work to develop a pilot program in which the two would work together to provide home energy improvements.<sup>3</sup>

## CONCLUSION

Staff believes the Company's proposed program would help enable the Company to reach its energy efficiency benchmarks without relying on banked savings. Furthermore, the Stipulation in the Company's EE Portfolio Plan case provided for this pilot program. Therefore, Staff recommends that the Commission approve the Company's application for the pilot program with modification.

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<sup>2</sup> *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of its Energy Efficiency and Peak Demand Reduction Portfolio of Programs*, Case No. 13-0431-EL-POR (Stipulation and Recommendation at 12) (Sep. 6, 2013).

<sup>3</sup> *Id.*

Respectfully submitted,

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*/s/ Katie L. Johnson*

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## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Comments** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the following Parties of Record, this 27<sup>th</sup> day of January, 2015.

*/s/ Katie L. Johnson*

**Katie L. Johnson**

Assistant Attorney General

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**Table 1: Duke Energy Ohio's Projected EE Program  
Savings & Benchmark Shortfall**

| <b>Approved Duke Energy Ohio EE Programs</b> | <b>2015 Projected KWH Savings</b> | <b>2016 Projected KWH Savings</b> |
|--|-----------------------------------|-----------------------------------|
| Smart Saver - Residential                    | 16,632,090                        | 16,789,009                        |
| Residential Assessments                      | 8,210,193                         | 8,210,194                         |
| My Home Energy Report                        | 59,318,683                        | 59,318,683                        |
| EE Education for Schools                     | 965,852                           | 1,056,400                         |
| Low Income Services                          | 107,938                           | 107,937                           |
| Appliance Recycling                          | 8,135,751                         | 8,135,752                         |
| Low Income Neighborhoods                     | 1,261,802                         | 1,261,802                         |
| Home Energy Solutions                        | 5,592,640                         | 7,840,938                         |
| Non-Residential Smart Saver Prescriptive     | 57,896,069                        | 58,050,585                        |
| Non-Residential Smart Saver Custom           | 30,631,919                        | 32,163,515                        |
| Energy Management & Information Services     | 1,776,983                         | 1,776,983                         |
| <b>Total Projected KWH Savings</b>           | <b>190,529,920</b>                | <b>194,711,798</b>                |
| 3-Year Ave. Weather Normalized Sales - est.  | 21,633,024,000                    | 21,633,024,000                    |
| Annual Energy Efficiency % Benchmark         | 1%                                | 1%                                |
| <b>Annual KWH EE Targets</b>                 | <b>216,330,240</b>                | <b>216,330,240</b>                |
| <b>Annual KWH Deficiency</b>                 | <b>25,800,320</b>                 | <b>21,618,442</b>                 |

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Summary: Comments submitted by Assistant Attorney General Katie Johnson on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio