

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke )  
Energy Ohio, Inc., for Authority to )  
Establish a Non-residential Energy ) Case No. 14-1575-EL-POR  
Efficiency Program for Inclusion in its )  
Energy Efficiency Portfolio.

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**REPLY COMMENTS OF DUKE ENERGY OHIO, INC.**

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**I. INTRODUCTION**

Pursuant to terms and conditions contained within the Company's existing energy efficiency and peak demand reduction portfolio of programs (Portfolio), and in keeping with its commitment to manage its Portfolio proactively, as recognized in the Commission's approval of the Stipulation and Recommendation that was adopted and approved by the Commission,<sup>1</sup> Duke Energy Ohio, Inc. (Duke Energy Ohio) submitted an Application in this proceeding to add an additional program to its Portfolio. This additional program does not change the existing Portfolio or cost recovery mechanism, but as explained in the Application, is consistent with the agreed-upon terms applicable to the implementation of its Portfolio Plan.

Subsequent to the filing of the Application, one party, Industrial Energy Users-Ohio (IEU) moved to intervene and filed comments. The Staff of the Public Utilities Commission of

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<sup>1</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. 13-431-EL-POR, Opinion and Order, (December 4, 2014).

Ohio (Staff) also submitted comments. Duke Energy Ohio responds herein to the comments of Staff and IEU.

## II. DISCUSSION

Duke Energy Ohio currently offers many energy efficient programs that assist customers with implementing new equipment and technology to improve efficiency. As indicated in its Portfolio Plan and Annual SB 221 Compliance Filing, the Company is continually looking for programs to fill gaps in its Portfolio and to meet customers needs. The proposed additional program in this proceeding which was filed with the Commission prior to the effective date of SB 310, allows Duke Energy Ohio to help a segment of the market that has been hard to reach with its existing programs and allow it to assist customers as well as their tenants and occupants drive efficiency through no-cost behavioral changes. The proposed program offers many non-energy benefits including improvements in tenant and building owner relationships, increased employee satisfaction, and community goodwill.

In their comments, Staff correctly recognized that the proposed program was contemplated in the Company's original energy efficiency Portfolio application that was approved by the Commission. In that application the Company stated that "additional program offerings may be filed with the Commission to seek approval as appropriate."<sup>2</sup> IEU was not a party in that proceeding and so may not have been aware of that proviso.

Staff further recognized that the Company's approved Portfolio, at the time of approval, projected that it would be short of its annual benchmark goals for both 2015 and 2016. At the time Duke Energy Ohio's portfolio was submitted, the projected impacts were nearly 12% short of the projected annual energy efficiency benchmark established by SB 221.

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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. 13-431-EL-POR, Application, (February 19, 2013) at pg.6.

It is also important to note that while the addition of the proposed program would not completely alleviate the need to use banked impacts for the purpose of meeting the Company's annual energy efficiency mandate or calculating its incentive level, the addition of Smart Energy in Offices (SEiO) would reduce the projected amount of bank that would need to be used in 2015 and 2016. In fact, if the Company can reach its projected participation in 2015, which will be somewhat challenging given the later the timing of the respective proceedings, the amount of the projected shortfall in 2015, would be cut approximately in half.

IEU argues incorrectly that the Commission does not have authority to act on the Company's program. IEU contends that provisions established in SB 310 would apply and that the authorization of the Company's request is not an "action necessary to administer the implementation of [the] existing portfolio plan."<sup>3</sup> However, as the Application in this proceeding and supporting testimony thus indicate, additions and changes to the portfolio were contemplated and represent a significant contributing factor to maintaining the overall viability of the portfolio.<sup>4</sup> The Commission approved the portfolio, with minor modification, on December 4, 2013.<sup>5</sup> The Commission delineated the terms set forth in the Stipulation and Recommendation that was adopted and approved. The terms included provisions for working with the Collaborative to consider additions and changes to the portfolio and some pilot projects. In keeping with its commitment to manage its portfolio proactively, as recognized in the Commission's approval of the Stipulation and Recommendation, Duke Energy Ohio submitted this additional program. The proposed additional program does not change the existing portfolio or cost recovery mechanism, but rather is consistent with the agreed-upon terms applicable to

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<sup>3</sup> SB 310, Section 7(B).

<sup>4</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.13-431-EL-POR, Application at p.6, (April 15, 2013).

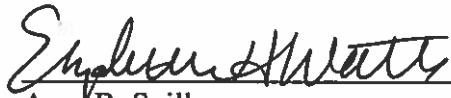
<sup>5</sup> *Id.*, Opinion and Order, December 4, 2013.

the implementation of its Portfolio Plan. As IEU was not a party to the proceeding wherein the Portfolio was established, its view of the mechanics of the Portfolio is necessarily limited. Likewise, no member of IEU participates in the Company's Energy Efficiency Collaborative.

### III. CONCLUSION

For the reasons stated above, Duke Energy Ohio respectfully requests that the Commission approve this energy efficiency program for inclusion in the Company's energy efficiency and peak-demand portfolio of programs.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered by U.S. mail (postage prepaid), personal delivery, or electronic mail, on this 12th day of February, 2015, to the following parties.

  
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Summary: Reply Comments of Duke Energy Ohio, Inc. electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.