

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio )  
Edison Company, The Cleveland Electric )  
Illuminating Company, and The Toledo ) Case No. 16-0743-EL-POR  
Edison Company For Approval of Their )  
Energy Efficiency and Peak Demand )  
Reduction Program Portfolio Plans for 2017 )  
through 2019

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DIRECT TESTIMONY OF

EREN G. DEMIRAY

ON BEHALF OF

OHIO EDISON COMPANY  
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY  
THE TOLEDO EDISON COMPANY

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**INTRODUCTION AND BACKGROUND**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.**

**A.** My name is Eren G. Demiray, and my business address is 76 South Main Street, Akron, Ohio 44308. I am the Manager of the Reporting Group in the Energy Efficiency Department of FirstEnergy Service Company and I report to the Director of Compliance and Reporting in the Energy Efficiency Department.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING TODAY?**

**A.** I am testifying on behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (the “Companies”). Unless otherwise stated, my testimony applies equally to all three Companies.

In my testimony I may refer to sections included in the Companies’ Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) Plans (“Proposed Plans”) filed with the Companies’ Application as Attachment A. Rather than reiterate in my testimony the details of the sections to which I may refer, I am incorporating by reference any such sections into my testimony.

**Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND?**

**A.** For the past 15 years, I have been employed either by FirstEnergy Service Company or other FirstEnergy Corp. (“FirstEnergy”) subsidiaries. During this time, I have held positions in Customer Services, Sales & Marketing, Price Forecasting & Market Analytics, Business Analytics, and Rates & Regulatory Affairs. In 2009, I began working as an Analyst in the Compliance & Development group in the Energy Efficiency Department. In 2012, I was

1 promoted to Manager of the Energy Efficiency Reporting Group, my current  
2 position. I hold a Bachelor of Arts degree in Psychology, Classical Humanities,  
3 and Ancient Greek from Miami University, and a Master of Business  
4 Administration degree with a Finance concentration from Kent State University.

5 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITHIN**  
6 **FIRSTENERGY'S ENERGY EFFICIENCY DEPARTMENT.**

7 **A.** I lead a team that is primarily responsible for developing regulatory filings that  
8 report progress and demonstrate compliance with state laws or regulatory  
9 commitments related to EE and PDR programs for the FirstEnergy utilities in  
10 Maryland, New Jersey, Ohio, Pennsylvania and West Virginia. In addition, the  
11 reporting team develops, maintains, and administers the utilities' centralized  
12 energy efficiency tracking & reporting repository that houses transactional data  
13 related to energy efficiency activity for all of the utilities. I also chair the  
14 Companies' Ohio Stakeholder Collaborative Group meetings.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16 **A.** The purpose of my testimony is to: i) support the Shared Savings Mechanism  
17 included in the Companies' Proposed Plans; ii) support the Companies' request  
18 for an extension of the waiver period for Rule 4901:1-39-05(C); and iii) support  
19 the Companies' PJM capacity auction strategy with regard to EE and PDR credits.

1   **Q.   HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**  
2       **UTILITIES COMMISSION OF OHIO OR ANY OTHER REGULATORY**  
3       **BODY?**

4   **A.**   Yes. I have provided direct and rebuttal testimony in support of the Companies’  
5       Shared Savings Mechanism and Compliance matters included in the 2013-2015  
6       EE/PDR Plans (“Previous EE/PDR Portfolio Plans”) that were the subject of Case  
7       Nos. 12-2190-EL-POR, *et seq.* I also regularly appear before the Maryland  
8       Public Service Commission on EE and PDR matters.

9                               **THE SHARED SAVINGS MECHANISM**

10   **Q.   IS THERE CURRENTLY AN APPROVED SHARED SAVINGS**  
11       **MECHANISM IN PLACE?**

12   **A.**   Yes. In the Companies’ Previous Plans, the Commission approved a Shared  
13       Savings Mechanism. On September 24, 2014, in accordance with Substitute  
14       Senate Bill 310 (“S.B. 310”), the Companies amended their Previous EE/PDR  
15       Portfolio Plans (“Amended EE/PDR Portfolio Plans”). The Commission  
16       approved the Amended EE/PDR Portfolio Plans and maintained the Companies’  
17       Shared Savings Mechanism from the Previous EE/PDR Portfolio Plans with the  
18       proposal from the Companies that they would not seek adjusted net benefits for  
19       any of the programs to be continued during the Amended EE/PDR Portfolio Plan  
20       period.

1 **Q. DESCRIBE THE SHARED SAVINGS MECHANISM INCLUDED IN THE**  
2 **PROPOSED PLANS?**

3 **A.** The Proposed Plans continue the Shared Savings Mechanism that was approved  
4 by the Commission in Case No. 12-2190-EL-POR, *et seq.* that encourages the  
5 Companies, through financial incentives, to exceed their statutorily mandated  
6 EE/PDR goals. The amount of the shared savings will be recovered through the  
7 Companies' Rider DSE2 as set forth in the Rider. The Shared Savings  
8 Mechanism is the same as approved by the Commission in the Companies'  
9 Previous Plans except for the changes approved by the Commission in the  
10 Companies' Stipulated Electric Security Plan in Case No. 14-1297-EL-SSO  
11 ("Stipulated ESP IV). The Shared Savings Mechanism is described in Section 7.0  
12 of the Proposed Plans.

13 **Q. ARE THERE ANY ASPECTS OF THE SHARED SAVINGS MECHANISM**  
14 **INCLUDED IN THE PROPOSED PLANS THAT HAVE NOT ALREADY**  
15 **BEEN ADDRESSED AND APPROVED BY THE COMMISSION?**

16 **A.** No.

17 **WAIVER OF THE DEADLINE FOR THE ANNUAL COMPLIANCE FILING**

18 **Q. DESCRIBE THE COMPANIES' REQUEST FOR A WAIVER OF THE**  
19 **DEADLINE FOR THEIR ANNUAL COMPLIANCE FILING?**

20 **A.** Rule 4901:1-39-05(C), Ohio Administrative Code, requires the Companies to  
21 submit their compliance filing by March 15 of each year. However, in an Entry in  
22 Case No. 16-0072-EL-WVR<sup>1</sup> the Commission granted the Companies' request for

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<sup>1</sup> *In re the Joint Application of [the Companies] for Wavier with Regard to OAC 4901:1-39-05(C)*, Case No. 16-0072-EL-WVR, Entry (Feb. 24, 2016).

1 a waiver of this rule and authorized the Companies (and all other EDUs) to file  
2 their Annual Status Reports by May 15<sup>th</sup> of each year. The Commission's Entry  
3 in that case only authorized the two-month extension of the filing deadline  
4 through the filing in 2018. Since the Plan Period for the Proposed Plans will end  
5 on December 31, 2019, the Companies are requesting that, absent a change to  
6 Rule 4901:1-39-05(C), Ohio Administrative Code, the waiver and two-month  
7 filing extension granted by the Commission be extended one more year through  
8 2019. As the Companies have explained in the past, compliance with this  
9 deadline is difficult because the data necessary for the report must first be  
10 collected and studied and then collated into the necessary format. However,  
11 certain underlying participation data is not available from the program  
12 participants until February or March of each year. Program data is often compiled  
13 by a contractor, a retailer, or a coupon processor, who must then relay the  
14 information to the Companies' implementation vendors who validate and  
15 summarize the data for use by the Companies and the Companies' Independent  
16 Evaluator for reporting purposes. The process imposes a natural delay and there  
17 is no alternative means by which to hasten this process. Further, the granting of  
18 the Companies' request for the extension of the waiver and the corresponding two  
19 month filing extension through 2019 would be consistent with Staff's  
20 recommendation to permanently change the filing deadline to May 15<sup>th</sup> as set  
21 forth in Case No. 13-651-EL-ORD.

1 **PJM CAPACITY AUCTION STRATEGY**

2 **Q. PLEASE EXPLAIN THE COMPANIES' PJM CAPACITY AUCTION**  
3 **STRATEGY AS THAT STRATEGY PERTAINS TO ENERGY**  
4 **EFFICIENCY AND PEAK DEMAND REDUCTION RESOURCES.**

5 **A.** The Companies are proposing to continue to offer capacity resources associated  
6 with the energy efficiency and peak demand reduction resources into future PJM  
7 Capacity Auctions as described in Section 7 of the Proposed Plans.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 **A.** Yes, it does. However, I reserve the right to supplement my testimony.

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Summary: Testimony of Eren G. Demiray electronically filed by Ms. Carrie M Dunn on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company