

**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)
Edison Company for Approval of their) Case No. 16-743-EL-POR
Energy Efficiency and Peak Demand)
Reduction Program Portfolio Plans for)
2017 through 2019.)

**OBJECTIONS TO THE PROPOSED ENERGY EFFICIENCY AND PEAK
DEMAND REDUCTION PROGRAM PORTFOLIO PLAN OF OHIO EDISON
COMPANY, CLEVELAND ELECTRIC ILLUMINATING COMPANY AND THE
TOLEDO EDISON COMPANY
BY
ENERGY MANAGEMENT SOLUTIONS, INC.**

Energy Management Solutions, Inc. (“EMS”), pursuant to Ohio Administrative Code (“Ohio Adm. Code”) Rule 4901:1-39-04(D),¹ respectfully submits the following objections to the proposed energy efficiency and peak demand reduction program portfolio plan application of the Ohio Edison Company, the Cleveland Electric Illuminating Company and the Toledo Edison Company (collectively “FirstEnergy” or “Companies”).

EMS respectfully requests that the Public Utilities Commission of Ohio (“PUCO” or “Commission”) consider these initial objections and adopt the corresponding recommendations for clarification and modification of the FirstEnergy plan. The objections and recommendations are as follows:

¹ Ohio Administrative Code 4901:1-39-04(D) states in part: “... [A]ny person may file objections within sixty days after the filing of an electric utility's program portfolio plan....” In addition, these objections are timely filed in accordance with the Attorney Examiner’s Entry of May 23, 2016.

I. Mercantile Customer Program Incentives:

EMS objects to the proposed limitations on certain incentives for mercantile customers. FirstEnergy proposes a maximum rebate of \$250,000 per project, with a minimum of \$500,000 per customer per year.² These arbitrary caps are inequitable considering that many industrial customers have paid and continue to pay rider amounts significantly above the proposed maximums. In addition, these amounts may be inadequate for encouraging larger projects and may potentially serve to discourage mercantile customers from pursuing the types of projects through which significant savings could be achieved within the Companies' service territories.

Specifically, these random limitations are lacking when considering combined heat and power ("CHP") projects. CHP projects will greatly benefit customers utilizing this technology, allowing them to be individually more competitive in a global economy in accordance with express, statutory purpose.³ Encouraging mercantile customers to adopt and employ distributed generation⁴ is significant in facilitating the Ohio's effectiveness in a global economy. Although the proposal states that CHP projects will be "rebated per the Commission's direction,"⁵ it is not clear from the Companies' application whether CHP projects will be subject to the limits FirstEnergy seeks to impose on all mercantile projects.

Therefore, EMS recommends that the value of the credits or rebates for these projects should not be limited to a \$250,000 per project, but rather defined by the kWh output. This is how

² See FirstEnergy Application, Attachment A, pp. 72-74 (April 15, 2016).

³ R.C. 4928.02 states in part: "It is the purpose of this state to [...] (N) Facilitate the state's effectiveness in the global economy."

⁴ R.C. 4928.02 also states in part: "It is the purpose of this state to [...] (C) Ensure diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers **and by encouraging the development of distributed and small generation facilities....**" (Emphasis added).

⁵ FirstEnergy Application, Attachment A, at 74 (April 15, 2016).

Ohio Power recently approached a pair of CHP projects approved by the Commission.⁶ In order to encourage CHP projects, an project incentive should be tied to the kWh output and not an arbitrary maximum amount of \$250,000. EMS respectfully requests that this part of the Companies' proposed application be clarified or modified as recommended.

In addition, the rebate maximum for other energy efficiency projects should be not limited to \$250,000 per project and \$500,000 per customer per year. If a customer is willing to make significant investment and generate a greater amount of kWh savings – benefitting their operation, providing greater savings credits for the Companies and additional system-wide benefits, that customer should be able to receive appropriate, corresponding rebate amounts. The idea of the rebate program is to help provide incentive for customers to do more energy efficiency projects, not to discourage investment in energy efficiency projects once the \$500,000 level is reached. EMS respectfully recommends that these arbitrary amounts should be eliminated in order to encourage maximum energy efficiency within the Companies' service territories.

II. The Opportunity to be an Administrator Should be Made Available to Other, Qualified Entities.

The Companies have already selected certain entities to be administrators. EMS recommends that FirstEnergy consider and allow other qualified entities to take on this role as well. A segment that is not strongly represented in the Companies' efforts is the Industrial segment. There were not many rebates that were funneled through this program. EMS would like to see the opportunity to seek savings among this customer group opened up to more entities - like

⁶ See the Applications of Solvay Specialty Polymers (14-2296-EL-EEC) and Kraton (14-2304-EL-EEC). The amount per year paid to Solvay was greater than the per-project limit proposed by FirstEnergy here; and the

EMS - who have a strong presence in the Industrial market. EMS respectfully recommends that the Commission review this process and allow additional entities to apply for this status to boost participation in the Industrial market.

III. Conclusion

EMS respectfully requests that the Commission consider these initial objections and adopt the recommendations as outlined above in order to increase the effectiveness of the proposed FirstEnergy Program Portfolio Plan.

Respectfully submitted on behalf of

ENERGY MANAGEMENT SOLUTIONS, INC.

/s/Christopher J. Allwein

Christopher J. Allwein (0084914)

Kegler Brown Hill & Ritter Co., LPA

Capitol Square, Suite 1800

65 East State Street

Columbus, Ohio 43215-4294

Telephone: (614) 462-5496

Fax: (614) 464-2634

callwein@keglerbrown.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Objections were delivered via electronic mail on this 14th day of June, 2016 to the following parties.

/s/Christopher J. Allwein
Christopher J. Allwein

<p>Trent Dougherty(0079817) Counsel of Record 1145 Chesapeake Ave., Suite I Columbus, Ohio 43212-3449 (614) 487-7506 - Telephone (614) 487-7510 - Fax tdougherty@theOEC.org</p> <p>John Finnigan (0018689) Senior Attorney Environmental Defense Fund 128 Winding Brook Lane Terrace Park, Ohio 45174 (513) 226-9558 jfinnigan@edf.org</p> <p>Counsel for the Ohio Environmental Council and Environmental Defense Fund</p>	<p>Christopher Healey (0086027) Counsel of Record Kyle Kern (0084199) Assistant Consumers' Counsel Office of the Ohio Consumers' Counsel 10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 Telephone: (614) 466-9571 (Healey direct) Telephone: (614) 466-9585 (Kern direct) christopher.healey@occ.ohio.gov kyle.kern@occ.ohio.gov</p> <p>Dane Stinson (0019101) Bricker and Eckler LLP 100 South Third Street Columbus, Ohio 43215 Telephone: (614) 227-4854 DStinson@bricker.com</p> <p>ON BEHALF OF BRUCE J. WESTON OHIO CONSUMERS' COUNSEL</p>
<p>Colleen L. Mooney 231 West Lima Street P.O. Box 1793 Findlay, OH 45839-1793 Telephone: (419) 425-8860 or (614) 488-5739 e-mail: cmooney@ohiopartners.org</p> <p>Counsel for Ohio Partners for Affordable Energy</p>	<p>Robert Dove (#0092019) Attorney & Counselor at Law PO Box 13442 Columbus, Ohio 43213 Phone: 614-286-4183 Email: rdove@attorneydove.com</p> <p>Attorney for the Natural Resources Defense Council</p>

<p>Matthew R. Pritchard (Reg. No. 0088070) (Counsel of Record) MCNEES WALLACE & NURICK LLC 21 East State Street, 17TH Floor Columbus, OH 43215 Telephone: (614) 469-8000 Telecopier: (614) 469-4653 mpritchard@mwncmh.com</p> <p>Attorney for Industrial Energy Users-Ohio</p>	<p>Madeline Fleisher 21 West Broad St., Suite 500 Columbus, OH 43215 614) 670-5586 mfleisher@elpc.org</p> <p>Counsel for the Environmental Law & Policy Center</p>
<p>Kimberly W. Bojko (0069402) Danielle M. Ghiloni (0085245) Carpenter Lipps & Leland LLP 280 North High Street, Suite 1300 Columbus, Ohio 43215 Telephone: (614) 365-4100 Email: Bojko@carpenterlipps.com Ghiloni@carpenterlipps.com</p> <p>Counsel for Ohio Manufacturers Association Energy Group</p>	<p>Richard L. Sites General Counsel & Senior Director of Health Policy - OHIO HOSPITAL ASSOCIATION 155 East Broad Street, 15th Floor Columbus, OH 43215-3620 Telephone: (614) 221-7614 Facsimile: (614) 221-4771 Email: ricks@ohanet.org</p> <p>Matthew W. Warnock Dylan F. Borchers BRICKER & ECKLER LLP 100 South Third Street Columbus, OH 43215-4291 Telephone:(614) 227-2388; 227-4914 Facsimile: (614) 227-2390 E-mail: mwarnock@bricker.com dborchers@bricker.com</p> <p>On Behalf of Ohio Hospital Association</p>
<p>Ryan P. O'Rourke (0082651) Carpenter Lipps & Leland LLP 280 Plaza, Suite 1300 280 North High Street Columbus, Ohio 43215 Telephone: (614) 365-4110 Email: O'Rourke@carpenterlipps.com</p> <p>Counsel for The Kroger Company</p>	<p>William Wright Attorney General Public Utilities Commission of Ohio 180 East Broad Street Columbus, OH 43215 William.wright@ohioattorneygeneral.gov</p> <p>ON BEHALF OF MIKE DEWINE OHIO ATTORNEY GENERAL</p>

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/14/2016 5:21:11 PM

in

Case No(s). 16-0743-EL-POR

Summary: Objection OBJECTIONS TO THE PROPOSED ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAM PORTFOLIO PLAN OF OHIO EDISON COMPANY, CLEVELAND ELECTRIC ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY
electronically filed by Mr. Christopher J. Allwein on behalf of Energy Management Solutions, Inc.