

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
The Dayton Power and Light Company	)	Case No. 16-649-EL-POR
for Approval of its Energy Efficiency and	)	Case No. 16-1369-EL-WVR
Peak Demand Reduction Portfolio Plan	)	
for 2017 through 2019	)	

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**OBJECTIONS OF INDUSTRIAL ENERGY USERS-OHIO**

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**ATTORNEYS FOR INDUSTRIAL ENERGY USERS-  
OHIO**

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On June 15, 2016, The Dayton Power and Light Company ("DP&L") filed an application to establish a three-year energy efficiency and peak demand reduction ("EE/PDR") portfolio plan ("EE/PDR Plan"). Pursuant to Rule 4901:1-39-04(D), Ohio Administrative Code ("O.A.C."), the Industrial Energy Users-Ohio ("IEU-Ohio") submits the following objections.

**I. SHARED SAVINGS**

DP&L's EE/PDR Plan proposes the inclusion of a shared savings mechanism.<sup>1</sup> The mechanism would provide DP&L additional compensation for achieving EE/PDR savings in excess of the EE/PDR benchmarks contained in R.C. 4928.66. DP&L states that the shared savings calculation will be quantified using the Utility Cost Test ("UCT").<sup>2</sup> Under its current portfolio plan, DP&L may retain up to 13% of any shared savings capped at \$13.5 million.<sup>3</sup> DP&L proposes to increase that percentage to up to 15% of any shared

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<sup>1</sup> Application at 5 (June 15, 2016).

<sup>2</sup> *Id.*

<sup>3</sup> *In the Matter of the Application of The Dayton Power and Light Company for Approval of its Energy Efficiency and Peak Demand Reduction Program Portfolio Plan for 2013 through 2015*, Case Nos. 13-833-EL-POR, *et al.*, Opinion and Order at 8 (Dec. 4, 2013).

savings benefit and does not propose any cap on the amount of shared savings it may receive.<sup>4</sup> DP&L also requests authority to count non-programmatic savings in the shared savings calculation. IEU-Ohio objects to the inclusion of the shared savings clause in DP&L's EE/PDR Plan for the following reasons:

1. IEU-Ohio objects to the inclusion of a shared savings mechanism in DP&L's EE/PDR Plan as it is not necessary to pay incentives to electric distribution utilities ("EDU") to comply with Ohio law. R.C. 4928.66 requires each EDU to achieve annual energy savings and reductions in peak demand. That Section also provides that if an EDU fails to achieve the required annual EE/PDR savings, the Commission shall assess a forfeiture on the EDU. Thus, there is no need to incentivize a utility to do what it is required to do, and which it faces a forfeiture for failing to do.
2. IEU-Ohio objects to the inclusion of a shared savings mechanism in DP&L's EE/PDR Plan because DP&L fails to include a total revenue cap on the amount of additional compensation that DP&L can collect through the shared savings mechanism.
3. IEU-Ohio objects to the inclusion of a shared savings mechanism in DP&L's EE/PDR Plan because it fails to specify which customer classes will be responsible for paying the shared savings compensation.
4. IEU-Ohio objects to DP&L's proposal to count "non-programmatic" energy savings in the shared savings calculation.

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<sup>4</sup> Application at 5 (June 15, 2016).

5. IEU-Ohio objects to DP&L's proposal to increase its share of any shared savings from up to 13% under its current plan to up to 15% under its proposed plan.

## **II. COST RECOVERY**

In its EE/PDR Plan, DP&L proposes to modify the current cost allocation methodology for its Energy Efficiency Rider. For non-residential customer classes, DP&L currently assigns 30% of the non-residential customer compliance costs on the respective base distribution revenue of each non-residential customer class. The remaining 70% of non-residential customer compliance costs are allocated to non-residential customer classes on the basis of annual kWh usage. DP&L proposes to modify this allocation to a methodology that assigns non-residential customer compliance costs to non-residential customer classes on the basis of base distribution revenue. DP&L also proposes to include recovery in the Energy Efficiency Rider any transmission and distribution infrastructure improvement and/or Smart Grid improvement costs, to the extent DP&L institutes such improvements.

1. IEU-Ohio objects to DP&L's proposed recovery of non-portfolio plan costs (*i.e.* transmission and distribution infrastructure and Smart Grid costs) in the Energy Efficiency Rider.
2. IEU-Ohio reserves the right to object to and oppose DP&L's proposed modification to the non-residential customer cost allocation methodology. DP&L has not provided any potential bill impacts from its proposed modification, and base distribution revenue responsibility among the

customer classes may potentially shift upon approval of DP&L's application to increase its distribution rates in Case No. 15-1830-EL-AIR.

### III. **OTHER MATTERS**

IEU-Ohio reserves the right to raise additional objections and issues at any hearing in this matter and through any briefs IEU-Ohio might file in the proceeding that IEU-Ohio's further investigations identify relative to DP&L's proposed EE/PDR Plan.

### IV. **CONCLUSION**

Pursuant to Rule 4901:1-39-04(D), O.A.C., IEU-Ohio submits the foregoing objections to DP&L's EE/PDR Plan.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Objections of Industrial Energy Users-Ohio* was sent by, or on behalf of, the undersigned counsel for IEU-Ohio, to the following parties of record this 15<sup>th</sup> day of August 2016, *via* electronic transmission.

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Summary: Objection of Industrial Energy Users-Ohio electronically filed by Mr. Matthew R. Pritchard on behalf of Industrial Energy Users-Ohio