# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

| In the Matter of the Application of Ohio<br>Power Company for Approval of Its<br>Energy Efficiency and Peak Demand<br>Reduction Program Portfolio Plan for<br>2017 Through 2020.                                                                         | ) ) )         | Case No. 16-574-EL-POR  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------|
| In the Matter of the Application of Duke<br>Energy Ohio, Inc. for Approval of Its<br>2017-2019 Energy Efficiency and Peak<br>Demand Reduction Program Portfolio<br>Plan.                                                                                 | ) ) ) ) )     | Case No. 16-576-EL-POR  |
| In the Matter of the Application of the Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company for Approval of Their Energy Efficiency and Peak Demand Reduction Program Portfolio Plans for 2017 Through 2019. | ) ) ) ) ) ) ) | Case No. 16-743-EL-POR  |
| 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 2018-2020.                                                                             | ) ) ) )       | Case No. 17-1398-EL-POR |

## COMMENTS BY ADVANCED ENERGY ECONOMY

## I. INTRODUCTION

Advanced Energy Economy ("AEE") hereby files these comments in response to the October 23, 2019 Entry by the Public Utilities Commission of Ohio ("Commission" or "PUCO") soliciting input regarding continuation of utility energy efficiency and peak demand reduction ("EE/PDR") program portfolio plans in 2020 in the wake of the enactment of Am. Sub. House Bill 6 ("H.B. 6") and amendment of Ohio's energy efficiency requirements under R.C. 4928.66. AEE is a trade association that works with diverse member companies in Ohio. This includes companies

that are headquartered in or otherwise operate in the state, contributing directly to local jobs. Our members manufacture home energy management products that residents and businesses use to manage their bills; make housing safer and more comfortable through weatherization and efficiency projects; and provide retail goods and software that enhance customer energy choice. Many of our members are also customers of these various products and services, using them to manage their bills and improve their operations. The Commission's decision regarding the 2020 electric distribution utility ("EDU") energy efficiency programs could directly affect each of these activities, many of which are incentivized or implemented through the existing programs.

AEE encourages the Commission to avoid an abrupt and unnecessary termination of the EDU energy efficiency programs, which would undercut the EDUs' ability to meet their other legal obligations and provide least-cost distribution service, based on three important considerations. First, the Commission has not made the requisite factual determination that the Ohio EDUs have in fact met the cumulative energy savings benchmark of R.C. 4928.66 as a basis for such a termination, nor can it do so without resolving significant outstanding questions regarding the utilities' accounting for those savings. Second, any resolution of the status of EDU compliance with the energy savings requirements under R.C. 4928.66(A)(1)(a) would still leave a need for the continuation of utility peak demand reduction programs designed to comply with the separate peak demand reduction standard for 2020 under R.C. 4928.66(A)(1)(b). Third, even if the EDUs have fully satisfied all requirements under R.C. 4928.66, a rushed "pulling of the plug" on those programs is not required or even clearly contemplated by H.B. 6, and would have negative impacts on an array of stakeholders, most importantly Ohio residents and businesses. That result is not necessary in light of the Commission's continuing authority to allow cost recovery for energy conservation programs under R.C. 4905.70 and R.C. 4928.143(B)(2)(i).

Prematurely eliminating the variety of services that are currently funded through EE/PDR programs – including usage alerts and energy education, which are available to diverse customers online and through mobile apps – without a clear alternative would have a particularly pernicious effect on those customers who benefit the most from these tools, such as low-income customers and those who are not sophisticated energy users. Fortunately, the Commission has a logical path forward, and can rely on plain language, statutory intent, and practical considerations to feel comfortable that maintaining the EE/PDR programs until the end of 2020 is not only legally correct, but also beneficial to Ohioans overall.

### II. COMMENTS

A. House Bill 6 does not require the termination of existing utility energy efficiency programs prior to December 31, 2020.

The plain text of R.C. 4928.66, as amended by H.B. 6, explicitly authorizes the continuance of the EE/PDR program portfolio plans currently being implemented by the Ohio EDUs pursuant to Commission approval in the above-captioned cases. R.C. 4928.66(F)(2) provides:

(2) If an electric distribution utility has a portfolio plan in effect as of the effective date of the amendments to this section by H.B. 6 of the 133rd general assembly and that plan expires before December 31, 2020, the commission shall extend the plan through that date. All portfolio plans shall terminate on that date.

This language does require the Commission to end the portfolio plans currently approved pursuant to R.C. 4928.66 as of December 31, 2020 – but also expressly allows the Commission the necessary discretion to determine a sensible process and timing for handling the wind-down or transition of the programs leading up to that date.

The extent of the Commission's discretion is clear from the terms of R.C. 4928.66(G), which addresses the determination of compliance with the reduced 17.5% cumulative savings requirement enacted by H.B. 6. Subsection (G) provides that the Commission "shall determine

the cumulative energy savings collectively achieved, since 2009, by all electric distribution utilities in this state *as of December 31*, 2020," and must do so "[n]ot later than *February 1*, 2021." That determination is to be based on the "energy savings that were estimated by the commission to be achieved as of *December 31*, 2020," measured against a baseline that averages the "total kilowatt hours sold by all electric distribution utilities in this state" in three years *including 2020*. This statutory language is reflected in Legislative Service Commission analyses that represent that the Commission is to make this determination based on "the sum of banked energy savings recorded by an EDU as of *December 31*, 2020." Only once the Commission has made that final determination shall "full compliance with division (A)(1)(a) of this section . . . be deemed to have been achieved" and cost recovery for compliance with the energy efficiency standard terminate. <sup>4</sup>

This timeline indicates that the General Assembly left the Commission with the authority to implement H.B. 6 by making a final determination of compliance with the 17.5% cumulative benchmark not in the midst of implementation of those programs, but rather after the natural conclusion of the 2020 plan year on December 31, 2020. Notably, that is the date by which current plans are already scheduled to end for two Ohio EDUs, AEP Ohio and Dayton Power & Light,<sup>5</sup> and the latest date to which the other two EDUs, FirstEnergy and Duke Energy Ohio, may plan to extend their programs under R.C. 4928.66(F)(2). Accordingly, this statutory schedule makes *practical* sense considering the smoothest way to transition to a post-energy efficiency standard world, an issue discussed further below. It maps out a deliberate process where the evolution of

\_

<sup>&</sup>lt;sup>1</sup> R.C. 4928.66(G)(1) (emphasis added).

<sup>&</sup>lt;sup>2</sup> Emphasis added.

<sup>&</sup>lt;sup>3</sup> Ohio Legislative Service Commission, HB 6 Fiscal Note & Local Impact Statement – As Enrolled (July 31, 2019) at 8, <a href="https://www.legislature.ohio.gov/download?key=12289&format=pdf">https://www.legislature.ohio.gov/download?key=12289&format=pdf</a>; Ohio Legislative Service Commission, HB 6 Final Analysis – As Enrolled (Oct. 18, 2019) at 6, <a href="https://www.legislature.ohio.gov/download?key=12555&format=pdf">https://www.legislature.ohio.gov/download?key=12555&format=pdf</a>.

<sup>&</sup>lt;sup>4</sup> R.C. 4928.66(G)(3).

<sup>&</sup>lt;sup>5</sup> See Case No. 16-574-EL-POR, Opinion and Order (Jan. 18, 2017); Case No. 17-1398-EL-POR, Opinion and Order (Dec. 20, 2017).

the utility energy efficiency programs does not occur in a rush as soon as H.B. 6 becomes effective (which happened on October 22, 2019), but rather over the course of approximately fourteen months with time for the EDUs, Commission, and affected stakeholders – including AEE members who are vendors to and customers of the EDUs – to make plans to mitigate any adverse effects and plan for what comes next.

B. The Commission will not be able to make a final determination as to the Ohio EDUs' cumulative energy savings achievements consistent with H.B. 6 until after the completion of the 2020 plan year.

The Commission's October 23, 2019 Entry solicited stakeholder comments on this issue based on periodic reports filed by PUCO Staff in these dockets in September and October 2019 ostensibly tracking the EDUs' progress toward the new 17.5 percent cumulative energy savings benchmark. According to these Staff reports, their summaries of cumulative EDU energy savings to date have been based on the EDUs' annual status reports to the Commission and the EDUs' responses to a Staff request for "data demonstrating savings achieved and forecasted goals through the end of 2019." However, these informal tallies are potentially subject to dispute and have not been vetted through any third-party audit or Commission adjudication. Both of those processes are necessary for the Commission to actually "determine" the cumulative savings levels achieved by the EDUs under R.C. 4928.66(G), consistent with its obligation under R.C. 4903.09 to reach decisions in contested cases based upon specific "findings of fact."

When EDUs file an annual status report – generally by May of the year following program implementation – it contains extensive documentation providing third party verification and an explanation of the utilities' savings claims as required by the Commission's own rule, Ohio Adm. Code 4901:1-39-05(C)(2)(b). Based on this documentation, interested stakeholders may vet and

<sup>&</sup>lt;sup>6</sup> Case Nos. 16-574-EL-POR *et al.*, Staff Letter (Sept. 23, 2019) at 1; Case Nos. 16-574-EL-POR *et al.*, Staff Letter (Oct. 21, 2019) at 1; Case Nos. 16-574-EL-POR *et al.*, Staff Letter (Nov. 19, 2019) at 1.

potentially challenge the EDUs' accounting methods, a process that can be important to reaching a valid accounting of the EDUs' cumulative savings. For example, in a prior Duke Energy Ohio annual status report proceeding, some commenters argued that Ohio law did not permit Duke to retroactively add more than 850,000 MWh to its "bank" of energy savings and that Duke's attempt to do so was based on a misapplication of R.C. 4928.662.<sup>7</sup> Removing that disputed amount alone from Staff's tally of 20,048,881 MWh of cumulative savings would leave the Ohio EDUs at only about 16.6% cumulative savings rather than the 17.29% figure provided in Staff's most recent letter.<sup>8</sup> The Commission has not resolved such outstanding issues or finally approved several recent years of the EDUs' annual status reports.<sup>9</sup> Until the Commission does so, there can be no valid final determination of the actual cumulative energy savings achieved by the EDUs for purposes of R.C. 4928.66(G).

# C. The utilities are likely to need to continue their portfolio plans to meet their peak demand reduction targets under R.C. 4928.66(A)(1)(b).

Regardless of the status of the EDUs' legal compliance with the energy savings benchmarks under R.C. 4928.66(A)(1)(a), another provision of R.C. 4928.66 – subsection (A)(1)(b) – imposes continuing compliance requirements on the EDUs through the end of 2020 in a *separate* peak demand reduction standard. R.C. 4928.66(A)(1)(b) provides that, "[i]n 2017 and each year thereafter through 2020," each EDU "shall achieve an additional seventy-five hundredths of one per cent reduction in peak demand." H.B. 6 did not address compliance with this separate requirement in 2020, potentially because it is not immediately clear, without review of highly detailed program reports, how intertwined these programs are. However, the EDUs rely

<sup>&</sup>lt;sup>7</sup> Case No. 17-689-EL-EEC, Comments by Natural Resources Defense Council and Environmental Law & Policy Center (May 17, 2017) at 2-6.

<sup>&</sup>lt;sup>8</sup> Case Nos. 16-574-EL-POR et al., Staff Letter (Nov. 19, 2019) at 2.

<sup>&</sup>lt;sup>9</sup> See, e.g., Case Nos. 16-1099-EL-EEC, 17-689-EL-EEC, 17-1092-EL-POR, 17-1226-EL-EEC et al., 17-1229-EL-EEC, 18-742-EL-POR, 18-835-EL-EEC, 18-841-EL-EEC et al., 18-396-EL-EEC.

in part on coincident peak demand reductions resulting from their energy efficiency programs to meet the annual peak demand reduction requirement.<sup>10</sup> Because H.B. 6 did not change this requirement, it is not addressed by the statement in R.C. 4928.66(G)(3) that cost recovery mechanisms for "compliance with this section . . . shall terminate" on "the date that full compliance with division (A)(1)(a) is deemed achieved."

Because H.B. 6 did not alter the Ohio EDUs' peak demand reduction standard compliance requirement under R.C. 4928.66(A)(1)(2), the language of subsection (G) raises a serious question as to whether, if a utility is forced to terminate a portfolio plan before the end of 2020 under R.C. 4928.66(G) and therefore does not obtain the necessary peak demand reduction in 2020, that utility could then face penalties pursuant to R.C. 4928.66(C) for non-compliance. Rather than setting the utilities up to face this dilemma, the Commission could – and should – consider its authority to approve peak demand reduction programs for compliance with R.C. 4928.66(A)(1)(b) in determining the timing for carrying out the final compliance determination under R.C. 4928.66(G). As expressly permitted by subsections (F) and (G), the Commission should wait to make any such final compliance determination until the EDUs have fully implemented their 2020 EE/PDR portfolio plan programs and can be confident they have met their obligations under the continuing peak demand reduction standard.

-

<sup>&</sup>lt;sup>10</sup> See, e.g., Case No. 18-835-EL-EEC, AEP Ohio 2017 Portfolio Status Report of the Energy Efficiency and Peak Demand Response Programs (May 14, 2019) at 8 (reporting that over 600 MW of peak demand reduction, compared to 546.8 MW benchmark, resulted from past and current portfolio plans).

D. The Commission may continue the EE/PDR program plans through December 31, 2020 under its authority pursuant to R.C. 4905.70 and R.C. 4928.143(B)(2)(i) regardless of the amendments to R.C. 4928.66.

Whatever the Commission's interpretation of R.C. 4928.66, there remain two separate statutory provisions that apply in favor of continuation of the EDU EE/PDR portfolio plans through December 31, 2020.

First, R.C. 4905.70 states that the Commission "shall initiate programs that will promote and encourage conservation of energy and a reduction in the growth rate of energy consumption, promote economic efficiencies, and take into account long-run incremental costs." (Emphasis added.) The Commission has long relied on this provision in approving natural gas efficiency programs despite the lack of any statewide natural gas savings requirement, in compliance with this statutory command and in order to provide the benefits of such programs to natural gas utility customers. Nothing in H.B. 6 provides, or even suggests, that the Commission should ignore R.C. 4905.70 and abandon utility energy efficiency programs altogether.

In fact, a key legislator who voted in support of H.B. 6 stated expressly that the bill was not meant to preclude continuation of energy efficiency programs pursuant to H.B. 4905.70. In the final House floor debate on H.B. 6, Rep. William Seitz – the House Majority Floor Leader – stated: "Section 4905.70 of the Ohio Revised Code, which remains in effect when we pass this bill, will allow utilities to file for voluntary energy efficiency programs at the Public Utilities Commission of Ohio, so it is not true that we are prohibiting voluntary energy efficiency programs initiated by the utilities." Accordingly, the Commission may rely on its authority to approve

<sup>&</sup>lt;sup>11</sup> Emphasis added.

<sup>&</sup>lt;sup>12</sup> See, e.g., Case Nos. 16-1309-GA-UNC et al., Opinion and Order (Dec. 21, 2016) at 3, 62.

<sup>&</sup>lt;sup>13</sup> The Ohio Channel, Ohio House of Representatives (July 23, 2019), <a href="https://ohiochannel.org/video/ohio-house-of-representatives-7-23-2019">https://ohiochannel.org/video/ohio-house-of-representatives-7-23-2019</a> (statement of Rep. William Seitz at 31:00).

electric efficiency programs under this provision in order to avoid the significant potential adverse consequences of abruptly stopping the current programs prior to the end of 2020, as detailed below.

Second, R.C. 4928.143(B)(2)(i), authorizes EDUs to include energy efficiency programs within their Electric Security Plans. The Commission has approved at least one of the existing portfolio plan cost recovery riders, for AEP Ohio, in reliance on this provision.<sup>14</sup> While R.C. 4928.66(G) provides for termination of "any electric distribution utility cost recovery mechanisms authorized by the commission for compliance with this section" upon a determination of compliance with the 17.5% cumulative energy savings benchmark, it does not say anything about discontinuing a cost recovery mechanism also approved under a separate and distinct provision, R.C. 4928.143(B)(2)(i). Accordingly, the Commission cannot eliminate portfolio plan cost recovery at least for AEP Ohio consistent with the terms of that utility's current Electric Security Plan.

#### E. Multiple practical considerations weigh in favor of the Commission applying its statutory flexibility to continue the utility EE/PDR portfolio plans through December 31, 2020.

Given the Commission's legal authority and obligation to continue current portfolio plans through December 31, 2020, and to initiate energy conservation programs beyond that date under R.C. 4905.70, the central practical question before the Commission is: should it reach a premature determination that the Ohio EDUs have reached the 17.5% cumulative savings benchmark and terminate ongoing energy efficiency programs prior to December 31, 2020? For a number of compelling practical reasons, the answer should be no. While each of these could and should be

<sup>&</sup>lt;sup>14</sup> Case Nos. 13-2385-EL-SSO et al., Opinion and Order (Feb. 25, 2015) ("AEP Ohio seeks approval to continue its EE/PDR rider. According to AEP Ohio, the EE/PDR rider enables the Company to offer innovative energy efficiency programs for all customer segments and to achieve the established benchmarks for EE/PDR programs. . . . The Commission finds, pursuant to R.C. 4928.143(B)(2)(i), that AEP Ohio's request to continue the EE/PDR rider is reasonable and should be approved."); Case Nos. 16-1852-EL-SSO et al., Opinion and Order (Apr. 25, 2018) at 42 (continuing AEP Ohio EE/PDR rider through May 31, 2024).

<sup>&</sup>lt;sup>15</sup> Emphasis added.

the subject of additional factual development in a thorough regulatory process, AEE highlights several concerns with the prospect of "pulling the plug" on programs before December 31, 2020, based on informal tracking of unvalidated utility data. All of these concerns could be addressed by continuing the EDU EE/PDR portfolio plans through the end of 2020 to allow consideration and thorough Commission vetting of a plan for what comes next.

Low-income impacts. All of the current EDU portfolio plans include significant investment in energy efficiency programs targeted at low-income customers as well as residential efficiency programs accessible to less affluent customers who may not fit the applicable definition of "low-income." These programs represent good policy for reasons beyond compliance with a statewide energy efficiency standard. Energy costs can create a significant financial burden for low-income individuals and families, and thus a disruption in energy efficiency programs could have far-ranging impacts in increasing costs for on other low-income energy assistance programs like PIPP and HEAP, public health, and the general welfare of Ohio's low-income population. Low-income individuals may be unable to afford the up-front costs of efficient equipment without access to the incentives that these programs provide, reducing their opportunity to have lower and more stable bills over time. Moreover, low-income households are increasingly engaging with their utilities through smartphone-based mobile apps, which provide a low-cost approach that enables them to receive tips on how to manage their usage to reduce bills. The Commission should not precipitously cut off this funding source without a plan in place for replacing these funds or addressing how to handle these individuals' and families' needs if the funds are reduced.

Costs of withdrawing energy efficiency resources from the PJM market. The Ohio EDUs have historically mitigated EE/PDR program costs and provided system benefits by bidding the energy efficiency resources resulting from the portfolio plans into the PJM market and applying

the resulting revenues toward the portfolio plan costs.<sup>16</sup> The aggregation of energy efficiency and demand response resources from different sizes and types of customers can be valuable to reduce peak demand, thus depressing locational marginal prices for all customers. Moreover, aggregated residents or businesses can provide short-term demand response that enables an EDU that has an energy or capacity market commitment to implement critical adjustments to prevent significant non-compliance risk during those times when load varies dramatically from forecasts due to weather. For AEP Ohio and Dayton Power & Light, which have currently approved plans extending through December 31, 2020, these bids into the forward capacity market may include resources projected to result from the EDUs' 2020 programs. If that is the case, replacing those resources (as necessary to comply with PJM capacity market obligations or otherwise meet system needs) could create very real additional costs to ratepayers.

Loss of cost-effectiveness due to program disruption. If the Commission terminates the current EE/PDR portfolio plans before the end of December 31, 2020, with no plan for a transition to whatever programs might be approved in the future under R.C. 4905.70 and R.C. 4928.143(B)(2)(i), then there could be a months-long gap between the end of some EDU programs and the beginning of replacement programs. That gap will likely result in unnecessary costs associated with having to restart programs rather than engaging customers and vendors in a smooth process to evolve programs that are tailored to Ohio's needs. For example, the EDUs' programs include budgets for marketing and customer engagement to make sure customers are aware of how to participate. EDU program budgets may also include costs for online tools that

\_\_\_

<sup>&</sup>lt;sup>16</sup> For example, Duke's 2019 energy efficiency rider filing indicates that it bid "42.3 MWs from energy efficiency and 45.9 MWs from DR resulting in 88.2 MWs clearing in the 2021/2022" PJM Base Residual Auction. Case No. 19-622-EL-RDR, Application of Duke Energy Ohio (Mar. 29, 2019), Haemmerle Test. at 9. At a clearing price of \$140/MW-day (PJM, 2021/2022 RPM Base Residual Auction Results, <a href="https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2021-2022/2021-2022-base-residual-auction-report.ashx">https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2021-2022/2021-2022-base-residual-auction-report.ashx</a>), that amounts to about \$4.5 million in revenue from Duke's programs that may be lost – with potential additional costs to replace that capacity obligation – if planned programs are discontinued.

are available to every customer to help them understand and manage their usage. If there is a gap in delivering these types of customer education, or customers feel uncertain that expectations formed in one month will in fact be met a few months down the road, then the EDUs may well have to spend more on customer engagement in future even to produce the same results in order to address that lack of education and uncertainty.

Moreover, because the EDUs work with a significant number of skilled vendors to implement the large selection of programs that is required to meet very different customer needs by segment, there can be large costs associated with starting and stopping programs, such as planning and setup fees. These fees might be incurred to develop data-sharing protocols, which can differ by utility; and to ensure effective tracking and reporting processes, which can have different requirements by jurisdiction. Consistent with most industries, programs are less cost-effective at the beginning, but become more so as they become more efficient and deliver more results. Ending Ohio's efficiency programs prematurely in 2020 without a clear path forward could result in cost impacts well into the future, as the disruption of contracts with program implementation vendors may result in more expensive vendor costs in the future.

Overall disruption to customers. Ohio customers and businesses may already be planning based on the assumption that duly approved EDU energy efficiency programs will last through the end of 2020. For example, AEP Ohio's programs include an auction process that has already been conducted for 2020 under one of its EE/PDR programs where efficiency companies bid in pending projects for program rebates in a competition to see who can provide the most savings for the smallest rebate.<sup>17</sup> This program has been very successful, but it relies on energy services companies being able to incorporate rebate commitments in project planning with their

-

<sup>&</sup>lt;sup>17</sup> See Case No. 19-1099-EL-EEC, AEP Ohio 2018 Portfolio Status Report of the Energy Efficiency and Peak Demand Response Programs (May 14, 2019) at 33.

customers and for their own business efforts. At this late date, it may not be possible for customers to abruptly change plans made in reliance on approved programs for both AEP Ohio and Dayton Power & Light – or at least not without significant effort and cost.

Furthermore, energy efficiency programs also impact customers who may not have been able to plan ahead – for example, those whose water heaters or air conditioning unexpectedly malfunction. The Commission's informal analysis implies that, were the Commission to rely only on the 17.5% benchmark, customers could lose access to energy efficiency programs even before the hottest part of the summer, creating unnecessary health and safety risk should residents be unable to afford replacement equipment. These customers have been paying into EE/PDR funds, but should the Commission prematurely terminate the program, they may never have been able to utilize it, creating fairness issues.

**Disruption to parallel utility programs and planning.** The EDU EE/PDR portfolio plans do not exist in a vacuum. Both the Ohio EDUs and the Commission often rely on the existence of these programs in considering other aspects of distribution service. For example, the Commission recently approved a proposal by FirstEnergy to deploy 700,000 advanced meters in its service territory, based in part on the expectation that customers would be able to leverage the capabilities of these meters to save energy and money. However, one important way for customers to do that is by using "enabling devices" such as smart thermostats to respond to timevarying rates and automate energy-saving behaviors. While some parties argued that smart thermostats should be deployed directly through FirstEnergy's grid modernization program, the Commission concluded that:

[W]e do not believe a smart thermostat program is necessary for customers to realize the projected benefits associated with Grid Mod I.... [S]ubstantial evidence

<sup>&</sup>lt;sup>18</sup> Case Nos. 16-481-EL-UNC et al., Opinion and Order (July 17, 2019) at 17.

 $<sup>^{19}</sup>$  *Id*.

was given in support of the fact that smart thermostat programs are currently, and more appropriately, included in the Companies' EE/PDR Portfolio Plan, given the fact that they offer EE/PDR benefits on a stand-alone basis, without AMI [Advanced Metering Infrastructure] and time-varying rates (Tr. Vol. II at 247, 285). See also FirstEnergy POR Case. As noted above, we do not believe the evidence demonstrates that a smart thermostat program is required to realize the AMI benefits projected for Grid Mod I (ELPC Ex. 23-C; Tr. Vol. I at 46-49, 51, 67-68, 102-104).<sup>20</sup>

There is no plan in place to adjust this smart meter deployment plan and ensure the projected customer benefits if the current FirstEnergy EE/PDR portfolio plan, including its smart thermostat program, is terminated.

All of these practical considerations should weigh heavily in the Commission's decision about how to implement R.C. 4928.66(F) and (G). AEE urges the Commission to do its best to avoid these potential adverse consequences, especially since these EDU EE/PDR portfolio plans have been reviewed and approved as cost-effective and beneficial to customers.

### III. CONCLUSION

The above legal and practical concerns weigh heavily in favor of continuing the EDU energy efficiency and peak demand reduction programs through December 31, 2020, as expressly allowed by H.B. 6. That approach will allow the Commission sufficient time to ensure the EDUs actually achieve the continuing 17.5% cumulative energy savings benchmark, meet their peak demand reduction requirements, and have time to plan for a smooth and efficient transition to whatever conservation programs come next.

November 25, 2019

Respectfully submitted,

/s/ Madeline Fleisher
Madeline Fleisher (0091862)
Dickinson Wright PLLC
150 East Gay Street, Suite 2400
Columbus, Ohio 43215

-

<sup>&</sup>lt;sup>20</sup> Case Nos. 16-481-EL-UNC *et al.*, Opinion and Order (July 17, 2019) at 60; *see also* Entry on Rehearing (Sept. 11, 2019) at 9-10.

(614) 591-5474 mfleisher@dickinsonwright.com

Counsel for Advanced Energy Economy

#### CERTIFICATE OF SERVICE

The e-filing system of the Public Utilities Commission of Ohio will electronically serve notice of the filing of these Comments on the parties referenced in the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a copy of the foregoing Comments is also being served upon the persons listed below via electronic mail on November 25, 2019.

bojko@carpenterlipps.com callwein@keglerbrown.com carys.cochem@duke-energy.com cendsley@ofbf.org christopher.healey@occ.ohio.gov cmooney@ohiopartners.org debbie.gates@duke-energy.com debra.bingham@occ.ohio.gov debra.hight@puc.state.oh.us dianne.kuhnell@duke-energy.com dick.bulgrin@puc.state.oh.us dona.seger-lawson@dpunc.com dparram@bricker.com e.rolfes-adkins@duke-energy.com elizabeth.watts@duke-energy.com emily.olive@duke-energy.com gaii.sims@aes.com gaunder@carpenterlipps.com hsweeney@igsenergy.com jamie.williams@occ.ohio.gov jdortch@kravitzllc.com

joliker@igsenergy.com kimberly.keeton@puc.state.oh.us kspencer@aando.com mkurtz@bkllawfirm.com mleppla@theoec.org mpritchard@mwncmh.com msmckenzie@aep.com ohioenergygroup@bkllawfirm.com paul@carpenterlipps.com perko@carpenterlipps.com rdove@keglerbrown.com robert.wolfe@puc.state.oh.us sandra.coffey@puc.state.oh.us smith@carpenterlipps.com stnourse@aep.com tonnetta.scott@puc.state.oh.us torahood@bricker.com trent@theoec.org tyler.teuscher@dplinc.com vesta.miller@puc.state.oh.us

/s/ Madeline Fleisher
Madeline Fleisher

This foregoing document was electronically filed with the Public Utilities

**Commission of Ohio Docketing Information System on** 

11/25/2019 4:05:19 PM

in

Case No(s). 16-0574-EL-POR, 16-0576-EL-POR, 16-0743-EL-POR, 17-1398-EL-POR

Summary: Comments by Advanced Energy Economy electronically filed by Ms. Madeline Fleisher on behalf of Advanced Energy Economy