

November 25, 2019

Ms. Tanowa Troupe, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, OH 43215

RE: Response to PUCO Solicitation of Comments on Energy Efficiency Programs in Case Nos. 16-574-EL-POR, 16-576-EL-POR, 17-1398-EL-POR

Chairman Randazzo and Commissioners of the Public Utilities Commission of Ohio:

Uplight is a software-as-a-service (SaaS) solutions provider that works with over 85 utilities nationwide to engage customers and help them manage their energy use and bills. We were formed in July 2019 from the merger of six established industry leaders: Simple Energy, Tendril, First Fuel, EnergySavvy, EEme, and Ecotagious.

In Ohio, we offer hundreds of thousands of customers home energy reports, bill alerts, online education portals, and marketplaces where they can purchase equipment like smart thermostats. Our analytics help customers understand the high-impact, cost-effective, and easy next steps they could take—whether their objectives are to save money, make bills more predictable, or be more comfortable. These next steps can vary from simple actions like changing when they use a dishwasher to looking for a different rate plan. We work with electric distribution utilities (EDUs), competitive retail electric service providers, and natural gas providers in Ohio, and provide services for both residents and business customers. Many of the solutions we provide—including customer engagement programs that leverage advanced metering data for program effectiveness and targeting—are funded through the energy efficiency funding sources that are now under consideration.

We appreciate the October 23, 2019 Entry by the Public Utilities Commission of Ohio (the “Commission”) seeking for interested persons to comment on the transition of energy efficiency programs in 2020, a process driven by Am. Sub. House Bill 6 (“HB6”). Uplight’s comments address primarily Question 1, which asks whether the Commission should terminate energy efficiency programs once the statutory cap of 17.5% is met. Because we do not believe that termination of programs prior to the end of 2020 is legally mandated or in the best interests of the Ohio residents and businesses we serve, we do not address Question 2. For the reasons discussed below, we respectfully ask the Commission to find that energy efficiency programs cannot be terminated except at the legislatively specified time of December 31, 2020.

The Commission is Required by Law to Ensure That Energy Efficiency Programs Are In Place Until December 31, 2020

There are many legal arguments in favor of retaining energy efficiency programs and associated cost recovery through the end of 2020, including the plain language of R.C. 4928.66(F)(2), as amended by HB6, which explains that if an EDU has a portfolio plan in effect that ends prior to December 31, 2020, “the commission shall extend the plan through that date.” Not only do the fiscal notes for the enrolled legislation make this clear,¹ but R.C. 4928.66(G) is similarly explicit that no calculation by the Commission of the 17.5% energy savings cumulative cap should be considered complete and accurate until after the conclusion of the 2020 portfolio plan year.

Moreover, HB6 did not impact the separate statutory authority under R.C. 4905.70, which 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).

¹ <https://www.legislature.ohio.gov/download?key=12289&format=pdf>;
<https://www.legislature.ohio.gov/download?key=12555&format=pdf>.

Legislators who supported HB6 have stated that they did not intend it to contravene R.C. 4905.70 conservation programs.² Were the Commission to decide it has the authority to end efficiency programs and cost recovery prior to the intent of the legislation, and without considering other statutory requirements, it may open itself up to risk of legal challenge that would prevent it from focusing on the most important question at hand: what is the best way to evolve future programs to meet the diverse needs of Ohioans?

Retaining Energy Efficiency Programs Until December 31, 2020, Will Preserve the Commission's Ability to Achieve its Other Statutory and Regulatory Objectives

For energy providers in Ohio and nationwide, well-run energy efficiency programs help customers have a satisfactory experience managing energy, a process that can be otherwise confusing or needlessly frustrating. When customers are confused or frustrated, they do not engage, and they can lose out on opportunities to save money or be more comfortable. By introducing energy-saving actions in a logical way, by making recommendations consistent across platforms, and by setting up program enrollment or device adoption to be seamless, energy providers build a pattern of trust.

Currently, many customer-facing solutions that Ohio EDUs deploy through Uplight and other vendors are funded as part of energy efficiency portfolio plans under R.C. 4928.66(A)(1)(a). Due to HB6, these programs will go away as of January 1, 2021. However, the Commission has other regulatory requirements and objectives that it will not be possible to achieve without an engaged energy customer.

Retaining the current energy efficiency programs until December 31, 2020, as is required by law, provides the EDUs with the opportunity to plan for how they will meet other critical Commission objectives and regulatory requirements, including the following:

- **Promotion of Robust Wholesale Markets.** The Commission has recently initiated workshops to clarify its role in enabling commercial/industrial and residential customers to reap the benefits of wholesale market participation.³ Uplight's solutions, for example, enable us to partner with companies that act as Curtailment Service Providers (CSPs). We recruit customers, deploy enabling technologies (for example, smart thermostats), and dispatch and curtail resources at the behest of the CSP. This creates value which the residential customer could not unlock on their own and can be shared with customers through rate and billing products.
- **Driving Customer-Side Benefit from Grid Modernization.** Prior decisions by the Commission have recognized the power of grid modernization to advance customer-facing benefits.⁴ As the EDUs finish deploying advanced metering infrastructure ("AMI"), they will develop a wealth of data that can be used to radically improve the customer experience. Utilities can work with vendors to sift through this data to create actionable insights that will help customers manage energy and bills.

² See, e.g., The Ohio Channel, Ohio House of Representatives (July 23, 2019), <https://ohiochannel.org/video/ohio-house-of-representatives-7-23-2019> (recording at 31:00).

³ <https://www.puco.ohio.gov/calendar/puco-demand-response-meeting/>.

⁴ For example, in the most recent Commission grid modernization decision for FirstEnergy, the Opinion and Order noted that the approved advanced metering and data management investments: "will result in the creation of innovative products and an environment conducive to allowing customers to better manage their energy usage, including elements such as a web portal to allow . . . access to customer interval data and to enable customers to monitor and adjust their usage." Case Nos. 16-481-EL-UNC *et al.*, Opinion and Order at 61.

- **Implementation of Time-Varying Rates.** Ohio policy encourages the development of “time-differentiated pricing,” which the Commission has applied to require time-of-use tariffs for default service and which may also apply to distribution rates in the future.⁵ By using interval data and customer-provided information about home characteristics, EDUs and their vendors can help customers understand the impact of the rates. For example, our analytics capabilities are helping a Midwestern utility understand how a comprehensive time-of-use program roll-out would impact customers, develop educational materials to prepare them well in advance, and present insights to those customers who have opportunities to shift how they manage energy and save money.
- **Promoting Affordability for Income-Qualified Customers.** State law provides for EDUs to offer coordinated energy assistance programs to income-qualified customers, indicating that reducing energy burden for LMI customers is an Ohio priority.⁶ Software solutions like those currently deployed in energy efficiency programs allow for targeted rebates to be provided to income-qualified customers. Moreover, because they can be provided by mobile app as well as through online portals, these solutions can also be broadly accessible to customers without ready access to broadband. LMI customers have unique energy profiles and unique challenges, and personalization through analytics and software can make recommendations more specific to their needs.

We believe that a logical process of program evolution is important to create fairness for Ohio electric customers, and to maintain their trust and engagement over the longer term in a way that will help the Commission to achieve these other critical objectives. Thoughtful program transition takes time, particularly given that there are active contracts in place, including those that Uplight has with Ohio EDUs, that will need to be wrapped up. By preserving energy efficiency programs through the end of 2020, as is required by law, the Commission would facilitate the collaboration that will be required across utilities, customers, vendors, and other stakeholders to optimize the opportunities that Ohioans have to manage energy in the future.

Thank you for your consideration in this matter. We appreciate the Commission’s willingness to hear comment from diverse perspectives in support of crafting a solution that works to the benefit of all Ohioans.

Sincerely,



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⁵ See Ohio Revised Code 4928.02(D); Case Nos. 17-32-EL-AIR *et al.*, Opinion and Order at 88-89.

⁶ See generally Ohio Revised Code Chapter 122:5-3.

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Summary: Comments Uplight Comments in Response to PUCO Inquiry Regarding 2020
Energy Efficiency Programs electronically filed by Ms. Madeline Fleisher on behalf of Uplight