

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY FOR APPROVAL OF  
ITS ENERGY EFFICIENCY AND PEAK  
DEMAND REDUCTION PROGRAM  
PORTFOLIO PLAN FOR 2017 THROUGH 2020.

CASE No. 16-574-EL-POR

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY OHIO, INC. FOR APPROVAL  
OF ITS 2017-2019 ENERGY EFFICIENCY AND  
PEAK DEMAND REDUCTION PROGRAM  
PORTFOLIO PLAN.

CASE No. 16-576-EL-POR

IN THE MATTER OF THE APPLICATION OF  
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

### FINDING AND ORDER

Entered in the Journal on November 18, 2020

#### I. SUMMARY

{¶ 1} In this Finding and Order, the Commission directs the electric distribution utilities to file proposed revised tariffs for their respective energy efficiency and peak demand reduction program cost recovery riders, setting the riders to zero, effective January 1, 2021.

## II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio); Duke Energy Ohio, Inc. (Duke); The Dayton Power and Light Company (DP&L); and Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy) are electric distribution utilities (EDUs) as defined in R.C. 4928.01(A)(6) and public utilities as defined in R.C. 4905.02 and, as such, are subject to the energy efficiency and peak demand reduction (EE/PDR) requirements under R.C. 4928.64 and 4928.66.

{¶ 3} Ohio Adm.Code Chapter 4901:1-39 provides rules for the Commission's review of each electric utility's EE/PDR program portfolio plan that consists of cost-effective programs to encourage innovation and market access for all customer classes, achieve the statutory benchmarks for peak-demand reduction, and meet or exceed the statutory benchmarks for energy efficiency. Ohio Adm.Code 4901:1-39-06 authorizes cost recovery riders to recover the costs of each EDU's EE/PDR programs.

{¶ 4} R.C. 4928.66(G), which became effective on October 22, 2019, terminates Ohio's annual energy efficiency savings requirements on December 31, 2020, and reduces the total cumulative savings requirement to a statewide collective benchmark of 17.5 percent.

{¶ 5} Pursuant to R.C. 4928.66(G), on February 26, 2020, the Commission determined that the termination of all EE/PDR portfolio plans must occur no later than December 31, 2020, and ordered a wind-down of the statutorily required EE/PDR programs to commence on September 30, 2020. Finding and Order, (Feb. 26, 2020) at ¶ 44. In addition, the Commission granted Duke's request to extend its existing portfolio plan as approved in Case No. 16-576-EL-POR through December 31, 2020. *Id.* at ¶ 40.

{¶ 6} On March 27, 2020, Duke filed an application for rehearing. The Commission granted rehearing for further consideration of the matters raised on rehearing on April 22,

2020. The Commission issued a Third Entry on Rehearing, denying the application for rehearing contemporaneously with the issuance of this Finding and Order.

{¶ 7} The Commission notes that R.C. 4928.66(G)(3) states:

Upon the date that full compliance with division (A)(1)(a) of this section is deemed achieved under division (G)(2)(a) or (b) of this section, any electric distribution utility cost recovery mechanisms authorized by the commission for compliance with this section shall terminate except as may be necessary to reconcile the difference between revenue collected and the allowable cost of compliance associated with compliance efforts occurring prior to the date upon which full compliance with division (A)(1)(a) of this section is deemed achieved. No such cost recovery mechanism shall be authorized by the commission beyond the period of time required to complete this final reconciliation.

{¶ 8} The plain language of R.C. 4928.66(G)(3) is clear and unambiguous. Once the cumulative saving cap has been met on December 31, 2020, the EDUs' EE/PDR cost recovery riders must "terminate." The sole exception to this termination is the reconciliation between "revenue collected" and "the allowable cost of compliance associated with compliance efforts" occurring prior to December 31, 2020, the date upon which full compliance with the cumulative savings cap will be met. Therefore, the Commission directs each EDU in this state to file proposed revised tariffs for their respective EE/PDR cost recovery riders, setting the riders to zero, effective January 1, 2021. These proposed revised tariffs must be filed by December 1, 2020.

{¶ 9} The Commission further directs each EDU to file an application for a final reconciliation of their EE/PDR cost recovery riders when the full information for such final reconciliation is available. Each EDU will be authorized to file tariffs to implement the final

reconciliation, whether to recover any under-collection or credit to ratepayers any over-collection, once the Commission has approved each EDU's proposed final reconciliation. Pursuant to R.C. 4928.66(G)(3), no cost recovery mechanism will be authorized by the Commission beyond the period of time required to complete this final reconciliation.

### III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That each EDU in this state file, by December 1, 2020, proposed revised tariffs for their respective EE/PDR cost recovery riders, setting the riders to zero, effective January 1, 2021. It is, further,

{¶ 12} ORDERED, That each EDU in this state file an application for a final reconciliation of their respective EE/PDR cost recovery riders when the full information for such final reconciliation is available. It is, further,

{¶ 13} ORDERED, That a copy of this Finding and Order be served upon each party of record.

COMMISSIONERS:

*Approving:*

M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

GAP/hac

**This foregoing document was electronically filed with the Public Utilities**

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

Summary: Finding & Order directing the electric distribution utilities to file proposed revised tariffs for their respective energy efficiency and peak demand reduction program cost recovery riders, setting the riders to zero, effective January 1, 2021 electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio