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**

ENTRY

Entered in the Journal on December 30, 2020

I. SUMMARY

{¶ 1} The Commission approves the proposed compliance tariffs filed by the electric distribution utilities regarding their respective energy efficiency and peak demand reduction program cost recovery riders, setting the riders to zero subject to final reconciliation, 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 on November 18, 2020.

{¶ 7} Also, on November 18, 2020, the Commission directed each EDU in this state to file, by December 1, 2020, proposed compliance tariffs for their respective EE/PDR cost recovery riders, setting the riders to zero, effective January 1, 2021. The Commission further directed 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.

{¶ 8} On November 30, 2020, AEP Ohio filed its proposed compliance tariff in Case No. 16-574-EL-POR.

{¶ 9} On December 1, 2020, proposed compliance tariffs were filed by Duke and DP&L, in Case No. 16-576-EL-POR and Case No. 17-1398-EL-POR, respectively.

{¶ 10} Also, on December 1, 2020, as amended on December 23, 2020, FirstEnergy filed proposed compliance tariffs in Case No. 20-1673-EL-RDR and 20-1748-EL-ATA. FirstEnergy's Rider DSE is currently comprised of two components: Rider DSE1, which is associated with FirstEnergy's Economic Load Response Program, and Rider DSE2, which recovers the costs for compliance with R.C. 4928.66 and is also the authorized recovery mechanism for various energy efficiency related commitments and provisions from ESP IV. Notably, FirstEnergy states that the proposed compliance tariffs filed on December 23, 2020, amending the charge for Rider DSE1 and setting the charge for Rider DSE2 to zero, do not affect the Companies' pending application filed on December 1, 2020 in Case No. 20-1748-EL-ATA to modify its Rider DSE and establish a new component, Rider DSE3.[1]

{¶ 11} Upon review of the proposed compliance tariffs, the Commission finds that the proposed tariffs filed by AEP Ohio, Duke, and DP&L comply with the Commission's

---

1 In Case No. 20-1748-EL-ATA, FirstEnergy also seeks to establish a new component, Rider DSE3, which FirstEnergy notes will recover costs that were originally recovered in Rider DSE2 from energy efficiency commitments associated with ESP IV that are not costs of compliance with R.C. 4928.66, including lost distribution revenue and shared savings.

November 18, 2020 order, do not appear to be unjust or unreasonable, and should be approved.

{¶ 12} As to FirstEnergy's filing, we note that we are only approving the proposed compliance tariffs filed on December 23, 2020 in Case Nos. 20-1673-EL-RDR and 20-1748-EL-ATA, to the extent they establish revised charges for Rider DSE1 and set Rider DSE2 to zero. The Commission finds that the proposed Rider DSE3 provisions will be evaluated at a later time. As such, FirstEnergy should file final tariffs, subject to Commission review, omitting the Rider DSE3 charges and provisions, as reflected in its December 23, 2020 filing, to become effective on a service rendered basis beginning January 1, 2021.

{¶ 13} Accordingly, the Commission authorizes the EDUs operating in this state to file final tariffs to implement their proposed compliance tariffs, consistent with this Entry. Additionally, the Commission expects each EDU operating in this state 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, as previously directed. The Commission finds that it is unnecessary to hold a hearing to the extent we are approving the tariffs filed in compliance with our November 18, 2020 order.

III. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That the EDUs are authorized to file tariffs, in final form, consistent with this Entry. It is, further,

{¶ 16} ORDERED, That the EDUs shall file one copy in their respective case docket and one copy in its TRF docket. It is, further,

{¶ 17} ORDERED, That the effective date of the proposed compliance tariffs shall be January 1, 2021, contingent upon final review by the Commission. It is, further,

{¶ 18} 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,

{¶ 19} ORDERED, That a copy of this Entry be served upon each party of record.

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

LLA/hac