BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Alternative Form of Regulation.	))))	Case No. 21-1109-GA-ALT

REPLY BRIEF OF OHIO PARTNERS FOR AFFORDABLE ENERGY

Ohio Partners for Affordable Energy ("OPAE") hereby submits this Reply to select arguments made by the Office of the Ohio Consumers' Counsel ("OCC") in its Initial Brief.

I. The Commission Should Approve Dominion's Application to Expand its Existing DSM and EE Programs.

OCC and OPAE agree that the Commission has the responsibility and authority to approve Dominion's DSM and EE programs pursuant to R.C. 4905.70.[1] However, OCC argues that the Commission should reject the proposed expansion of Dominion's programs in the wake of the passage of Sub. H.B. 6 and in the interest of State policy to facilitate to effectiveness in the global market.[2] OCC continues this argument later in its Initial Brief when it claims continuance and expansion of the non-low-income DSM/EE programs are unjust and unreasonable.[3] These are tortured arguments that run counter to codified state policy as well as recent Commission guidance and precedent.

Ohio has a codified public policy of encouraging conservation of energy. It has also codified policy for innovation and market access for demand side natural gas services and goods and promoting the alignment of utility and consumer interests in energy efficiency and energy

[1] OCC Initial Brief pp. 8-9.
[2] Id. at p. 10.
[3] Id. pp. 14-16.

conservation. R.C. 4905.70; R.C. 4929.02(A)(4) and (A)(12). In fact, last year the Commission recognized these policies when they approved DSM and EE programs noting that Ohio "has embraced natural gas DSM programs" and that "the Commission finds no compelling reason to abandon such programs at this time." *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 19-2084-GA-UNC, Opinion & Order ¶ 73, (Feb. 24, 2021). Finally, the Commission, through Chair French, recently publicly encouraged utilities to file EE and DSM programs for the Commission's review – an action that would be nothing more than a waste of the Commission's time if such policies were not just and reasonable. Said another way, the Commission would not encourage utilities to propose programs that ran counter to state policy.

OCC offers no compelling reason that the Commission should abandon these programs now, a year after recognizing their benefits and alignment with state policy. Given the recent rise in inflation and natural gas prices, consumers need tools to control their usage and control their costs. Dominion's proposed expanded DSM and EE programs, provide customers those necessary tools. The Commission should reject OCC's counterintuitive argument that Dominion's expanded programs are contrary to state policy.

II. To the Extent the Commission Considers *Sixteen-Year-Old Testimony*, the Commission Should Also Consider OCC's Expert Witness Testimony from that Period in a Prior Dominion Case.

In its Initial Brief, OCC calls on the Commission to heed the testimony of a Staff witness from a different proceeding because it takes a position Staff is not taking in this proceeding. That proceeding was based on different facts and that testimony was proffered sixteen years ago, in March of 2006.[4] OCC highlights this testimony in an effort to claim that natural gas DSM programs do not benefit non-participants. OPAE would note that generally, the Commission

[4] Id. p. 11.

relies on witnesses proffered in the present proceeding to help guide its decision making. This is because witness testimony is case and fact specific. This approach guarantees the Commission has the most up to date analysis appropriate to the facts before it. That is not to say there is no value in reviewing expert testimony from prior cases, as experts may make arguments that stand against the scrutiny of time or may be impeached by prior testimony, but that is not the case OCC advocates for.

Despite the questionable practice of relying on stale testimony, OCC's argument ignores its in-house expert testimony from the same time frame. That testimony directly contradicts OCC's current argument on the same issue. (OCC argues that investing in energy efficiency does not help residential customers who do not participate in the programs.) OPAE is referring to the testimony given by OCC's expert, Wilson Gonzalez, in a Dominion case in November of 2005.

Specifically, under a section entitled "Tangible Benefits from Energy Efficiency" OCC's expert witness answered the question, "**how does investing in energy efficiency help the company's residential customers who do not participate in the programs?**" by listing the following eleven benefits to non-participating customers:

1. Lower future gas costs due to dampened demand, noting a study that pointed out due to then current market conditions a 1% reduction in demand could result in wholesale natural gas price reductions of 10%-20%.
2. Dollar savings due to reduction in cost of natural gas used in electric generation.
3. Potential avoidance of some distribution costs (if congested areas were targeted with EE programs).
4. Potential reductions of PIPP and uncollectable expenses.
5. Economic development benefits through jobs.
6. Increased taxes collected by state and local entities from energy efficiency products.
7. Programs that boost the local economy and help with existing budget deficits.
8. Environmental benefits.
9. Utility planning flexibility.
10. Development of new technologies.

11. Transformed market for energy services resulting in more choices, better pricing, better financing opportunities, and more and better-quality products.[5]

OCC Witness Gonzalez made numerous excellent points in his testimony regarding the benefits of energy efficiency and DSM programs to non-participants which still apply today. Rather than proffer any evidence to substantiate their claims of participant-only-benefits,[6] OCC resurrected testimony from sixteen years ago to support its current argument. However, in doing so, OCC conveniently ignores the conclusions from its own prior expert on the benefits to non-participants. Such position is tenuous at best. While parties should be free to change their positions based on new facts or testimony, OCC presented no evidence to support its assertion regarding an alleged lack of benefits to non-participants.

Therefore, to the extent the Commission chooses to consider the testimony highlighted by OCC from early 2006, OPAE encourages the Commission to consider OCC's own expert testimony on the same topic from late 2005.

III. Dominion's Proposed Expanded Programs, Both Non-Low-Income and Low-Income, Provide Benefits to Participants and Non-Participants Alike.

OCC alleges that Dominion's energy efficiency programs are only used by a small number of Dominion's residential utility customers.[7] Yet, as explained by Dominion's witness, the number of participants fulfills the current program budget which is why Dominion is proposing to expand the programs – **to help more customers**.[8] Dominion's witness went on to explain that by expanding the programs Dominion could go from reaching approximately 5,600 customers to approximately 200,000.[9] This would significantly increase the number of

[5] See, Case No. 05-474-GA-ATA, Prepared Testimony of Wilson Gonzalez on behalf of the Office of the Ohio Consumers' Counsel pp. 9-11, (November 15, 2005).
[6] Direct Testimony of Colleen Shutrump p. 7 lines 12-20.
[7] OCC Initial Brief p. 12.
[8] Transcript p. 31 lines 1-10.
[9] Transcript p. 35 lines 4-7.

participants benefiting from the program as well as increase the impact of the benefits to non-participants as recognized by Dominion's witness.[10]

Dominion's witness noted that in addition to the direct benefits participants realize, non-participants also see benefits in the form of a cleaner environment as a result of reduced emission and the economic benefits related to increased tax revenue and job creation.[11] (If those benefits sound familiar, it is because they are some of the benefits OCC's expert espoused in 2005.) OPAE would go further and note additional benefits for non-participants which include lower prices because of reduced demand, reduced need for further investment in additional generation sources, reduced PIPP and uncollectible rider expenses, and the potential for the development of new technologies thereby transforming the energy market and providing customer more choices at lower prices. All of those benefits listed by OPAE are benefits previously recognized by OCC. Further, as noted in OPAE's Initial Brief, Dominion has presented evidence that the proposed programs have benefit cost ratios above 1 for the Total Resource Cost, Utility Cost Test, and Participant Cost Test.[12] Which means the proposed programs will save customers more than they cost.

The proposed programs provide benefits to all of Dominion's customers, in part, because they save customers more than they cost while also bringing Dominion's per customer spend on energy efficiency and demand side management in line with similarly situated gas utilities in the state. Further, energy efficiency programs produce environmental, reliability, and economic benefits for participants and non-participants alike through reduced emissions, cleaner

[10] Transcript p. 33 lines 14-25.
[11] Id. lines 23-25.
[12] OPAE Initial Brief p. 4. (Citing DEO Exhibit 2 pp. 2-3.)

environment, reduced arrearages and bad debt, healthier homes, and increased jobs in the energy efficiency sector.

The Commission should reject OCC's assertions that the proposed programs should not be continued and expanded based on their current participation level versus the totality of Dominion's customer base as well as unsupported allegations of a lack of benefits to non-participants.

IV. Dominion's Proposal to Continue and Expand its Non-Low-Income DSM/EE Programs is Just and Reasonable.

OCC contends that Dominion's proposed programs are unjust and unreasonable because they conflict with state policy as found in R.C. 4929.02 (A)(8), related to promoting effective competition.[13] This argument is meritless as the Commission determined, last year, the natural gas DSM/EE programs satisfy state policies as codified in R.C. 4905.70 and R.C. 4929.02(A)(4) and (A)(12). *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 19-2084-GA-UNC, Opinion & Order ¶ 74, (Feb. 24, 2021). Finally, OCC's arguments regarding Dominion's proposed 3% annual increase mischaracterize the nature the nature of the request in an attempt to paint the proposal as unjust and unreasonable. OCC argues that Dominion seeks an automatic 3% increase "without any PUCO pre-approval".[14] This is a mischaracterization. Yes, Dominion seeks an annual 3% increase pending its next DSM/EE filing to account for inflation and other annual increases. However, Dominion is seeking the Commission's approval by including that request in its application. Any such efforts to claim otherwise are disingenuous.

[13] OCC's Initial Brief p. 14.
[14] Id. pp.15-16.

As outlined in OPAE's Initial Brief, and for the reasons mentioned above, Dominion's proposed programs are just and reasonable and will be a benefit to participating and non-participating customers alike.

V. Conclusion

For the foregoing reasons, OPAE respectfully request that the Commission find that Dominion's Application satisfies the requirements of R.C. 4929.05 and approve the Application.

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CERTIFICATE OF SERVICE

I certify that The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case on this the 21st day of October 2022.

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