

From: PUCO Consumer Call Center
To: Puco Docketing
Subject: RE: PUBLIC UTILITIES COMMISSION OF OHIO - Your Case #00790580 [ref: _00790580_008v01qf.pdf]
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PUCO

**PUBLIC UTILITIES COMMISSION OF OHIO
Consumer Service Division
Memorandum**

CASE ID: 00790580
CUSTOMER: Maren Mahoney
AIQ: Columbia Gas of Ohio
NIQ: 9173550080

To ensure your response attaches to the appropriate case, please reply to this email without changing the subject line. Thank you!

DOCKETING CASE #: 21-0637-GA-AIR

SUBJECT: Columbia Gas of Ohio - Protest Rate Case

Please docket the associated customer comment and/or attached in the case number referenced above under "Public Comments". This information was received by the Consumer Services Division through alternate channels and is being forwarded to be filed formally. This information is not the opinion of Staff and should not be viewed as such.

Description:

We write on behalf of Ceres – a nonprofit sustainability advocacy organization working with companies and investors to build a more sustainable global economy, including many members and partners with

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significant operations and facilities in Ohio. As part of this work, Ceres manages the BICEP Network, a coalition of 75+ major employers, leading consumer brands, and Fortune 500s. It also manages the Energy Optimization Workgroup, a separate coalition of more than two dozen companies focused on enhancing opportunities for energy efficiency investment at the local and state levels.

Large employers and major energy consumers understand firsthand how energy policies affect the cost of doing business. All Ohio consumers and businesses benefit when we reduce energy waste – whether or not they participate directly in energy-saving programs. Policies that keep energy costs low and predictable over the long-term are a major consideration for our members as they make business decisions and investments. For this reason, they support policies and programs that promote comprehensive, cost effective energy-saving opportunities that lower bills for everyone.¹

Accordingly, we oppose the Proposed Settlement's provision that would eliminate all demand-side management (DSM) programs for non-low-income customers for the following reasons:

I. Energy efficiency is the least-cost resource and should be optimized. Energy efficiency programs should be offered to all residential customers in order to unlock the many benefits that energy efficiency provides. Any reduction in energy efficiency program investment means that Ohio would forgo its least expensive energy option, resulting in higher utility spending. As a result, all customers would pay more. Additionally, such programs support local family-wage jobs, save customers money, mitigate energy cost volatility, and help modernize buildings and facilities to prevent future severe weather impacts.

For participating customers, energy efficiency programs give customers increased service delivery choice and greater control over their bills. Gas fuel prices have risen precipitously this year, and the future of gas pricing is uncertain, as Columbia Gas has recently acknowledged. Residential customers in particular have borne a heavy burden due to spiking fuel prices. Indeed, even during times of historically low gas prices, gas utility efficiency programs provide significant savings for customers. This winter, many customers face a dire decision of whether to use limited funds for home heating or for other necessities. Any program that provides customers the ability to reduce and stabilize their monthly utility bills should be expanded, not limited or eliminated.

Commercial customers will also be significantly negatively impacted by the elimination of demand-side programs. For example, Energy Management Services, Inc., has over 100 sites served by Columbia Gas with plans to implement gas saving projects. These projects have long payback times and rely on rebates from demand-side programs to reduce high up-front costs. Many businesses participate in these programs to decrease their costs; eliminating these programs now would negatively impact their bottom

line.

II. Consistent with state law and policy, PUCO has repeatedly recognized the benefits of energy efficiency for gas utility customers and approved gas utility DSM programs

The Ohio legislature has specifically directed the Commission to "initiate programs that will promote and encourage conservation of energy and a reduction in the growth rate of energy consumption...."R.C. 4905.70; R.C. 4929.02(A)(12) (it is state policy to "[p]romote an alignment of natural gas company interests with consumer interests in energy efficiency and conservation."). As has been noted in gas utility filings in the PUCO's spring workshops on energy efficiency, the Commission stated in 2021 that "there can be no doubt that, in recent history, Ohio regulatory policy has embraced natural gas DSM programs." It would be imprudent to end such a successful track record so abruptly.

III. The Benefits of DSM Programs Have Been Previously Well-Stated and Customers Will Lose Out on These Benefits Despite Having Paid Into Them

In Sarah Poe's Prepared Direct Testimony filed on July 14, 2021 in the case "In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of a Demand Side Management Program for its Residential and Commercial Customers.", Case No. 21-639-GA-UNC, she outlines Columbia Gas of Ohio's continued support for their DSM programs including:

"The primary benefits of the DSM Program continue to be:
Cost-effective, customer-oriented energy efficiency services for Columbia's residential and commercial customers
Improved customer health, safety, comfort, and productivity
Customer savings by lower utility bills

"Additionally, as a part of Columbia's in-home energy audit program, energy auditors perform a safety check of the customer's natural gas furnace and perform tests for natural gas leaks. From 2017 – 2020, the program identified 383 interior gas leaks, 5,050 mold and moisture issues, 1,708 combustion safety issues, and 1,666 homes with asbestos.

"Columbia's DSM Program creates numerous non-natural gas and non-energy benefits ("NEBs"), including:
Lower water, sewer, and electric bills
Avoided CO2 emissions
Direct economic benefits from jobs created by DSM programs
Secondary economic (multiplier) benefits
Lower customer arrearages and bad debt
Increased tax revenue to state and local government
Improvements in health and safety"

Columbia Gas of Ohio customers have been paying for these programs and

the associated benefits for years and due to a number of factors, the price of natural gas and other energy sources have caused these benefits to increase and now be of greater value to the utility and its customers. Additionally, customer education and marketing of these programs has been paid for over the years with customer dollars. With customer education and marketing generally, engagement and participation accumulate over time as awareness increases. However, with additional cost pressures, many customers are now moving to participate in these programs that they may have previously known about but didn't have enough of a motivator then to participate. Now, if the stipulation agreement is approved, ending non-low income energy efficiency programs, particularly on a fast timeline, means that these customers will not be able to access the benefits of these programs of which they have been paying into over the years. Ending these programs on this time scale, particularly when customers would be going to them at high rates due to high natural gas prices, is unjust and unreasonable to ratepayers and should not be allowed. Customers of Columbia Gas of Ohio have come to expect their utility to have these programs available and now with rising natural gas prices the Stipulation Agreement would take away one of the few things they have to fight back against these costs right when they need it most.

Columbia Gas customers have enjoyed its DSM programs and services since 1983, and have saved an estimated total direct savings of \$780 million. These programs also provide other significant statewide economic benefits, including skilled jobs that cannot be sent offshore. Abrupt stops and starts of energy efficiency programs introduce uncertainties that make it harder for businesses to make long-term investment plans and workforce decisions and track and understand what programs and services are available. We recommend that the Commission evaluate such quantifiable costs before deciding whether to eliminate energy efficiency programs for non-low-income residential customers.

Thank you for the opportunity to provide these recommendations and share the perspectives of the private sector.

Sincerely,

Deana Dennis Maren Mahoney
Senior Manager, State Policy Interim Director, Energy Optimization
Workgroup
Ceres Ceres

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