



and demand flexibility practices in accordance with subparagraph (A).

(ii) Nonregulated electric utilities. A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

*See* 16 U.S.C. § 2621(d)(20).

In its November 14, 2022 Entry, the Commission found it appropriate to schedule a hearing on the PURPA demand-response standard, which is now scheduled for February 13, 2023. The Commission also ordered that interested persons could offer perspectives at the public hearing or through written comments. Dozens of initial comments have been submitted by organizations, utilities, and individuals since January 10, 2023, and reply comments must be filed by January 24, 2023.

## **II. REPLY COMMENTS OF IEU-OHIO**

Industrial Energy Users-Ohio (“IEU-Ohio”) is an association of commercial and industrial customers served by Ohio’s electric and gas distribution utilities which has promoted fair, reasonable and transparent energy charges for more than two decades. Collectively, IEU-Ohio’s members annually consume many billions of kilowatt hours of electricity, and are major contributors to Ohio’s economy and employment sector. IEU-Ohio seeks to promote customer-driven policies that will assure an adequate, reliable, and efficient supply of energy for all consumers at competitive prices.

IEU-Ohio agrees with the initial comments filed by the Ohio Manufacturers’ Association Energy Group (“OMAEG”), Ohio Power Company (“AEP Ohio”), Duke Energy, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, “FirstEnergy”), and others that support the implementation of the PURPA demand-response standard.

The recent extreme weather events in June 2022 and December 2022, and resulting directives to reduce consumption, demonstrate the need for demand-response and demand flexibility practices in Ohio. Currently, there are very few options for customers to participate in demand-response programs, and those programs that are available, like those through PJM, provide only some savings to customers. The lack of more robust and broadly available demand-response and demand flexibility options means there is little to no incentive for customers to voluntarily reduce consumption, which has led to involuntary curtailment and brown outs in times of emergencies and resulted in significant disruptions for all.

IEU-Ohio agrees with other comments that demand-response and demand flexibility programs could improve the reliability of the distribution and transmission grids while providing significant financial and other benefits to all participants. As evidenced by many comments in this proceeding, there is broad support amongst customers of all classes and utilities for these programs. (*See, e.g.*, Comments of OMAEG at 7 (“Manufacturers are willing and able to reduce demand or participate in demand response programs given a sufficient framework.”); Comments of AEP Ohio at 4 (“Future growth in electricity usage could be managed through off peak and on peak demand response programs. These programs, when managed effectively can lower costs and support new construction and economic development making Ohio more competitive in the national and global economy.”); Comments of First Energy at 1 (stating that First Energy “recognize[s] the value of demand response and believe that the standard, if implemented appropriately, can help advance deployment and maximize the potential benefit of demand response.”)).

In order to be most effective and equitable, demand-response and demand flexibility should be voluntary and must provide sufficient incentives for participants to opt-in. As various initial

comments acknowledged, utilities well-positioned to offer these programs. (*See Comments of AEP Ohio at 2* (“The Company believes that the electric utility is the logical entity to provide DR at scale for all customer classes including residential and C&I customers.”)). Several utilities have previously offered such programs and are committed to developing and implementing future programs. (*See Comments of Duke Energy at 3-7; see also Comments of AEP Ohio at 3-4*). IEU-Ohio respectfully disagrees with the comments of Interstate Gas Supply (“IGS”) that “demand response is an inappropriate offering from an electric distribution utility” and that they should instead “be offered by a CRES supplier.” (*See Comments of IGS at 4*). Competitive suppliers will not be able to offer and implement the same types of programs as utilities, who are much better equipped to implement demand-response and demand flexibility programs on a large scale in the most effective and efficient manner.

As the majority of comments have recognized, there is a significant need for demand-response and demand-flexibility programs in Ohio, and implementation of the PURPA standard could result in improved reliability and financial benefits for all participants. IEU-Ohio appreciates the opportunity to submit these comments and to provide its perspective on the standard.

### **III. CONCLUSION**

For the reasons set forth above, IEU-Ohio respectfully requests that the Commission adopt the proposed PURPA demand-response standard.

Date: January 24, 2023

Respectfully submitted,

*/s/ David F. Proaño*

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**CERTIFICATE OF SERVICE**

I certify on this 24th day of January, 2023, that the foregoing document was filed using the Commission's Docketing Information System and was served by electronic mail on the following:

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Summary: Comments REPLY COMMENTS OF INDUSTRIAL ENERGY USERS-  
OHIO electronically filed by Mr. David F. Proano on behalf of Industrial Energy  
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