BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Company, and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to Revised Code 4928.143 in the Form of an Electric Security Plan	)))))))	Case No. 23-301-EL-SSO

POST-HEARING REPLY BRIEF
OF
ARMADA POWER, LLC

I. INTRODUCTION

Armada Power, LLC ("Armada Power") transforms electric resistance water heaters into smart demand capable storage assets and is manufactured in Solon, Ohio. As Armada Power set forth in its Initial Brief, the Energy Efficiency and Peak Demand Reduction program ("EE/PDR") as proposed by the Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company (collectively, the "Companies") in the Fifth Application for Electrical Security Plan ("ESP V") is beneficial to its customers and should be modified and approved by the Public Utilities Commission of Ohio ("PUCO" or "the Commission").

Several parties also filed their briefs in support of First Energy Companies' EE/PDR proposal, though with some modifications, emphasizing these programs are necessary to ensure the Companies can provide efficient and more reliable electric service, such as the Citizens' Utility Board of Ohio ("CUB Ohio"), the Ohio Environmental Council ("OEC"), the Environmental Law and Policy Center ("ELPC") and the PUCO Staff. While several parties oppose the Companies' EE/PDR proposal citing the Companies' hold an unfair advantage as a monopoly utility including the Ohio Consumers' Counsel ("OCC"), Interstate Gas Supply, Inc. ("IGS"), NRG Energy, Inc. ("NRG"), and Retail Energy Suppliers Association ("RESA").

II. ARGUMENT

Armada Power believes that both factions are correct, the EE/PDR program should be approved for the period of the ESP, with some modifications, therefore providing the benefits of such programs; and the Companies' currently have an advantage of access to customer data and program subsidization not available to the competitive market, both which can stifle competition and greater investment in the programs. It should be noted, while the Companies do hold an unfair advantage over the competitive market, approval of the Companies' EE/PDR program will not prevent the competitive market from continuing to inform their customers of programs and benefits and offer similar products to their own customers.

A. The EE/PDR program improves grid reliability and will provide measurable benefits to the Companies' customers.

Energy Efficiency and Demand Response programs are important to maintaining grid reliability.[1] This ESP is the correct place for the Commission to approve residential demand response and energy efficiency programs.[2] It is important to emphasize the standard of review for an ESP account for not only a quantitative impact, but also a *qualitative* impact, the EE/PDR program checks both boxes.[3] Contrary to the opinions of OCC, RESA, IGS and NRG, the proposed EE/PDR program will provide quantitative benefit of $1.30 dollar for every dollar

[1] Company Ex. 5. Page 9

[2] Ohio Revised Code 4928.143(B)(2)(i) permits electric distribution utilities to implement energy efficiency programs as part of an ESP.

[3] Staff Ex. 1 page 3.

spent in the program.[4] By improving access to demand response programs, the qualitive impact of the ESP will be enhanced by improved grid reliability. Further, as many proponents of the EE/PDR program highlighted, reducing demand on the grid improves reliability, so it stands to reason that the Commission and the Companies should pursue the broadest and most effective methods of demand reduction and improving grid reliability, and not limit these programs to a singular technology, but include the broadest range of demand capable technologies. The Companies' proposed EE/PDR Program should be expanded to include residential technologies proven capable of demand. Moreover, if the Commission were to expand the EE/PDR programs to proven demand capable technologies, like Armada Power, the Commission would eliminate a barrier to Ohio businesses and manufactured technologies from participating in Ohio utility programs, advancing state policy.[5] Expanding the EE/PDR program technologies would provide the greatest benefit to the Companies' customers and advance state policy of promoting economic development and innovation.

B. Requiring the Companies to develop a process to share customer information will ensure the competitive market fair access to provide competitive energy efficiency and demand response programs.

As several parties have stated, while the state no longer has mandates for energy efficiency and demand response programs, state policy still supports "…market access for cost-effective supply- and demand-side retail electric service including, but not limited to, demand-side management…".[6] By requiring the Companies to develop a process to share the necessary customer information for the competitive market to provide cost effective demand-side

[4] Company Ex. 5, attachment ECM-4
[5] Per Ohio Revised Code, section 4939.02(A)(1) – It is the public policy of the state to…promote economic develop in the state.
[6] Ohio Revised Code, section 4928.02(D).

management solution as a part of the EE/PDR program, the EE/PDR program will advance state policy goals. Parties IGS and RESA are correct in that the Companies have an unfair competitive advantage in offering their EE/PDR program because the Companies hold the access to necessary customer information (retail account number, customer PLC or data to calculate PLC including demand during five PJM coincident peak hours, customer's line loss factor, and winter peak load data) for effective operation of energy efficiency and demand response programs.[7] However, this unfair advantage should be short lived. First, the Companies' EE/PDR program should only be approved for three years, joining Staff's recommendation.[8] Second, the companies should be directed to develop a data sharing process during the effective life of the EE/PDR programs so that by the end of the program term, the Companies will ensure the necessary data is available for the competitive market, so that the market can compete in energy efficiency and demand response programs within the Companies' service territories. Approval of the EE/PDR program should be contingent on the Companies' providing the necessary customer data to competitive market, therefore enabling a free market for energy efficiency and demand response programs.

The PUCO Staff recommended the term of the EE/PDR program should be limited to three years, meaning the program would run from 2024 to 2027.[9] The Federal Energy Regulatory Commission released the landmark order of FERC Order Number 2222, which requires regional transmission organization to develop processes which allow DER Aggregators to pull together small aggregations of Distributed Energy Resources ("DERs") such as energy efficiency and

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[7] Armada Ex. 1, page 5-6.
[8] Staff Brief at 23.
[9] Staff Ex. 3 (Braun Testimony) at 3.

demand response technologies with ever nearing implementation dates.[10] PJM anticipates implementation of their compliance with FERC Order Number 2222 by February 2026, before the end of the term of EE/PDR program as proposed by staff. This FERC order requires compliance and coordination efforts from the distribution utilities like the Companies, but also oversight from PUCO to ensure the state is ready to comply with the order. Through this ESP it is necessary to approve the modified EE/PDR program and ensure the state is ready for FERC Order 2222. DER Aggregators need access to specific customer data choosing to participate to aggregate the customers' DERs, such that distribution utility customer information access is necessary to facilitate compliance with FERC Order 2222. Development of this proposed data sharing process will incentivize residential customers to participate in competitive markets. The Companies' proposed EE/PDR program will prime participation with peak demand reduction activities and technologies while ensuring the development solutions for a competitive market, advancing the goals of the state of Ohio. Approval of the modified EE/PDR program improves grid reliability and facilitates expansion of a competitive market.

III. CONCLUSION

Armada Power respectfully urges the Commission to modify and approve the Companies proposed energy efficiency and peak demand reduction programs such that the program's approval is contingent upon the Companies development of a customer information sharing process to ensure competitive energy efficiency and demand reduction programs in the future.

[10] "DER Aggregator" shall mean an entity that is a Market Participant that: (i) uses one or more DER Aggregation Resources to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model; PJM FERC Generated Tariff Filing. See Armada Ex. 1, page 8

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the Public Utilities Commission of Ohio's e-filing system will electronically serve a copy of this filing on all parties referenced in the service list of the docket who have electronically subscribed to this case.

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