

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Adoption of a)
Portfolio Plan Template for Electric) Case No. 09-714-EL-UNC
Utility Energy Efficiency and Peak-)
Demand Reduction Programs.)

**COMMENTS REGARDING THE PORTFOLIO PLAN TEMPLATE
FOR ELECTRIC UTILITY ENERGY EFFICIENCY & PEAK-DEMAND
REDUCTION PROGRAMS
BY
THE OHIO CONSUMER AND ENVIRONMENTAL ADVOCATES**

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I. INTRODUCTION

This case involves the requirements under R.C. 4928.66 (S.B. 221) and Ohio Adm. Code Chapter 4901:1-39-04 that require each electric utility establish an energy efficiency and peak-demand reduction portfolios. The purpose of establishing the portfolio plan is to ensure that electric utilities meet the requirements under law and rule for implementing demand-side management programs which will benefit Ohio consumers by mitigating the need for the procurement of costly energy supplies and lessening the environmental impact of said procurement. As part of the Commission’s June 17, 2005 Entry the Commission ordered the Staff of the Public Utilities Commission of Ohio (“PUCO”) to create a draft portfolio template for public comment.¹ The undersigned members of the Ohio Consumer and Environmental Advocates (“OCEA”), in their respective capacities, have chosen to submit in this single document their comments on the PUCO Staff’s draft portfolio template and appendices.²

¹ Entry at 1-2 (August 28, 2009) (“August Entry”).

² These comments are submitted by the undersigned members of OCEA jointly and as individual entities.

II. COMMENTS

OCEA commends the Commission for developing a comprehensive Portfolio Plan Template for electric utility energy efficiency and peak demand reduction programs. The template covers the nine relevant areas for utility reporting on demand side management programs, and the template requests from utilities enough detailed data for the Commission to make an informed decision on each utility's filing, establishing a clear and transparent path to utility energy efficiency and peak demand reduction compliance. The information requests to utilities are clear and contain a reasonable balance between actual data and narrative responses. The following OCEA comments are intended to improve a well thought out document.

1. Section 2, "Energy Efficiency Portfolio – Program Summary"

The undersigned members of OCEA request that the summary information required by the utilities in this section should indicate whether the programs are of a pilot or experimental nature. Pilot and experimental programs are usually given more latitude in their cost-benefit evaluation given the uncertainty in program assumptions (which the pilot will help inform). Special programs may be those that fail a total resource cost test but have other societal benefits that justify its inclusion into a utility's portfolio. Therefore, flagging this type of program would be beneficial to plan reviewers and would not be difficult to add. OCEA proposes the following language as part of all seven sections (2.1 through 2.7):

Indicate which programs are new or continuing AND WHICH PROGRAMS ARE PILOT OR EXPERIMENTAL.

2. Section 3, “Program Descriptions,”

The undersigned members of OCEA request that section 3.1.2 and the information requested from the utilities regarding the sufficiency of the market coverage of each program include more specificity regarding the energy efficiency achievements. Since the energy efficiency and peak demand reduction requirements are minimum requirements that can be exceeded, as informed by an integrated resource plan, describing the full cost-effective potential of each program and how the utility is planning on capturing that potential is important information. OCEA proposes the addition of the following language as part of section 3.12:

Describe how programs were construed for each portfolio to provide market coverage sufficient to reach overall energy and demand savings goals AND REPORT ALL COST-EFFECTIVE ENERGY EFFICIENCY.

3. Section 3, “Program Descriptions”

The undersigned members of OCEA request an addition to section 3.1.4 and the information requested from the utilities regarding the number of customers and baseline kW demand and kWh consumption. The inclusion of an “agriculture” sector would provide the Commission with critical information regarding this important sector that contributes \$93 billion to the state’s economic growth and employs one-in-seven Ohioans in areas such as wholesaling and retailing, farm production, marketing and processing, and agribusiness. OCEA proposes the addition of the following section:

3.1.4.7: AGRICULTURE.

4. Section 5, “Portfolio Management and Implementation Strategies”

The undersigned members of OCEA request that section 5.1.2.2 and the information requested from the utilities regarding risk management strategies employed by the utility include any type of feedback received by the utilities. The point is that other stakeholders may have valuable insight into improving existing programs that may assist the utilities – particularly where a utility is not meeting its original expectations. The utilities are privy to such information through the establishment and operation of the DSM collaborative processes. OCEA proposes the following addition to section 5.1.2.2:

Describe the process for collecting and addressing participating customer, contractor and trade ally, AND OTHER STAKEHOLDER FEEDBACK (e.g., suggestions and complaints)."

5. Section 5, “Portfolio Management and Implementation Strategies”

The undersigned members of OCEA request a change to the section in the template that addresses the utilities’ administrative budgets for programs, 5.2.2. It would be helpful if the information regarding the administrative budgets was presented as a percentage of total program costs because that is one method of benchmarking the implementation efficiency of DSM programs within a utility and across utilities. OCEA proposes the following addition to the end of section 5.2.2:

THE ADMINISTRATIVE BUDGET SHOULD BE PRESENTED AS A PERCENTAGE OF TOTAL PROGRAM COSTS (INCLUDING Measurement & Verification), AND AS A PERCENTAGE OF INCENTIVE COSTS.

6. Section 7, “Cost Recovery Mechanism”

The undersigned members of OCEA request an addition to the section in the template that addresses the utilities’ cost recovery mechanisms, section 7. Information regarding the receipt and use of stimulus money, grants, donations, bartering or other types of miscellaneous funding used for the programs is necessary to gather a complete picture of how the utilities fund these programs -- and could be very enlightening for purposes of arriving at a cost recovery determination by the Commission. To account for such funding opportunities OCEA proposes the following new section after 7.2:

PLEASE DESCRIBE WHAT NON-UTILITY, GOVERNMENT, OR OTHER OUTSIDE FUNDS WERE RECEIVED AND THE AMOUNTS, AND HOW THOSE FUNDS WERE USED AND ACCOUNTED FOR IN UTILITY COST RECOVERY APPLICATIONS. PLEASE BE SECTOR SPECIFIC.

7. Section 8, “Cost Effectiveness”

The undersigned members of OCEA request an addition to the section in the template that addresses the utilities’ cost effectiveness, section 8. Information regarding the utilities calculations of avoided costs used to determine the benefits of energy efficiency measures is necessary because avoided costs represent the majority of the benefits that accrue from Demand-side Management programs as calculated in the Total Resource Cost Test. OCEA proposes the following new section after 8.2:

PLEASE PROVIDE A DESCRIPTION OF THE METHODOLOGY AND RELEVANT DATA UTILIZED TO CALCULATE ANY AVOIDED COST (INCLUDING BUT NOT LIMITED TO ENERGY AND CAPACITY) USED TO DETERMINE THE BENEFITS OF ENERGY EFFICIENCY MEASURES.

III. CONCLUSION

The Commission should adopt the recommendations by the undersigned OCEA members regarding the draft portfolio template created by the PUCO Staff in accordance with the Commission's August Entry. The proposed template will provide utilities with clear reporting requirements needed in developing their compliance energy efficiency and peak demand reduction plans and will provide consumers transparency as to those plans.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these *Comments* was served on the persons stated below by regular U.S. Mail, postage prepaid, on this 11th day of September 2009.

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