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Memo in Support of Electric Energy Efficiency in Ohio

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The Midwest Energy Efficiency Alliance (MEEA) is a regional nonprofit organization with a mission of promoting energy efficiency policies and practices across 13 states. We have 175 members including utilities, government agencies, academic, research and advocacy organizations, community-based organizations, and a wide spectrum of businesses that work in efficiency. MEEA is one of six Regional Energy Efficiency Organizations (REEOs), as designated by the US Department of Energy.

In a time of concerns over adequate and reliable energy supply, infrastructure resilience, unprecedented growth in energy demand for data center computing, and skyrocketing clearing prices in capacity auctions, **it is vital that the Ohio Legislature set policy that will allow utility energy efficiency.** Efficiency will give utilities the flexibility to respond to customer needs with the lowest-cost, demand-side resources and provide headroom that is needed on the grid as utilities adjust to a changing market landscape. **Energy efficiency is the lowest cost energy resource available,** and every kilowatt-hour of electricity avoided provides savings compared to the cost of generating electricity, transmitting it on the grid and selling it to customers.

Ohio's electric distribution utilities are not new to energy efficiency, nor are past programs in Ohio their only experience. The Ohio EDUs are running cost-effective energy efficiency programs in other states. Some of those are legislatively mandated and others are voluntary as would be allowed by the bill under consideration. **The EDUs are currently running energy efficiency programs in the following states** to save participating customers money on their bills, to save all customers money by reducing the costs that go into utility rates, and to fill a market need for efficiency improvement that would not be met without utility customer-funded investment:

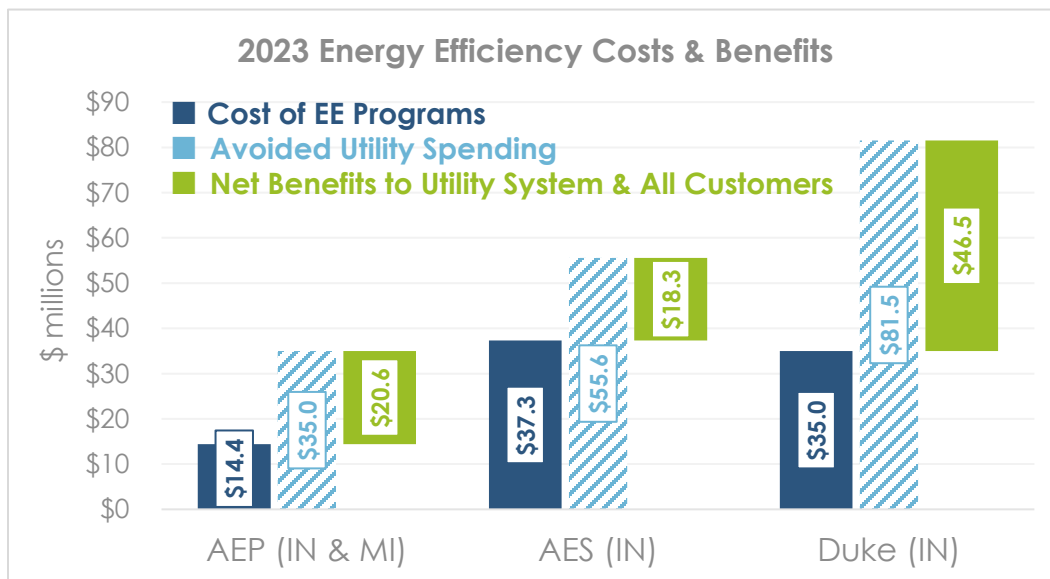
- **AEP*** has programs in **Arkansas, Kentucky, Indiana, Louisiana, Michigan, Oklahoma, Texas, Virginia** and **West Virginia**
- **AES*** has programs in **Indiana**
- **Duke*** has programs in **Florida, Indiana, Kentucky, North Carolina** and **South Carolina**
- **First Energy** has programs in **Maryland, New Jersey** and **Pennsylvania**

**A non-Ohio affiliate is a current MEEA member*

Legislative authorization would give these utilities the ability to submit energy efficiency plans for approval and bring their Ohio operations back in line with what they are successfully implementing in the rest of their territories. For example, the following table

shows the results from 2023 energy efficiency programs for the Ohio utilities with operations in Indiana and/or Michigan.

Utility	State	2023 Electric Energy Efficiency Program Results					
		Program Costs (\$M)	Program Savings (MWh)	Benefits: Avoided Costs of Energy, Capacity, Transmission and Distribution (\$M)	\$ in total benefits per \$ spent	Net Benefits to Utility System and All Customers (\$M)	Source
AEP	IN	\$10.5M	91,548	\$24.4M	2.30	\$13.9M	1
	MI	\$3.9M	38,379	\$10.6M	2.69	\$6.7M	2
AES	IN	\$37.3M	154,874	\$55.6M	1.49	\$18.3M	3
Duke	IN	\$35.0M	186,048	\$81.5M	2.33	\$46.5M	4



Ohio's energy past is complicated. But authorizing energy efficiency should be simple. Ohio's smart, reliable, low-cost energy future starts with allowing its utilities to use the best resources that are available to them, beginning with energy efficiency.

Sources

1. Submission of DSM Scorecard (Jan 30, 2024) & Submission of 2023 EM&V Reports (April 30, 2024) in 45701 NONE. <https://iurc.portal.in.gov/docketed-case-details/?id=2f8a88c4-34b1-ec11-983f-001dd803809e>
2. Indiana Michigan Power Company's Application For Approval Of Indiana Michigan Power Company's 2023 Energy Waste Reduction Reconciliation with Testimony and Exhibits (May 1, 2024) in U-21559. <https://mi-psc.my.site.com/s/case/5008y000009ZlrAAE/in-the-matter-on-the-commissions-own-motion-regarding-the-regulatory-review-revisions-determinations-and-or-approvals-necessary-for-indiana-michigan-power-company-to-fully-comply-with-public-act-295-of-2008-as-amended-by-public-act-342-of-2016>
3. Submission of Its Updated DSM Evaluation Report (Oct 24, 2024) in 45370 NONE. <https://iurc.portal.in.gov/docketed-case-details/?id=60ecab0b-3186-ea11-a811-001dd8018866>
4. Direct Testimony of Melissa E. Adams (June 13, 2024) in 45803 DSM1. <https://iurc.portal.in.gov/docketed-case-details/?id=575fe831-5e2a-ef11-840b-001dd80ba2f1>