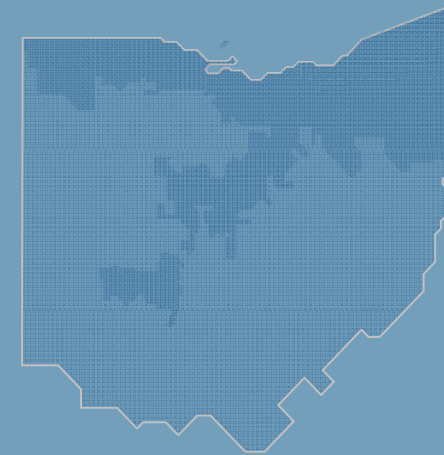


Ohio Energy Efficiency and Peak Demand Reduction Commercial & Industrial Utility Incentive Programs

Spring 2011

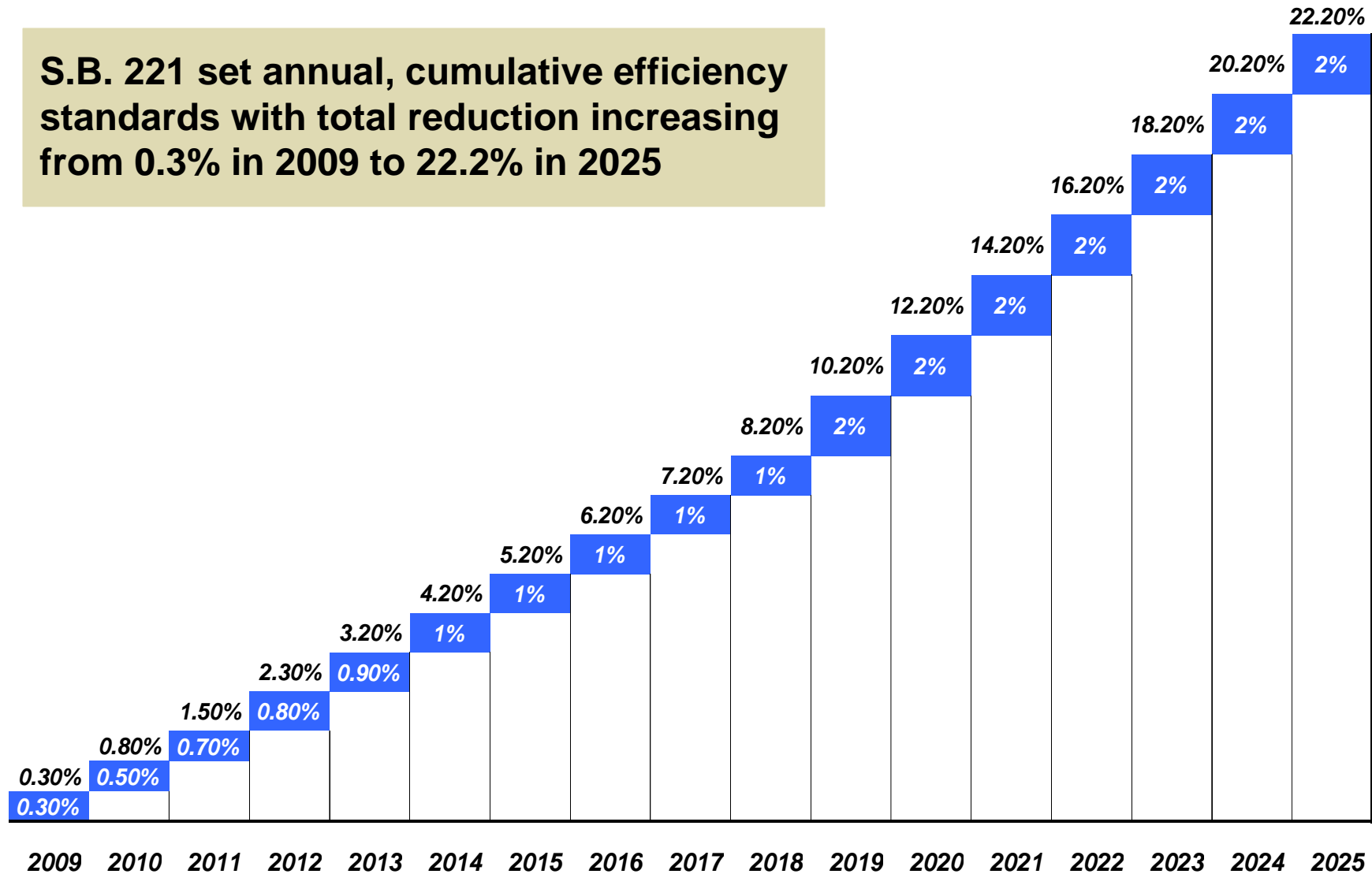


Disclaimer

The information contained in this presentation material is intended to provide generally descriptive and summary information. Any conflict between the information contained in this material, or conveyed orally during the presentation, and the information provided as part of the Commission's Order in relevant cases and the Companies' tariffs is unintentional and the docketed material controls.

S.B. 221 – Energy Efficiency Standards

S.B. 221 set annual, cumulative efficiency standards with total reduction increasing from 0.3% in 2009 to 22.2% in 2025



Residential & GS Program Highlights

- **Online Efficient Products Program***
 - Provides a quick and direct link to the Energy Federation Institute on-line catalog of efficient products
- **Energy Analyzer***
 - Web-based tool for home energy analysis and education
- **Appliance Turn-In Program***
 - Incentives to customers for “turning in” older inefficient refrigerators and freezers
- **Energy Efficient Products Program***
 - Rebates for consumers and support for retailers selling high efficiency appliances, lighting, and other conservation products
- **Comprehensive Retrofit Program**
 - Provides consumers low-cost, company-subsidized whole house energy audits
- **CFL Program***
 - Provides customers the opportunity to choose to receive high efficiency Compact Fluorescent Lights
- **Community Connections***
 - Electric energy savings measures at no additional cost to low-income customer homes
- **Direct Load Control Program**
 - Provides an advanced programmable thermostat with two-way communication capabilities for load reduction on peak days
- **Efficient New Homes Program**
 - Rebates to builders using high efficiency building shell and appliance upgrade

* Program Open

Non-Residential Program Highlights

- **Small Enterprise Audits and Equipment Program**
 - Subsidized audits identifying efficiency opportunities
- **C/I Equipment Program (Lighting)**
 - Rebates for high-efficiency commercial lighting
- **C/I Equipment (Industrial Motors)**
 - Incentives for upgrading to NEMA Premium[®] motors
- **C/I New Construction Program**
 - Incentives for efficient building shells and equipment
- **C/I Technical Assessment Umbrella Program**
 - Assists customers with complex opportunities, custom measures and multi-year projects. Incentives are on a case by case basis.

Non-Residential Program Highlights (cont)

- **3 Phase Launch Strategy**
 - Phase 1 Standard Lighting, Non Standard Lighting, Motors/ Drives
 - Phase 2 Custom/ HVAC/ EE Products
 - Phase 3 Audits/ New Construction/ Government Lighting

- **.80\$/ watt saved (premium incentive for first 6 months)**

- **Website: www.energysaveOhio.com**

Phase 1 Programs

- **Launched April 11, 2011**
- **Standard Lighting (SLB)**
 - Lighting applications below \$3,000 incentive
 - Pre approval recommend but not required
- **Non Standard Lighting (NSLB)**
 - Lighting application above \$3,000 incentive
 - Lighting measures not covered by Standard Lighting
 - Pre approval required
- **Motors and Drives (M&D)**
 - 1- 200 HP NEMA Premium motors
 - New drives, not replacements

Lighting Installation Examples

Example 1

Current Fixture	400 w Metal Halide (465 system watts)
Replacement Fixture	T8 (6 lamp high bay) (221 system watts)
# of Fixtures	100
Wattage Reduction	$465 - 221 = 244$ watts saved per fixture
FirstEnergy Incentive	$244 \times .80 = \$195.20$ fixture
Total Incentive	$\\$195.20$ per fixture \times 100 fixtures = $\\$19,520.00$

Example 2

Current Fixture	4 lamp T 12 Fluorescent (148 system watts)
Replacement Fixture	4 lamp T 8 Fluorescent (84 system watts)
# of Fixtures	100
Wattage Reduction	$148 - 84 = 64$ watts saved per fixture
FirstEnergy Incentive	$64 \times .80 = \$ 51.20$
Total Incentive	$\\$51.20$ per fixture \times 100 fixtures = $\\$5,120.00$

Lighting Installation Examples – Energy Saved

Example 1

Current Fixture	400 w Metal Halide (465 system watts)
Replacement Fixture	T8 (6 lamp high bay) (221 system watts)
# of Fixtures	100
Wattage Reduction	465-221 = 244 watts saved per fixture
Energy Saved (annual)	.244 kW x 4380 hrs x 100 fixtures = 106,872 kWh
Energy Cost Savings	\$10,687.20 (based on 10 cents/kWh)

Example 2

Current Fixture	4 lamp T 12 Fluorescent (148 system watts)
Replacement Fixture	4 lamp T 8 Fluorescent (84 system watts)
# of Fixtures	100
Wattage Reduction	148-84 = 64 watts saved per fixture
Energy Saved (annual)	.064 kW x 4380 hrs x 100 fixtures = 28,032 kWh
Energy Cost Savings	\$2,803.20 (based on 10 cents/kWh)

Preapproval Requirements



Phase 2 Programs

- **Anticipated launch - June 2011**
- **Programs:**
 - HVAC
 - Specialty Equipment
 - (Including refrigeration measures)
 - Custom
 - Any energy efficiency measure not covered by other offerings
 - Typical projects include compressed air, energy management control systems, large motors/VFDs, industrial process improvements
 - Pre approval always required

Phase 3 Programs

- **Launch date to be determined**
- **Programs:**
 - Audits
 - New Construction
 - Government Lighting

Mercantile Customer Program

Mercantile customers may qualify to avoid certain charges in the Demand Side Management and Energy Efficiency Rider (DSE2) or may choose a cash option

- **Who is considered “mercantile”?**
 - A “mercantile customer” is a commercial or industrial customer that consumes more than 700,000 kWh per year for non-residential use or is part of a national account involving multiple facilities in one or more states
- **Minimum energy efficiency saving requirements per the DSE2 Rider**
 - Energy savings and/or peak demand reductions from customer’s self-directed projects equal to or greater than the statutory benchmarks to which the company is subject
- **If customer elects cash rebate in lieu of exemption, based on 75% of prescriptive program rebates, capped at 50% of project cost or \$250k per project or \$500k per customer**
- **Customer commits either existing or new energy savings to the utility’s compliance requirements through an application filed to PUCO**
- **PUCO has final approval authority**

Mercantile Program Project Eligibility

- **Energy efficiency is defined as measures that “reduce the consumption of energy while maintaining or improving the level of functionality”**
- **Examples include lighting projects, custom process retrofits and behavioral changes if they can be measured and verified**
- **Projects must be implemented during the prior three calendar years or later**

Program Resources

- Program is vendor neutral
- Program explanation assistance from SAIC/ FE
- Program Website – www.energysaveOhio.com
- Weekly Webinar – Every Tuesday @ 3 pm starting 4/12/11, 1-800-366-7242, pass code 4251287#, <https://webconference.saic.com/invite/806482/4515526998/en/Avaya>
- Call Center – 1-866-578-5220
- Program Email – energysaveohio@saic.com
- Program Fax – 440-201-6936

Program Resources

How can Customers access the program?

- SAIC Implementation Team
- Administrators
- Trade Allies
- FirstEnergy Account Manager

Current Program Website Content

- Program Website – www.energysaveOhio.com
- Standard Lighting Program
- Non-Standard Lighting Program
- Motors & Drives Program
- Weekly Webinar
- Administrators
- Mercantile Customer Program
- Trade Allies - Update
- Phase 2 and Phase 3 - Update

Current Administrators (9)

- **Council of Smaller Enterprises (COSE)**
- **Industrial Energy Users Group (IEU)**
- **FirstEnergy's E Group (Energy Consulting)**
- **Ohio Manufacturers Association (OMA)**
- **Roth Brothers Inc. Mechanical Contractors**
- **Ohio Schools Council (OSC)**
- **Association of Independent Colleges and Universities in Ohio (AICUO)**
- **County Commissioners Association of Ohio (CCAO)**
- **Ohio Hospital Association (OHA)**

Incentive Application and Fulfillment Process

- **Application submittal and acknowledgement**
- **Pre-approval letter**
- **Project implementation**
- **Application for payment**
- **Post installation inspection (if required)**
- **Approval for payment letter**
- **Incentive check cut**

Phase 1 FAQs

- **What can be covered in the incentive amount?**
- **What is the 6 month time frame for the higher incentive amount?**
- **Do I have to use any particular lighting manufacturer?**
- **What is the turn around time for a Pre-approval request?**
- **Can we use our own labor to install lights?**
- **How long do we have to wait to get paid after the approval email is sent?**
- **What is a Trade Ally?**
- **Benefits to program?**
 - Rebates/ Energy Savings/ Lighting Upgrades

Commercial/Industrial EE Program Points of Contact

- **David Gibson (SAIC Program Manager)**
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- **Karen Heater (SAIC Deputy Program Manager)**
 - 330-405-5837, heaterk@saic.com
- **Linda Viens (SAIC National Accounts/National Vendors)**
 - 513-227-7567, viensl@saic.com
- **Chad Heyman (FirstEnergy Commercial/ Industrial Program Manager)**
 - 330-255-1757, heymanc@firstenergycorp.com

Mercantile Customer Program Points of Contact

- **Vicky Nofziger (FirstEnergy OH Mercantile Customer Program Manager)** 330.384.4684, vmnofziger@firstenergycorp.com
- **The Illuminating Company Customers**
 - James Frank/ Senior Customer Service Specialist/
 - 440 717 6853, frankjl@firstenergycorp.com
- **Ohio Edison Customers**
 - Mike Orban/ Advanced Customer Service Specialist
 - 330 436 4062, orbanm@firstenergycorp.com
- **Toledo Edison Customers**
 - Greg Flaczynski/ Advanced Customer Service Specialist
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