



**Comments of Enel X North America on HB 6 to the House Energy and Natural Resources Committee
May 8, 2019**

Enel X North America is leading the transformation of the energy sector through harnessing the flexibility of energy storage, load curtailment, electric vehicles, and distributed generation. Enel X in North America has approximately 3,400 business customers, spanning more than 10,400 sites, representing more than 4.6 GW of demand response capacity and over 20 behind-the-meter storage projects. Enel X's e-mobility offerings has deployed 42,000 charging stations across its footprint, completed 12.7 million charging sessions, and currently provides Day-Ahead and Real-Time Energy as a demand response provider in a major ISO Market.

In Ohio, Enel X (formerly EnerNOC) partners with approximately 800 commercial, institutional, and industrial customers, serving them in the PJM demand response program. The participation of these 800 customers benefits Ohio in several ways:

- It is far more capital efficient to pay end users to reduce their energy consumption for a few hours a year than it is to build or maintain a power plant for those few hours; the PJM Internal Market Monitor estimates that demand response is saving customers across PJM \$3.2 billion in 2018-19, **which averages to \$128/household savings in Ohio** this year on energy bills
- Enel X passes on the majority of the payment it receives from PJM to these end use customers, which **results in tens of millions of dollars per year in payments to Ohio manufactures and businesses** that they can reinvest in their companies or local institutions including school districts. Energy is often one of the highest expenses for these organizations, and keeping energy dollars in state allows them to be more competitive in the global environment
- Reduced carbon emissions, as demand response avoids the need to run the most inefficient and highest emitting power plants during peak periods

Our experience with tens of thousands of customers across the world is that customer participation hinges heavily on the price they can earn and the rules of the demand response program. If customers cannot earn sufficient revenue, they will not want to shut down their business operations for demand response.

While Enel X does not take a formal position for or against HB 6 at this time, the passing of HB 6 will undoubtedly impact the PJM market. Depending on how the Federal Energy Regulatory Commission rules on an outstanding proposal from PJM, HB 6 could lead to a meaningful reduction in payments for the 2,300 Ohio end-use customers that are participating in PJM. This will have the following consequences:

- If customers earn less for their DR participation, many could elect to no longer participate, and by losing these significant payments, Ohio customers will become less competitive
- If less customers participate in DR, the \$128/year in savings that are currently being realized by households across Ohio will no longer materialize

Enel X notes that the most recent sub-bill for HB 6 includes language that requires the PUCO to file a report with the legislature regarding how Ohio should continue to participate in the PJM capacity market depending on actions taken by FERC. **The language rightfully requires consideration of Ohio's**

manufacturing base in any such report, and out of similar caution for protecting Ohio's job creators, Enel X recommends that this section of the legislation be amended to consider demand response. The amendment below simply requires the PUCO to consider the participation of demand response as part of the recommendations it files with the legislature if indeed FERC authorizes these changes.

Given the benefits highlighted above and the participation of these 2,300 OH businesses, organizations, and public entities in PJM DR, it is only prudent for the PUCO to consider this resource, and its continued participation, in any report.

Our amendment is attached to these comments.