ADDITIONAL AMENDMENTS TO OHIO'S EFFICIENCY LAW WILL COST STATE'S CONSUMERS $5 BILLION

SB 310, passed in 2014, reduced the amount of energy savings that Ohio's efficiency standard could achieve by more than half, because the bill:

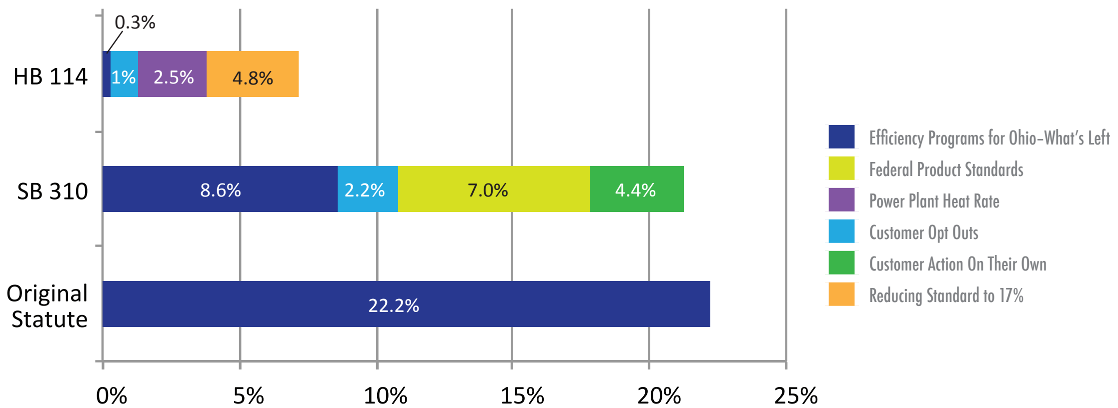
- Allowed utilities to comply with their annual benchmark by claiming energy savings that are happening regardless of their involvement such as federal efficiency standards on appliances and other electrical equipment, and actions taken by their customers independently.
- Allowed very large industrial customers to opt out of energy efficiency programs.

HB 114, if enacted, would further weaken Ohio's efficiency standard because it proposes:

- A lower cumulative savings target.
- Allowing utilities to count efficiency improvements made on their side of the meter (i.e., at power plants), rather than at a customer's home or business.

Combined, these cuts are conservatively estimated to cost Ohioans nearly $5 billion in electric bill savings.

Summary of Impacts of SB 310 and HB 114



Stand-Alone Impacts of Select SB 310 and HB 114 Savings Erosion Provisions

Provision	Status	Assumed Applicable Years	Lost $$ Benefits by End of 2027 (Stand-Alone)
Large Industrial Opt Out	enacted SB 310	starting in 2017	$571
Counting federal standards savings	enacted SB 310	starting in 2017	$2,016
Counting independent customer actions	enacted SB 310	starting in 2017	$1,163
Cutting goal from 22.2% to 17.2%	pending - HB 114	2021 to 2026	$1,321
Mercantile Opt Out	pending - HB 114	to start in 2018	$674
Counting power plant heat rate improvements	pending - HB 114	to start in 2018	$793
		TOTAL	**$5 billion**

Notes:

1. *Impacts are not additive, as there are over-lapping effects between several provisions. The total economic losses from the three SB 310 provisions are about $3.6 billion. The HB 114 provisions would collectively add another $1.2 billion in losses, for a total of $4.8 billion in lost economic benefits from these two bills.*
2. *Assumes utilities can count all savings from post-2006 federal standards based on recent Duke proposal to count such savings. The law is not entirely clear on this issue. An alternative interpretation is that only savings from federal standards promoted by utility programs would count.*
3. *Estimates of lost savings are conservative in a variety of ways (e.g. assuming utilities cannot count fed standard and customer action savings prior to 2017, assuming only ~50% of eligible customers opt out, etc.)*
4. *Estimates of the lost economic benefits are based on utility estimates of TRC net benefits per MWh saved through their 2017. That is conservative because there are a variety of economic benefits not being captured by the utilities TRC analyses. Utility estimates of UCT net benefits are nearly twice as great as TRC values shown here.*