BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of Tariff Revisions	**)))**	**Case No. 22-0179-GA-ATA**
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of Carbon Offset Program	**)))**	**Case No. 22-0180-GA-UNC**

JOINT INITIAL COMMENTS
OF
DIRECT ENERGY BUSINESS LLC
DIRECT ENERGY SERVICES LLC
DIRECT ENERGY BUSINESS MARKETING LLC
ENERGY PLUS NATURAL GAS LLC
RELIANT ENERGY NORTHEAST LLC
STREAM OHIO GAS & ELECTRIC, LLC
AND
XOOM ENERGY OHIO, LLC

I. Introduction

Direct Energy Business LLC; Direct Energy Services LLC; Direct Energy Business Marketing LLC; Energy Plus Natural Gas LLC; Reliant Energy Northeast LLC; Stream Ohio Gas & Electric, LLC; and XOOM Energy Ohio, LLC (collectively, the "NRG Retail Companies") are pleased to share the following comments on the application by The East Ohio Gas Company d/b/a Dominion Energy Ohio ("DEO") seeking approval by the Public Utilities Commission of Ohio ("Commission") of the "Decarbon Ohio" carbon offset program. Collectively, the NRG Retail Companies have more than two decades of experience educating and marketing to residential and business customers, particularly on the category of renewable and sustainability-related energy products and value-added services.

The NRG Retail Companies do not oppose DEO's application. As discussed in more detail below, DEO's proposal has merit as the model for a statewide program to educate energy customers and promote carbon offset products that empower Ohioans to reduce their carbon footprint associated with natural gas usage while at the same time helping Local Distribution Companies ("LDCs") meet their emissions reduction and sustainability goals.

II. About NRG and the NRG Retail Companies

NRG is the leading integrated energy and home services company powered by our customer-focused strategy, strong balance sheet, and comprehensive sustainability framework. A Fortune 500 company, NRG brings the power of energy to millions of North American customers. Our family of brands help people, organizations and businesses achieve their goals by leveraging decades of market expertise to deliver tailored solutions. Working in concert, our dynamic multi-brand retail strategy coupled with supply risk-management forms a uniquely positioned, integrated competitive energy provider. Our retail brands serve more than six million customers across North America, including a significant share in Ohio.[1]

When it comes to products and services for customers to reduce their carbon footprint, NRG Energy Inc.'s retail company Green Mountain Energy Company pioneered bringing renewable energy to residential, commercial and institutional customers in the late 1990s as states opened their energy markets to retail competition. Before there were state renewable energy standards, Green Mountain Energy Company customers used the power of their retail energy choice to change the way power is made. Demand for renewable energy by Green Mountain Energy Company customers led to the development of the first utility-scale wind power projects east of the Mississippi in the early 2000s, including the AMP-OH – Green Mountain Energy Wind Farm in Bowling Green, Ohio in 2003. It is important to bear in mind that at the time, renewable energy, or "green power" as it was sometimes

[1] The NRG Energy Inc. retail brands that are certified as Competitive Retail Electric Service providers and Competitive Retail Natural Gas Service providers by the Public Utilities Commission of Ohio include Direct Energy Business LLC; Direct Energy Services LLC; Direct Energy Business Marketing LLC; Energy Plus Holdings LLC; Energy Plus Natural Gas LLC; Green Mountain Energy Company; Reliant Energy Northeast LLC; Stream Ohio Gas & Electric, LLC; and XOOM Energy Ohio, LLC.

referred to, was not all that familiar to the masses as it is today in 2022. The consumer education campaigns deployed by Green Mountain Energy Company helped make renewable energy mainstream.

Green Mountain Energy Company applied the same principles of educating consumers and responding to their desire to live a more sustainable lifestyle by introducing products to offset carbon emissions associated with cooking, heating and running appliances with natural gas. Green Mountain Energy Company introduced its Carbon Conscious℠ natural gas plan to customers in 2017.

III. Comments

A. A statewide program – rather than a piecemeal approach – would benefit Ohioans.

Upon review of the DEO March 11, 2022 petition, the reaction was, why limit Decarbon Ohio to customers in Cleveland and the other parts of DEO's service territory in Ohio. Why not make the program accessible to Ohio natural gas customers through a partnership among the Commission, the major LDCs and the participating Competitive Retail Natural Gas Service ("CRNGS") providers?

The statewide program would also solve the issue of Columbia Gas of Ohio's carbon offset rider proposal in Case Nos. 21-637-GA-AIR et al.

Rather than DEO singularly administering the program, educating customers, hosting web portals and validating the performance of participating retail suppliers including the verification of carbon offsets and volume obligations, the program responsibilities would be appropriately divided among the Commission, the LDCs and the CRNGS providers, such as in the following manner:

PUCO:
Supplier eligibility
Carbon offset validation process
Consumer education
Measure program performance

LDCs:
Customer education
Process enrollments
Billing
Reporting to Commission

CRNGS Providers:
Market to customers
Purchase carbon-offsets
Compliance filing to Commission and LDCs

B. Statewide customer education – rather than piecemeal education – would benefit Ohioans.

Customer education should be developed through a collaboration of Commission Staff, LDCs, CRNGS providers, and the Ohio Consumers' Counsel. The Commission and the LDCs would host competitively-neutral education content on their respective websites. The Commission and the LDCs would use social media, digital media, e-mail communications, as well as more traditional channels (such as print, television, radio, and mail) to educate customers and promote the program.

Similar to the customer accreditation idea described in Paragraph 31 of DEO's petition, customers in each LDC territory who enroll in a carbon offset natural gas product would receive a Decarbon Ohio Program logo on their bill from their local distribution company.

C. Validation should be done but managed differently.

The NRG Retail Companies propose that the validation process be managed differently. First, the NRG Retail Companies propose that the validation be done uniformly across the state by the Commission. This includes oversight of carbon offsets purchased by CRNGS providers to match customer usage as well as approval of third-party verification organizations for certifying carbon offsets. Absent a statewide program administered by the Commission, DEO should not be in the business of validating the products offered and served by CRNGS providers.

Second, eligible products must cover 100 percent of a customer's natural gas usage.

Third, CRNGS providers would convert the Mcf usage for enrolled customers to metric tons using an appropriate EPA conversion factor. The starting point for measuring each customer's consumption will be the first billing cycle for which the customer is billed for the product. CRNGS providers would annually reconcile their carbon offset purchases and file a verified report to the

Commission, in a manner and format to be determined by the Commission. CRNGS providers would report separately to each LDC the carbon offset volumes purchased in the respective service territories so that the utilities may claim the offsets toward their emission reduction and sustainability goals.

D. Reporting program performance would be beneficial.

NRG proposes that the LDCs and CRNGS providers file annual reports with the Commission. Commission Staff will use the data in the filings to prepare a report for the Commission. Reporting metrics may include, from the CRNGS providers: total number of customers enrolled by month and by LDC territory; total number of verified carbon offset credits by LDC territory; Mcf usage "decarbonized" by the supplier by LDC territory; from LDCs: total number of visits to the LDC's education page as well as data on social and traditional media impressions. Staff would similarly gather data on the Commission's website visits and media performance. Staff would also include in its report to the Commission customer complaint data related to the carbon-offset program.

IV. Conclusion

The NRG Retail Companies recommend that the Commission adapt DEO's Carbon Ohio proposal into a statewide program to include the major natural gas LDCs, to be administered and overseen by the Commission in collaboration with the LDCs and CRNGS providers. While CRNGS providers may already offer carbon-offset products to Ohio customers, a Commission-administered statewide program promoted by LDCs has the potential to significantly raise awareness by customers of the emissions' impact of their natural gas usage and encourage customers to take action to lessen their carbon footprint. A Commission-administered statewide program can ensure accountability and underpin customer confidence. A statewide program will also allow the LDCs to claim credit for meeting their carbon reduction and sustainability goals.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced in the service list of the docket card who have electronically subscribed to these cases. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served upon the persons below via electronic mail this 13th day of May 2022.

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Summary: Comments - Joint Initial Comments electronically filed by Mrs. Gretchen L. Petrucci on behalf of Direct Energy Business LLC and Direct Energy Services LLC and Direct Energy Business Marketing LLC and Energy Plus Natural Gas LLC and Reliant Energy Northeast LLC and Stream Ohio Gas & Electric, LLC and XOOM Energy Ohio, LLC