

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

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

**INITIAL COMMENTS  
OF  
THE RETAIL ENERGY SUPPLY ASSOCIATION**

**I. Introduction**

The Retail Energy Supply Association (“RESA”)<sup>1</sup> is generally supportive of a joint approach by the utility and competitive retail natural gas service (“CRNGS”) suppliers for developing, implementing and operating a carbon offset program. Like The East Ohio Gas Company d/b/a/ Dominion Energy Ohio (“Dominion”), RESA members see interest from the public in the opportunity to reduce the carbon emissions from natural gas service. RESA members are responding to that public interest by making carbon-offsetting products available to customers in Ohio and in Dominion’s service territory in particular. Dominion’s new proposed program called the “Decarbon Ohio Program” (the “Program”) could provide enhanced visibility for such supplier offerings and help customers understand them – through a coordinated approach by the utility and suppliers. Dominion’s proposal is generally consistent with Ohio’s natural gas policy by, among other things, promoting the availability of CRNGS and encouraging innovation. That

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<sup>1</sup> The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at [www.resausa.org](http://www.resausa.org).

said, Dominion’s proposal warrants clarifications and RESA identifies below several such areas of importance to its members. Clarifications are warranted to ensure the joint approach is fairly balanced and to ensure Program success. RESA is willing to further discuss the issues with Dominion and would welcome that opportunity.

## **II. Dominion’s Proposed Carbon Offset Program**

Dominion will educate customers; administer the Program (by handling supplier eligibility/enrollment, customer enrollment, etc.); and validate the carbon offsets and supplier performance. Application at ¶ 2. In addition, Dominion proposes related revisions for its tariff and a new bill format. *Id.* Dominion describes the Program as a joint approach between it and the participating suppliers to “enable customers to effectively reduce carbon emissions through the use of offsets, supporting the sustainable use of natural gas.” *Id.* at ¶ 15.

The Program would be available for customers who are shopping and for governmental aggregations, as long as Dominion is billing the customer. Application at ¶¶ 26, 27. Dominion intends to create websites and/or portals for customers to enroll with a participating CRNGS supplier. *Id.* at ¶¶ 2, 30.

Dominion proposes requirements for suppliers to participate in the Program with a stated purpose of ensuring that the supplier is committed to serving in Dominion’s service territory and to “confirm that the supplier is able to responsibly do business on [Dominion’s] system,” including:

- Maintain Commission certification;
- Enter into a specific agreement with Dominion;
- Comply with Dominion’s tariff, including the supplier standards of conduct;
- Have supplied CRNGS for at least 12 months; and

- Have either a minimum number of certain customers under contract for CRNGS or be serving a minimum amount of load from certain customers.

Application at ¶¶ 28-29 and Attachment 1.

### III. Comments

#### A. **Dominion’s proposed Program framework would bring benefits to the competitive market in ways that do not exist today.**

To RESA’s knowledge, Dominion’s Program would be a first-of-its-kind for Ohio. RESA is generally supportive of the goals of Dominion’s proposal. Educating customers about the competitive market and more specifically about retail service offerings that reduce or mitigate the environmental impact of natural gas would support many of Ohio’s long-standing natural gas policies, including policies in the following subsections of Ohio Revised Code Section 4929.02(A):

- (2) Promote the availability of unbundled and comparable natural gas services and goods that provide wholesale and retail consumers with the supplier, price, terms, conditions, and quality options they elect to meet their respective needs;
  - (3) Promote diversity of natural gas supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers;
  - (4) Encourage innovation and market access for cost-effective supply- and demand-side natural gas services and goods;
- \* \* \*
- (6) Recognize the continuing emergence of competitive natural gas markets through the development and implementation of flexible regulatory treatment;
- \* \* \*
- (11) Facilitate additional choices for the supply of natural gas for residential consumers, including aggregation; and
  - (12) Promote an alignment of natural gas company interests with consumer interest in energy efficiency and energy conservation.

In addition, encouraging customers to purchase offsets should have environmental benefits for the consumption of natural gas by Ohioans. RESA also generally agrees with Dominion's statement at ¶ 21 of the Application:

By providing customers a supply option that offsets the carbon emissions related to their consumption of natural gas, the implementation of the Program would allow [Dominion], its customers, and suppliers to make meaningful contributions to both the reduction of emissions and the support of sustainable investments.

Finally, RESA supports the joint approach aspect of the Program. Under the proposed Program, Dominion would work with the suppliers in its service territory. A collaborative framework should encourage suppliers to participate in the Program and spur additional creative CRNGS offerings.<sup>2</sup>

**B. Components of the Program framework require clarification to ensure against utility overreaching.**

Dominion's Application suggests that the proposed joint approach fits with numerous goals of Dominion and suppliers because a joint approach – by both the utility and suppliers – will bring additional visibility to carbon-offsetting offers and better enable customers to identify and understand the available offers. Application at ¶ 2. Components of the Program, however, are left to either Dominion's discretion or omit supplier involvement, creating a risk of utility overreach.

One example relates to Dominion's proposed supplier compliance language. As noted above, Dominion has proposed supplier eligibility requirements for the Program. Application at ¶¶ 28-29 and Attachment 1. Dominion noted that, as proposed, failure to comply with the Program's terms and conditions could constitute a material default under its tariff and be grounds for termination from Dominion's Choice program or suspension of the supplier's certification. *Id.* at ¶ 28 and Attachment 1, proposed sheet ¶ 4.4. As presented, any noncompliance – no matter

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<sup>2</sup> It is noteworthy that Dominion's proposed Program does not result in Dominion offering any CRNGS.

how minor – could be considered a material default. There is nothing in the proposal or the proposed tariff that would involve notice to the supplier and an opportunity for the supplier to cure a noncompliance before the noncompliance could be considered a material default, although there is an opportunity to remedy any shortfall in carbon offset credits. There is also nothing in the proposal or the proposed tariff that would require commercially reasonable judgement be applied for a noncompliance to be considered a material default.

Another example is with the education component of the proposed Program. Dominion states in the Application that it intends to follow its general approach to Choice-related customer education and that it is willing to consult with the Staff regularly or on request. Application at ¶¶ 38-39. RESA has participated with Dominion cooperatively in the past on Choice-related customer education and is currently involved in a collaborative with Dominion pursuant to which an education campaign is underway. RESA and its members have worked well with Dominion. Although presented as a joint Dominion-supplier approach, Dominion’s proposal does not envision that the education component will involve any supplier input.

A third example is with regard to the proposed validation process by which Dominion will ensure that each participating supplier’s carbon offset credits are equal to or greater than the total usage for the supplier’s enrolled customers. Dominion intends to conduct the reviews and reconciliations annually, but reserved the right to do so more frequently following due notice to affected suppliers if Dominion “determines that an annual reconciliation is insufficient to ensure compliance with the Program.” Application at ¶ 33. Again, the timing of the reviews and reconciliations is within the sole discretion of Dominion.

These examples illustrate that there are aspects of the Program proposal that leave too much to Dominion’s discretion and/or omit opportunities for the suppliers to contribute value to the

processes. Clarifications should be made for the Program to better balance the utility and supplier interests in this joint effort.<sup>3</sup>

**C. RESA is open to direct conversations with Dominion to further discuss the Program.**

RESA has noted above areas warranting clarification. Greater clarity would be beneficial for RESA and its membership to ensure a successful Program launch, assuming Commission approval of the Application. RESA would welcome direct conversations with Dominion to productively discuss the issues surrounding the Program.

**IV. Conclusion**

RESA generally supports the joint approach and framework presented by Dominion in this proceeding for a unique carbon-offset program in the Dominion service territory. RESA finds that clarifications of certain components should be made before any Commission approval. RESA would welcome the opportunity to discuss the issues and work through them with Dominion.

Respectfully Submitted,

/s/ Gretchen L. Petrucci

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<sup>3</sup> Dominion's Application acknowledges that there will be costs for implementing and administering the Program, but Dominion is not seeking to track or recover any of the costs in this proceeding. Application at ¶ 40. RESA therefore understands that issue will be presented at a later time, and reserves the right to address it in the future.



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Summary: Comments - Initial Comments electronically filed by Mrs. Gretchen L.  
Petrucci on behalf of Retail Energy Supply Association