

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
FirstEnergy Solutions Corp. For)	Case No. 11-1344-EL-ACP
Approval of its 2010 Alternative Energy)	
Annual Status Report)	

Findings and Recommendations of the PUCO Staff

I. Statutory Background

Senate Bill 221, with an effective date of July 31, 2008, established Ohio's alternative energy portfolio standard (AEPS) applicable to electric distribution utilities and electric service companies. The AEPS is addressed principally in sections 4928.64 and 4928.65, Ohio Revised Code (ORC), with relevant resource definitions contained within 4928.01(A), ORC.

According to 4928.64(B)(2), ORC, the specific compliance obligations for **2010** are as follows:

- Renewable Energy Resources = 0.50% (includes solar requirement)
- Solar Energy Resources = 0.010%

In addition, there is a requirement that at least half of the renewable energy resources, including the solar energy resources, shall be met through facilities located in this state.

The PUCO further developed rules to implement the Ohio AEPS, with those rules contained within Ohio Administrative Code (OAC) 4901:1-40.

4901:1-40-05(A), OAC:

Unless otherwise ordered by the commission, each electric utility and electric services company shall file by April fifteenth of each year, on such forms as may be published by the commission, an annual alternative energy portfolio status report analyzing all activities undertaken in the previous calendar year to demonstrate how the applicable alternative energy portfolio benchmarks and planning requirements have or will be met.

Staff shall conduct annual compliance reviews with regard to the benchmarks under the alternative energy portfolio standard.

4901:1-40-05(C), OAC:

Staff shall review each electric utility's or electric services company's alternative energy portfolio status report and any timely filed comments, and file its findings and recommendations and any proposed modifications thereto.

The findings and recommendations in this document pertain to the company's compliance status. This document does not address such matters as cost recovery or status relative to the statutory 3% cost provision.

II. Company Filing Summarized

FirstEnergy Solutions (FES) filed its 2010 annual status report with details on the specific renewable energy credits (RECs) and solar RECs (S-RECs) redacted from the public version. FES further filed a Motion for Protective Order seeking to keep its specific REC and S-REC details confidential.¹

In its public filing, FES proposed a baseline of 6.76 million megawatt-hours (MWHs) based on the average of its annual Ohio retail sales in the years 2007 – 2009.² With this baseline and the 2010 statutory benchmarks, FES computed its 2010 compliance obligation as 33,112 non-solar RECs (at least 16,556 in-state) and 676 solar RECs (at least 338 in-state). In addition, in 2010 FES was to address its solar shortfall from 2009 which consisted of 58 solar RECs (at least 6 in-state).³ Therefore, FES' total solar obligation for 2010 was 734 solar RECs (at least 344 in-state).⁴

FES indicates in its filing that it secured sufficient RECs and S-RECs to fully satisfy its 2010 compliance obligations, including the solar shortfall from 2009. FES further stated that it had retired such RECs and S-RECs.⁵

¹ Motion for Protective Order filed March 21, 2011

² FES Compliance Status Report, p. 2

³ Commission's Second Opinion and Order in Case 10-0467-EL-ACP, dated April 19, 2011, ordered that "FES' solar compliance obligation for 2010 be increased to include an additional 58 SRECs, of which at least 6 SRECs come from certified in-state facilities ...".

⁴ FES Compliance Status Report, p. 3

⁵ FES Compliance Status Report, p. 4

III. Filed Comments

No persons filed comments in this proceeding.

IV. Staff Findings

Following its review of the annual status report and any timely comments submitted in this proceeding, Staff makes the following findings:

- (1) FES is an electric services company in Ohio with retail electric sales in the state of Ohio, and therefore FES had an AEPS compliance obligation for 2010.
- (2) FES submitted its annual status report for 2010 AEPS compliance activities on March 18, 2011.
- (3) FES appropriately calculated its baseline and 2010 compliance obligations.
- (4) The FES reserve subaccount data on the PJM EIS Generation Attribute Tracking System (GATS) showed the following for 2010:
 - 16,556 Ohio Non-solar RECs
 - 16,556 Non-Ohio Non-solar RECs
 - 344 Ohio S-RECs
 - 390 Non-Ohio S-RECs
- (5) Following a review of the FES reserve subaccount data on GATS, Staff confirmed that FES satisfied its total non-solar obligation, as well as the specific minimum in-state non-solar requirement, for 2010. The specific RECs that FES has transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2010.
- (6) Following a review of the FES reserve subaccount data on GATS, Staff confirmed that FES satisfied its total solar obligation, as well as the specific minimum in-state solar requirement, for 2010. In addition, the reserve subaccount data indicated that FES' 2009 solar shortfall was fully addressed. The specific S-RECs that FES has transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2010.

V. Staff Recommendations

Following its review of the information submitted in this proceeding and other relevant data, Staff recommends the following:

- (1) That FES be found to be in compliance with its 2010 AEPS compliance obligations, including the solar shortfall from 2009.

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff