

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative)
Energy Status Report of Ohio Edison)
Company, The Cleveland Electric) Case No. 12-1246-EL-ACP
Illuminating Company, and The Toledo)
Edison Company.)

FINDING AND ORDER

The Commission finds:

- (1) Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy or the Companies) are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) Section 4928.64(B), Revised Code, establishes benchmarks for electric utilities to acquire a portion of the electric utility's standard service offer from renewable energy resources. Specifically, the statute provides that, for 2011, a portion of the electric utility's electricity supply for its standard service offer must come from alternative energy sources (overall renewable energy resources benchmark), including 0.030 percent from solar energy resources (overall solar energy resources (SER) benchmark), half of which must be met with resources located within Ohio (in-state SER benchmark). This requirement increased to 0.060 percent for 2012.
- (3) Rule 4901:1-40-05(A), Ohio Administrative Code (O.A.C.), requires that, unless otherwise ordered by the Commission, each electric utility file by April 15 of each year an annual alternative energy portfolio status report. The report must analyze all activities the utility undertook in the previous year in order to demonstrate how pertinent alternative energy portfolio benchmarks and planning requirements have been or will be met. Additionally, Staff must conduct an annual compliance review with regard to benchmarks.

- (4) On April 16, 2012, the Companies submitted their 2011 alternative energy status report.
- (5) On August 17, 2012, Staff filed findings and recommendations on FirstEnergy's alternative energy status report. In its review, Staff initially finds that FirstEnergy was required to comply with the terms of the alternative energy portfolio benchmarks for 2011, as it is an electric distribution utility in Ohio with retail electric sales in Ohio. Additionally, Staff notes that the Companies had an aggregate shortfall of 1,577 in-state solar renewable energy credits (RECs) from previous years that was carried forward to 2011 in accordance with the Commission's direction in Case No. 11-2479-EL-ACP, Finding and Order (August 3, 2011). Further, Staff finds that the Companies' proposed baseline and 2011 compliance obligation are reasonable and appropriately calculated.
- (6) Additionally, Staff notes that the Companies have proposed to apply 4,138 excess overall RECs that were inadvertently retired in 2009, and Staff opines that this application would be consistent with the Commission's decision in Case No. 10-499-EL-ACP, Finding and Order (March 14, 2012). Staff further states that it reviewed FirstEnergy's Generation Attribute Tracking System (GATS) reserve subaccount and confirms that, for 2011, FirstEnergy satisfied its overall renewable energy resources benchmark, its in-state renewable energy resources benchmark, its overall SER benchmark, and its in-state SER benchmark, as well as the shortfall carried over from 2010.
- (7) Further, Staff reports that it reviewed the Companies' GATS reserve subaccount information and confirmed that the RECs originated from generating facilities certified by the Commission and associated with electricity generated during the applicable time frame.
- (8) Staff recommends that the Commission find FirstEnergy in compliance with its 2011 alternative energy compliance obligations, including its shortfall carried over from 2010. Additionally, Staff recommends that, for future compliance years in which the Companies utilize GATS to demonstrate their Ohio compliance efforts, the Companies continue to initiate the

transfer of the appropriate RECs and solar RECs to their GATS reserve subaccount between March 1 and April 15, so as to precede the filing of their Ohio annual compliance status report with the Commission.

- (9) Upon review of FirstEnergy's alternative energy portfolio status report and Staff's findings and recommendations, the Commission finds that FirstEnergy is in compliance with its 2011 overall renewable energy resources benchmark, in-state renewable energy resources benchmark, overall SER benchmark, and in-state SER benchmark, including its shortfall of solar RECs carried over from 2010. Consequently, the Commission finds that FirstEnergy's alternative energy portfolio status report for 2011 should be accepted. Finally, as recommended by Staff, the Commission finds that, for future compliance years in which the Companies use GATS to demonstrate their Ohio compliance efforts, the Companies shall initiate the transfer of the appropriate RECs and solar RECs to their GATS reserve subaccount between March 1 and April 15, in order to precede the filing of their annual compliance status report with the Commission.

It is, therefore,

ORDERED, That FirstEnergy's alternative energy portfolio status report for 2011 is accepted in accordance with Finding (9). It is, further,

ORDERED, That FirstEnergy follow the Commission directives as set forth in Finding (9). It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Todd A. Snitchler, Chairman



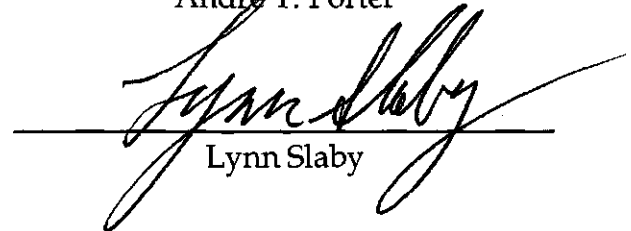
Steven D. Lesser



Andre T. Porter



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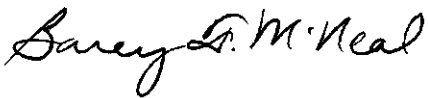


Lynn Slaby

MWC/sc

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Barcy F. McNeal

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Secretary