

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Dayton Power and)
Light Company's Annual Alternative)
Energy Portfolio Status Report)**

Case No. 12-1203-EL-ACP

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 **2011** are as follows:

- Renewable Energy Resources = 1.00% (includes solar requirement)
- Solar Energy Resources = 0.03%

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

The Dayton Power and Light Company (DP&L or Company) filed its 2011 annual alternative energy portfolio status report in Case No. 12-1203-EL-ACP, and its advanced and renewable energy compliance plan in Case No. 12-1204-EL-ACP. The focus of these Staff Findings and Recommendations is the Company's annual alternative energy portfolio status report.

The Dayton Power and Light Company (DP&L or Company) calculated its baseline as the average of its standard offer sales for 2008, 2009, and 2010. With its proposed baseline of 11,256,731 megawatt-hours (MWHs) and the 2011 statutory benchmarks, DP&L computed its 2011 compliance obligations¹ as follows:

- 1,689 Ohio Solar MWHs
- 1,688 Non-Ohio Solar MWHs
- 54,595 Ohio Non-Solar² Renewable MWHs
- 54,595 Non-Ohio Non-Solar Renewable MWHs

The Company asserted in its filing that it fully satisfied its 2011 compliance obligations. To date, DP&L has not moved any renewable energy credits (RECs) or solar RECs (S-RECs) to its PJM EIS Generation Attribute Tracking System (GATS) reserve subaccount for Ohio 2011 compliance activities. However, in Attachment 1 of its status report filing, DP&L provided redacted details on the RECs and S-RECs that it will use for its 2011 compliance requirements.

III. Filed Comments

No persons filed comments in this proceeding.

¹ DP&L compliance status report, p. 3

² Staff uses "non-solar" in this context to refer to the total renewable requirement net of the specific solar carve-out. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

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) DP&L is an electric distribution utility in Ohio with retail electric sales in the state of Ohio, and therefore DP&L had an AEPS compliance obligation for 2011.
- (2) DP&L submitted its annual status report for 2011 AEPS compliance activities on April 13, 2012.
- (3) DP&L appropriately calculated its baseline and 2011 compliance obligations.
- (4) Attachment 1 of the Company's filing, redacted in the public version of the filing, included details on the RECs and S-RECs proposed to be used for 2011 compliance and specifically showed the following for 2011:
 - 1689 Ohio S-RECs
 - 1688 Non-Ohio S-RECs
 - 54,595 Ohio Non-solar RECs
 - 54,595 Non-Ohio Non-solar RECs
- (5) Attachment 1 indicated that DP&L has sufficient RECs to satisfy its total non-solar obligation, as well as the specific minimum in-state non-solar requirement, for 2011. Staff's review of the unredacted data indicated that the specific RECs that DP&L proposed to use for 2011 compliance were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2011.
- (6) Attachment 1 indicated that DP&L has sufficient S-RECs to satisfy its total solar obligation, as well as the specific minimum in-state solar requirement, for 2011. Staff's review of the unredacted data indicated that the specific S-RECs that DP&L proposed to use for 2011 compliance were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2011.

V. Staff Recommendations

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

- (1) That DP&L be found to be in compliance with its 2011 AEPS compliance obligations.
- (2) That DP&L transfer the RECs and S-RECs detailed in Attachment 1 of its filing to its GATS reserve subaccount for Ohio compliance purposes. Compliance is contingent upon this transfer. Such transfer should occur within 45 days of the Commission's final decision in this proceeding. Staff will review the details of this transfer for confirmation and to ensure consistency with the data from Attachment 1.
- (3) That for future compliance years, DP&L transfer the appropriate RECs and S-RECs to its GATS reserve subaccount between March 1st and April 15th so as to precede the filing of its Ohio annual compliance status report with the Commission.

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Summary: Staff Review and Recommendation electronically filed by Ms. Anne E. Goodge on behalf of PUCO Staff