

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Glacial Energy)
Of Ohio, Inc. 2011 Annual Alternative)
Energy Portfolio Status Report)**

Case No. 12-1235-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

Glacial Energy of Ohio, Inc. (Glacial Energy or Company) filed its 2011 AEPS status report on April 13, 2012. In its annual status report, Glacial Energy proposed a baseline of 492,688 megawatt-hours (MWHs) which corresponds to its actual Ohio sales for 2010. The Company asserted that it had no Ohio sales in 2008 or 2009, and thus used its 2010 sales as its baseline in this proceeding. Using its proposed baseline and the 2011 statutory benchmarks, Glacial Energy calculated its 2011 compliance obligations to be as follow:

- 4,779 Non-Solar¹ MWHs, of which at least 2,390 must originate from Ohio sources
- 148 Solar MWHs, of which at least 74 must originate from Ohio sources

Glacial Energy asserted in its filing that it fully satisfied its 2011 compliance obligations through the use of renewable energy credits (RECs) and solar RECs (S-RECs). The Company included details in its status report as to the specific RECs and S-RECs that it proposed to use to satisfy its compliance requirements.

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 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.

- (1) That Glacial Energy is an electric services company in Ohio with retail electric sales in the state of Ohio, and therefore the Company had an AEPS obligation for 2011.
- (2) That the baseline proposed by Glacial Energy is reasonable.
- (3) That the Company accurately calculated its 2011 compliance obligations given its proposed baseline and the statutory benchmarks.
- (4) That the Glacial Energy reserve subaccount data on the PJM EIS Generation Attribute Tracking System (GATS) showed that the Company had retired the following for 2011:
 - 2,390 Ohio Non-Solar RECs
 - 2,390 Other Non-Solar RECs
 - 74 Ohio S-RECs
 - 74 Other S-RECs
- (5) That following a review of the Glacial Energy reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total non-solar obligation, as well as the specific minimum in-state non-solar requirement, for 2011. The RECs that the Company 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, 2011.
- (6) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total solar obligation, as well as the specific minimum in-state solar requirement, for 2011. The S-RECs that the Company 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, 2011.

V. Staff Recommendations

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

- (1) That Glacial Energy be found to have satisfied its 2011 AEPS compliance obligations.

- (2) That for future compliance years in which the Company is utilizing GATS to demonstrate its Ohio compliance efforts, the Company initiates the transfer of the appropriate RECs and S-RECs to its GATS reserve subaccount between March 1st and April 15th so as to precede the filing of their Ohio annual compliance status report with the Commission.

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