

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Linde Energy                    )  
Services Inc. Annual Alternative Energy        )  
Portfolio Status Report for 2012                )**

**Case No. 13-0540-EL-ACP**

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Findings and Recommendations of the PUCO Staff

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**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 **2012** are as follows:

- Renewable Energy Resources = **1.50%** (includes solar requirement)
- Solar Energy Resources = **0.06%**

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**

Linde Energy Services Inc. (Linde Energy or Company) filed its 2012 AEPS compliance status report and an associated Motion for Protective Order on April 3, 2013. In its filing, Linde Energy indicated that it did not begin serving Ohio electric customers until April 2012. The Company has proposed a baseline of 3,407 megawatt-hours (MWHs) which it indicated is its actual sales for 2012.

Using its proposed baseline and the statutory benchmarks, the Company calculated its compliance obligations for 2012 the details of which are provided in the confidential version of their filing. The Company indicated that it fully satisfied its compliance requirements with the purchase of renewable energy credits (RECs) through market brokers.

## **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) That the Company is an electric services company with retail electric sales in the state of Ohio, and, therefore, the Company had an AEPS compliance obligation for 2012.
- (2) That the Company filed its AEPS compliance report on April 3, 2013.
- (3) That the Company proposed a baseline comprised of its actual sales for 2012. With no Ohio electric sales during the period of 2009-2011, projected sales for 2012 could have been used to calculate the baseline. The use of projected sales, as referenced in 4901:1-40-03(B)(2)(b), OAC, was intended to facilitate a

company's compliance planning in that it could quantify its compliance requirements earlier in the year. Staff acknowledges that the use of actual sales data, as proposed by the Company, is more accurate than using projected data and therefore Staff does not contest the proposed baseline.

- (4) That the Company accurately calculated its 2012 compliance obligations given its proposed baseline.
- (5) That the Company has retired RECs and Solar RECs for 2012 through its PJM EIS Generation Attribute Tracking System (GATS) account.
- (6) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total non-solar<sup>1</sup> obligation, as well as the specific minimum in-state non-solar requirement, for 2012. 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, 2012.
- (7) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total solar obligation, while exceeding the specific minimum in-state solar requirement, for 2012. 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, 2012.

## **V. Staff Recommendations**

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

- (1) That Linde Energy be found to have satisfied its 2012 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

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<sup>1</sup> 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.

March 1<sup>st</sup> and April 15<sup>th</sup> so as to precede the filing of their Ohio annual compliance status report with the Commission.

**This foregoing document was electronically filed with the Public Utilities**

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