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May 28, 2013

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43215

Re: Case No. 13-903-EL-ACP, In the Matter of the Report of Duke Energy Ohio, Inc.,  
Concerning its Advanced and Renewable Energy Baseline and Benchmarks and Ten Year  
Compliance Plan.

Dear Ms. McNeal:

On April 12, 2013, Duke Energy Ohio, Inc. submitted a Report Concerning its Advanced and Renewable Energy Baseline and Benchmarks and Ten Year Compliance Plan. Subsequent to the filing, it was determined that it was necessary to amend the Report to reflect a small change in 2011 MWH sales numbers. The Revised Report is attached and includes the corrected data.

Thank you for your assistance with this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Elizabeth H. Watts', written in a cursive style.

Elizabeth H. Watts  
Associate General Counsel

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Report of Duke	)	
Energy Ohio, Inc., Concerning its	)	
Advanced and Renewable Energy	)	Case No. 13-903-EL-ACP
Baseline and Benchmarks and Ten	)	
Year Compliance Plan.	)	

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**REVISED  
DUKE ENERGY OHIO, INC.'S  
2012 ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT AND TEN  
YEAR ADVANCED ENERGY AND RENEWABLE ENERGY BENCHMARK  
COMPLIANCE PLAN**

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**I. INTRODUCTION**

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) is an electric distribution utility as that term is defined within Ohio Revised Code Section 4928.01(A)(6), and is therefore subject to the advanced energy and renewable requirements contained in Revised Code 4928.64.

Consistent with the rules enacted by the Public Utilities Commission of Ohio (Commission), including Ohio Administrative Code (O.A.C.) Section 4901:1-40-05, Duke Energy Ohio hereby submits this initial report in which it identifies its energy baseline and renewable energy credit (REC) and solar renewable energy credit (SREC) benchmarks and its compliance with year 2012 advanced and renewable mandates. Duke Energy Ohio also provides herein its plan for compliance with future annual advanced and renewable mandates as required by O.A.C. 4901:1-40-03(C).

## **II. DUKE ENERGY OHIO'S BASELINE CALCULATION**

Ohio Rev. Code Section 4928.64(B) provides that the baseline for a utility's compliance with the alternative energy resource requirements shall be the average of such total kilowatt hours it sold in the preceding three years, except that the Commission may reduce a utility's baseline to adjust for new economic growth in the utility's territory. In Duke Energy Ohio compliance Application for 2009, the Company sought an adjustment to its energy baseline to reflect dramatic increases in the level of shopping that had occurred in its service territory. On August 31, 2011, the Staff of the Public Utilities Commission of Ohio (Staff) submitted Findings and Recommendations wherein the Staff stated that the Company's proposed adjustment to its baseline as a result of switching was not consistent with Staff's interpretation of the applicable statute. Staff's recommendation was that the Commission not accept the Company's proposed adjustment to its baseline. Thereafter, the Parties in that proceeding reached a Stipulation and Recommendation that included compliance with an unadjusted baseline.<sup>1</sup> Therefore, the Company, in this application, is demonstrating compliance with its baseline and benchmarks on an unadjusted basis.

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<sup>1</sup> In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of its 2009 Advanced and Renewable Energy Baseline and Benchmarks, Case No. 1-511-EL-ACP (January 13, 2012).

2009 Full Service Sales		17,187,784
2010 Full Service Sales		10,102,444
2011 Full Service Sales		6,705,961
<b>Average</b>		11,332,063
2012 renewable benchmark		1.44%
2012 solar benchmark		0.06%
2012 renewable requirements by jurisdiction (total less solar)		163,182
Ohio	<b>50%</b>	81,591
Out of state	<b>50%</b>	81,591
2012 solar requirements by jurisdiction		6,800
Ohio	<b>50%</b>	3,400
Out of state	<b>50%</b>	3,400

### III. DUKE ENERGY OHIO'S DEMONSTRATION OF COMPLIANCE WITH THE 2012 RENEWABLE ENERGY BENCHMARKS

#### A. NON-SOLAR

1. Duke Energy Ohio provided one half of its total non-solar renewable energy requirements through in-state, non-solar, renewable energy credits.

As set forth above, the 2012 benchmark for in-state, non-solar, renewable energy which Duke Energy Ohio was required to meet was 81,591 RECs. (1 REC: 1MWh)

2. Duke Energy Ohio provided one half of its total non-solar renewable energy requirements through non-solar, renewable energy credits purchased from adjacent states.

As set forth above, the 2012 benchmark for adjacent-state, non-solar, renewable energy which Duke Energy Ohio was required to meet was 81,591 RECs

## **B. SOLAR**

1. Duke Energy Ohio met its solar renewable energy requirements through in-state solar renewable energy credits.

As set forth above, the 2012 benchmark for Ohio-sited sources of solar energy which Duke Energy Ohio was required to meet was 3,400 RECs

2. Duke Energy Ohio met its solar renewable energy requirements through purchase of renewable energy credits from outside the state of Ohio.

As set forth above, the 2012 benchmark for adjacent-state sources of solar energy which Duke Energy Ohio was required to meet was 3,400 RECs.

**IV. DUKE ENERGY OHIO'S PLAN FOR COMPLIANCE WITH FUTURE ADVANCED AND RENEWABLE ENERGY BENCHMARKS.**

The Commission has enacted a requirement that each electric utility and electric service company file a plan for compliance with future advanced and renewable energy benchmarks. Rule 4901:1-40-03(C) directs utilities and service companies to include the following:

1. A baseline for the current and future calendar years;
  - a. Please see Appendix A
2. Supply portfolio projection, including both generation fleet and power purchases;
  - a. N/A
3. A description and methodology used to evaluate compliance options; and
  - a. At the present time, the Company achieves annual compliance through REC purchase transactions that have been relatively short-term in nature. However, the Company plans to employ any and all reasonable methods to assure ongoing compliance, and these tactics may be adjusted, as necessary. The Company believes that maintaining flexibility in its choice of compliance strategies is necessary to provide the greatest certainty of compliance, and to assure that the most cost-effective methods are implemented for the benefit of customers.

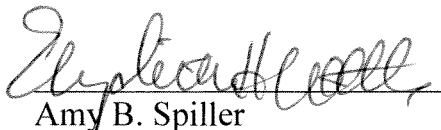
4. A discussion of any perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing such impediments.

a. Any impediments to achieving compliance in the near term are currently modest because the REC markets are well-supplied. Over the longer term, the bigger concern is with the uncertainty of future obligations, given the Company's continually-shifting load obligation (which, in turn, maintains the Company's bias towards short-term REC purchase contracts).

## V. CONCLUSION

Duke Energy Ohio respectfully requests that the Commission approve its evaluation of the baseline for 2012 and find that Duke Energy Ohio has met its advanced and renewable compliance requirements for 2012 and that it has complied with all its reporting requirements related to such compliance.

Respectfully submitted,



Amy B. Spiller  
Deputy General Counsel  
Elizabeth H. Watts  
Associate General Counsel  
Duke Energy Ohio, Inc.  
139 E. Fourth Street  
Cincinnati, Ohio 45201-0960

# APPENDIX A

## DUKE ENERGY OHIO TEN YEAR BASELINE AND BENCHMARK FORECAST

Year	Year	Duke Ohio Sendout MWH	SSO SALES FORECAST Default Load (includes losses)	RENEWABLE ENERGY BASELINE FORECAST	Non-Solar Requirement (%)	Non-Solar Requirement (MWH)	Solar Requirement (%)	Solar Requirement (MWH)
0	2013	20,038,945	4,695,715	7,607,109	1.91%	145,296	0.09%	6,846
1	2014	20,255,772	4,746,524	5,804,866	2.38%	138,156	0.12%	6,966
2	2015	20,342,000	4,766,729	5,151,720	3.35%	172,583	0.15%	7,728
3	2016	20,563,500	4,818,633	4,736,323	4.32%	204,609	0.18%	8,525
4	2017	20,765,063	4,865,866	4,777,295	5.28%	252,241	0.22%	10,510
5	2018	20,932,106	4,905,009	4,817,076	6.24%	300,586	0.26%	12,524
6	2019	21,073,253	4,938,083	4,863,169	7.20%	350,148	0.30%	14,590
7	2020	21,180,964	4,963,323	4,902,986	8.16%	400,084	0.34%	16,670
8	2021	21,233,573	4,975,651	4,935,472	9.12%	450,115	0.38%	18,755
9	2022	21,255,651	4,980,825	4,959,019	10.08%	499,869	0.42%	20,828
10	2023	21,275,983	4,985,589	4,973,266	11.04%	549,049	0.46%	22,877

Note: Prior year sales for calculation of 2012 - 2014 baseline as follows (in MWH):

2012 6,012,923  
2011 6,705,961  
2010 10,102,444



**Duke Energy Ohio, Inc.**  
**Compliance Plan Status Report for Compliance Year 2012**  
**Summary Sheet**

	(A) MWH Sales Unadjusted	(B) Proposed Adjustments	(C) = (A) - (B) MWH Sales Adjusted
2009	17,187,784	0	17,187,784
2010	10,102,444	0	10,102,444
2011	6,705,961	0	6,705,961

Unadjusted baseline for 2011 Compliance Obligation

11,332,063

**Force Majeure Carry-Over from 2011**

Ohio Solar - MWHs	0	(E)
Non-Ohio Solar - MWHs	0	(F)
Ohio Non-Solar - MWHs	0	(G)
Non-Ohio Non-Solar - MWHs	0	(H)

**2012 Statutory Compliance Obligation**

2012 Non-Solar Renewable Benchmark	1.44%	(I)
2012 Solar Renewable Benchmark	0.06%	(J)
Per ORC, 4928.64(B)(2)		

**2012 Compliance Obligation**

Non-Solar RECs Needed for Compliance	163,182	(K) = ((G)+(H))+((I)*(D))
Minimum Required from Ohio Facilities	81,591	(L) = (G)+.5((I)*(D))
Amount from Non-Ohio Facilities	81,591	(M) = (H)+.5((I)*(D))
Solar RECs Needed for Compliance	6,800	(N) = ((E)+(F))+((J)*(D))
Minimum Required from Ohio Facilities	3,400	(O) = (E)+.5((J)*(D))
Amount from Non-Ohio Facilities	3,400	(P) = (F)+.5((J)*(D))

**Under Compliance in 2012 (if applicable)**

Non-Solar MWHS	0	(Q)
Solar MWHS	0	(R)

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

**Commission of Ohio Docketing Information System on**

**5/28/2013 3:39:49 PM**

**in**

**Case No(s). 13-0903-EL-ACP**

Summary: Correspondence Revised Report Concerning its Advanced and Renewable Energy Baseline and Benchmarks and Ten Year Compliance Plan electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.