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**PUCO EXHIBIT FILING**

Date of Hearing: 8-28-13

Case Nos. 11-2363-EL-ACP & 12-1285-EL-ACP

PUCO Case Caption: IMO: of the 2010 Annual Alternative Energy Resources Report of for NextEra Energy Services Ohio, LLC, & IMO: of the 2011 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC

List of exhibits being filed:

NextEra Electric 1
Joint 1

Reporter's Signature: M. Hale
Date Submitted:

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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| In the Matter of: The 2010 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC, | : | Case No. 11-2363-EL-ACP |

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| In the Matter of: The 2011 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC, | : | Case No. 12-1285-EL-ACP |

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PROCEEDINGS

before Mr. Jay S. Agranoff, Attorney Examiner, at the Public Utilities Commission of Ohio, 180 East Broad Street, 11th Floor, Room 11-D, Columbus, Ohio, called at 9:59 a.m. on Wednesday, August 28, 2013.

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**BEFORE**
**THE PUBLIC UTILITIES COMMISSION OF OHIO**

| | | |
|---|---|---|
| **In the Matter of the 2010 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC** | ) ) ) | **Case No. 11-2363-EL-ACP** |
| **In the Matter of the 2011 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC** | ) ) ) | **Case No. 12-1285-EL-ACP** |

# DIRECT TESTIMONY OF AUNDREA WILLIAMS

**Q1. Please state your name, title and business address.**

A1. My name is Aundrea Williams, Assistant Vice President, Regulatory for NextEra Energy Services and Gexa Energy. My business address is 20455 State Highway 249, Suite 200, Houston, TX 77070.

**Q2. Please describe your employment history and educational background.**

A2. I have been employed by NextEra Energy Services since March, 2013 and have the responsibility for regulatory and legislative affairs for all facets of our competitive retail electric and competitive retail gas businesses. NextEra Energy Services is a leading provider of affordable competitive retail electricity services to residential and commercial customers in competitive markets across North America. NextEra Energy Services and its affiliates are licensed to provide competitive retail electric services to residential and commercial customers in 14 states and the District of Columbia. Prior to March, 2013, I worked for the NRG family of retail companies for over thirteen years and was responsible for a variety of retail projects throughout my tenure with the company. I received a Bachelors of Business Administration from Stephen F. Austin State University and a Masters of Business Administration from the University of Houston.

**Q3. Have you ever testified before this or any other regulatory body?**

**A3.** No, I have not testified before the Public Utilities Commission of Ohio but have provided testimony multiple times before the Pennsylvania Public Utility Commission.

**Q4. On whose behalf are you testifying in this proceeding?**

**A4.** My testimony is submitted on behalf of NextEra Energy Services Ohio, LLC (sometimes referred to as "NES OH").

**Q5. What is the purpose of your testimony?**

**A5.** The purpose of my testimony is to support the Stipulation and Recommendation and to urge the Commission to adopt it.

**Q6. Who signed the Stipulation and Recommendation?**

**A6.** Counsel for NextEra Energy Services Ohio, LLC and the Staff of the Commission.

**Q7. Do you agree that NES OH has under complied with its 2010 and 2011 Alternative Energy Portfolio Status Report Compliance Obligations?**

**A7.** Yes, I do.

**Q8. Do you support the provision of the Stipulation and Recommendation that recommends that the Commission require that the compliance shortfalls of NextEra Energy Services Ohio, LLC which are detailed on Exhibit 1 to both the July 15, 2013 and the July 18, 2013 Findings and Recommendation of the PUCO Staff all be rolled forward to the 2013 Compliance Year?**

**A8.** Yes, I do. It is possible that the baseline calculation and compliance requirements were subject to some degree of uncertainty given the calculation methodology for baselines for new market entities, which NES OH was in 2009. As indicated in Case No. 11-2363-EL-ACP, the Company's 2009 sales were associated with serving NOPEC but, as NES OH noted in its filed

Alternative Energy Resources report for Calendar Year 2010, the 2009 REC number included NOPEC volumes and that book of business was sold in 2009. .

**Q9. Do you agree that NES OH should initiate the transfer of the appropriate RECs and S-RECs to its GATS reserve sub-accounts between March 1 and April 15 in future years?**

**A9.** Yes, I do.

**Q10. Do you believe that the Stipulation and Recommendation was a product of serious bargaining among capable, knowledgeable parties?**

**A10.** Yes.

**Q11. Do you believe that the Stipulation and Recommendation, as a package, benefits rate payers and is in the public interest?**

**A11.** Yes.

**Q12. Do you believe either Stipulation and Recommendation violates any important regulatory principle or practice?**

**A12.** No, I do not.

**Q13. Do you have a recommendation?**

**A13.** Yes, I do. I recommend that the Commission adopt the Stipulation and Recommendation. I urge the Commission to adopt the recommended alternative of requiring that the compliance shortfalls as detailed on Exhibit 1 in both the July 15, 2013 and the July 18, 2013 Findings and Recommendations of the PUCO Staff be rolled forward to the 2013 Compliance Year.

**Q14. Does this conclude your testimony?**

**A14.** Yes, it does.

## CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served on Thomas G. Lindgren (thomas.lindgren@puc.state.oh.us) via electronic mail this 23rd day of August, 2013.

Stephen M. Howard

Stephen M. Howard

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**BEFORE**
**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| **In the Matter of the 2010 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC** | ) ) ) | **Case No. 11-2363-EL-ACP** |
| **In the Matter of the 2011 Annual Alternative Energy Resources Report for NextEra Energy Services Ohio, LLC** | ) ) ) | **Case No. 12-1285-EL-ACP** |

## STIPULATION AND RECOMMENDATION

Pursuant to Rule 4901-1-30 of the Ohio Administrative Code, two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such proceeding. The purpose of this document is to set forth the understanding and agreement of NextEra Energy Services Ohio, LLC ("NextEra" or "the Company") and the Staff of the Public Utilities Commission of Ohio ("Staff") (which, for purposes of entering into this Stipulation and Recommendation, will be considered a party by virtue of Rule 4901-1-10(C) of the Ohio Administrative Code) (collectively, the "Signatory Parties"), and to recommend that the Public Utilities Commission of Ohio ("PUCO" or the "Commission") approve and adopt this Stipulation and Recommendation, as part of its Opinion and Order resolving all of the issues in the above-captioned proceeding.

This Stipulation and Recommendation, which shall be designated as Joint Exhibit 1, is supported by adequate data and information; represents, as an integrated and complete document, a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or precedent; is in the public interest; and is the product of serious bargaining among knowledgeable and capable parties, and parties that are representative of many interests and stakeholders in a cooperative process undertaken by the Signatory Parties. While this Stipulation

and Recommendation is not binding on the Commission, where, as here, it is sponsored by the Signatory Parties representing a significant cross-section of interests, including the Commission Staff, it is entitled to careful consideration by the Commission.

Except for enforcement purposes, neither this Stipulation and Recommendation nor the information and data contained herein or attached shall be cited as precedent in any future proceeding for or against any Signatory Party, or the Commission itself, if the Commission approves the Stipulation and Recommendation. The Signatory Parties' agreement to this Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation and Recommendation shall be construed or applied to attribute the results set forth in this Stipulation and Recommendation as the results that any Signatory Party might support or seek, but for this Stipulation and Recommendation in these proceedings or in any other proceeding.

For purposes of resolving certain issues raised by this proceeding, the Signatory Parties stipulate and recommend as follows:

1. 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, Revised Code with relevant resource definitions contained within Section 4928.01(A), Revised Code.

2. Pursuant to Section 4928.64(B)(2), Revised Code, the specific compliance obligations for 2010 and 2011 are as follows:

a. Renewable Energy Resources are equal to 0.50 percent (includes solar requirement) for 2010, increasing to 1.00 percent for 2011;

b. Solar Energy Resources are equal to 0.010 percent for 2010, increasing to 0.030 percent for 2011.

3. There is also a statutory requirement that at least half of the renewable energy resources, including the solar energy resources, shall be met through facilities located in this state.

4. Subsections (A) and (C) of Rule 4901:1-40-05 of the Ohio Administrative Code, which was a rule developed to implement the Ohio AEPS, provides as follows:

> (A) Unless otherwise ordered by the commission, such 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 will conduct annual compliance reviews with respect to the benchmarks under the alternative energy portfolio standard.
>
> (C) 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 modification thereto.

5. NextEra is an electric services company with retail electric sales in the state of Ohio, and therefore NextEra had an AEPS compliance obligation for 2010 and 2011.

6.. In 2009, NextEra was doing business under the name of Gexa Energy.

7. As pertains to the 2010 AEPS compliance year:

a. NextEra filed its annual status report for 2010 AEPS compliance activities on April 15, 2011 in Case No. 11-2363-EL-ACP. No one moved to intervene or filed comments.

b. The Company's baseline for the 2010 compliance year should be 1,581,343 megawatt-hours (MWHs).

c. For the 2009 compliance year, the Company retired 221 more renewable energy credits (RECs) than was necessary for its 2009 compliance obligations, including 110 from Ohio facilities. The Commission determined in Case No. 10-496-EL-ACP that these excess RECs may be applied against a future compliance obligation.

d. For the 2009 compliance year, the Company was granted a *force majeure* determination for its solar obligation. As a result, its 2009 solar deficiency of 61 solar RECs (SRECs), including at least 31 from Ohio facilities, was able to be made up in 2010.

e. NextEra has retired RECs via its PJM EIS Generation Attributes Tracking System (GATS) reserved subaccount towards its 2010 AEPS compliance obligations.

f. Given the stipulated baseline of 1,581,343 MWHs, the Commission's decisions relative to the Company's 2009 compliance year filing, and the RECs and S-RECs already retired by the Company for the 2010 compliance year, the Company is short of compliance with respect to Ohio S-RECs, other S-RECs, Ohio RECs and other RECs.

g. The Signatory Parties agree that NextEra has under complied with its 2010 AEPS compliance obligations, including the solar shortfall from 2009, and they further agree with the specific shortfalls as detailed on Exhibit 1 to the Staff's Findings and Recommendations in Case No. 11-2363-EL-ACP.

h. As an alternative to assigning a compliance payment, the Signatory Parties recommend that the Commission require that the compliance shortfalls as detailed on Exhibit 1 to the July 15 Findings and Recommendation of the PUCO Staff be rolled forward to the 2013

compliance year. As NextEra had sold its 2009 NOPEC volumes, it is possible that the baseline calculation and compliance requirements were subject to some degree of uncertainty.

8. As pertains to the 2011 AEPS compliance year:

a. *In Case No. 12-1285-EL-ACP, NextEra filed its annual status report for* 2011 AEPS compliance activities on April 19, 2012, with two amendments filed in January 2013. No one moved to intervene or filed comments.

b. The Company's baseline for the 2011 compliance year should be 999,907 MWHs.

c. NextEra has retired RECs via its PJM EIS Generation Attributes Tracking System (GATS) reserved subaccount towards its 2011 AEPS compliance obligations.

d. Given the stipulated baseline of 999,907 MWHs, the Company is short of compliance with respect to Ohio S-RECs, other S-RECs, Ohio RECs and other RECs.

e. The Signatory Parties agree NextEra has under complied with its 2011 AEPS compliance obligations, and they further agree with the specific shortfalls as detailed on Exhibit 1 to the Staff's Findings and Recommendations in Case No. 12-1285-EL-ACP.

f. As an alternative to assigning a compliance payment, the Signatory Parties recommend that the Commission require that the compliance shortfalls as detailed on Exhibit 1 to the Staff's Findings and Recommendation be rolled forward to the 2013 compliance year. As NextEra had sold its 2009 NOPEC volumes, it is possible that the baseline calculation and compliance requirements were subject to some degree of uncertainty.

9. The Signatory Parties agree that NextEra shall be precluded from raising the cost provision contained within 4928.64(C)(3), Revised Code, as pertains to its adjusted AEPS obligations for the 2013 compliance year.

10. The Signatory Parties agree that RECs and S-RECs retired via the GATS reserve subaccount for the 2013 compliance year should first be applied to the specific 2010 and 2011 compliance shortfalls. A failure to retire an adequate volume of RECs and S-RECs to address these prior deficiencies shall result in the imposition of the appropriate proportion of the compliance payments as detailed on Exhibit 1 of the respective Staff Findings and Recommendations.

11. For future compliance years in which NextEra is utilizing GATS to demonstrate its Ohio compliance efforts, the Company shall initiate the transfer of the appropriate RECs and S-RECs to its GATS reserved subaccounts between March 1 and April 15 so as to precede the filing of its Ohio annual compliance status report with the Commission.

12. The Signatory Parties believe that this Stipulation and Recommendation represents a reasonable compromise of the varying interests. This Stipulation and Recommendation is expressly conditioned upon adoption in its entirety by the Commission without material modification by the Commission. Should the Commission reject or materially modify all or any part of this Stipulation and Recommendation, the Signatory Parties shall have the right, within 30 days of issuance of the Commission's Order, to file an application for rehearing, or to terminate and withdraw from the Stipulation by filing a notice with the Commission in this proceeding, including service to all the Signatory Parties. The Signatory Parties agree that they will not oppose or argue against the other Signatory Party's application for rehearing that seeks to uphold the original, unmodified Stipulation and Recommendation. Upon the Commission's issuance of an Entry on Rehearing that does not adopt the Stipulation and Recommendation in its entirety without material modification, either Signatory Party may terminate and withdraw from the Stipulation and Recommendation by filing a notice with the

Commission within 30 days of the Commission's Entry on Rehearing. The other Signatory Party to the Stipulation and Recommendation agrees to defend and shall not oppose the withdrawal and termination of the Stipulation and Recommendation by either Signatory Party.[1] Upon notice of termination or withdrawal by either Signatory Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In any such event, this proceeding shall go forward at the procedural point at which this Stipulation and Recommendation was filed, and the Signatory Parties will be afforded the opportunity to present evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues which shall be decided based upon the record and briefs as if this Stipulation and Recommendation had never been executed.

13. The Signatory Parties respectfully request that the Commission adopt this Stipulation and Recommendation and approve the alternative to assigning a compliance payment as set forth in Item 7(h) and 8(f) above and contained within the applicable Findings and Recommendations of the PUCO Staff.

The undersigned hereby stipulate and agree that each presents that it is authorized to enter into this Stipulation and Recommendation on this 23d day of August, 2013. This Stipulation and Recommendation may be signed in counterparts.

STAFF OF THE PUBLIC UTILITIES COMMISSION OF OHIO

By: Thomas D. Lindgren
Thomas G. Lindgren
Assistant Attorney General

NEXTERA ENERGY SERVICES OHIO, LLC

[1] Either Signatory Party has the right, in its sole discretion, to determine what constitutes a "material" change for purposes of that Signatory Party withdrawing from the Stipulation and Recommendation.

By: 

M. Howard Petricoff
Attorney for NextEra Energy Services Ohio, LLC