

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative)
Energy Portfolio Status Report of Public) Case No. 13-884-EL-ACP
Power, LLC.)

FINDING AND ORDER

The Commission finds:

- (1) Public Power, LLC (Public Power or Company) is an electric services company as defined in R.C. 4928.01(A)(9) and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4928.64(B)(2) establishes benchmarks for electric services companies to acquire a portion of their electricity supply for retail customers in Ohio from renewable energy resources. Half of the renewable benchmark must be met with resources located within Ohio (in-state renewable benchmark), including a portion from solar energy resources (solar benchmark), half of which must be met with resources located within Ohio (in-state solar benchmark). The specific renewable compliance obligations for 2012 are 1.50 percent (which includes the solar requirement) and 0.06 percent for solar. R.C. 4928.65 provides that an electric utility or electric services company may use renewable energy credits (RECs) to satisfy all or part of a renewable energy resource benchmark, including a solar benchmark (SRECs). Ohio Adm.Code 4901:1-40-01(BB) defines a REC as the environmental attributes associated with one MWh of electricity generated by a renewable energy resource, except for electricity generated by facilities as described in Ohio Adm.Code 4901:1-40-04(E).
- (3) Ohio Adm.Code 4901:1-40-05(A) requires each electric services company to annually file by April 15 an annual alternative energy portfolio status report (AEPS report), unless otherwise ordered by the Commission. The AEPS report must analyze all activities the company undertook in the previous year in order to demonstrate how pertinent alternative energy portfolio benchmarks have been met. Staff then conducts an annual compliance review with regard to the benchmarks.

- (4) On April 11, 2013, Public Power filed a request for waiver of the baseline calculation methodology specified by Ohio Adm.Code 4901:1-40-03(B)(2)(b). This provision directs an electric services company with no in-state retail electric sales during the preceding three calendar years to use a projection of its in-state retail electric sales for a full calendar year to calculate its initial baseline. Public Power states that it had no Ohio retail sales in 2009, 2010, or 2011, and proposes a baseline using its actual, rather than projected, Ohio retail sales in 2012.
- (5) On April 15, 2013, Staff filed a response to Public Power's request for waiver. Staff recommends that a waiver be granted allowing Public Power's baseline to be determined using actual, rather than projected, sales for 2012.
- (6) Although R.C. 4928.64(B) directs that the baseline for compliance with the renewable requirements be calculated using the average kWh sales for the preceding three calendar years, the statute does not specify a methodology for calculating baselines where a company does not have a three-year history of electric retail sales in Ohio. Ohio Adm.Code 4901:1-40-02(B) provides that the Commission may, upon a motion filed by a party, waive any requirement of that chapter, other than a statutory mandate, for good cause shown. After consideration of Staff's recommendation, the Commission finds Public Power's request for waiver of Ohio Adm.Code 4901:1-40-03(B)(2)(b) to be reasonable, and directs that Public Power be permitted to calculate its initial baseline using its actual Ohio retail sales in 2012.
- (7) On April 15, 2013, Public Power filed its 2012 AEPS report, pursuant to R.C. 4928.64 and Ohio Adm.Code 4901:1-40-05(A), with a motion for protective order. In its AEPS report, Public Power proposes a baseline of 41,469 MWh using its actual Ohio retail sales for 2012, as the Company had no Ohio retail sales for the years 2009 through 2011. Using this baseline and the 2012 statutory benchmarks, Public Power calculated its 2012 compliance obligations to be 24 solar MWh, of which at least 12 MWh must originate from Ohio facilities, and 598 non-solar MWh, of which at least 299 MWh must originate from Ohio facilities. Using this baseline and the 2012 statutory benchmarks, Public Power reports that it has met its renewable, in-state renewable, solar, and in-state solar benchmarks.

- (8) With respect to its motion for protective order, Public Power seeks to prevent disclosure of its calculation of REC requirements for 2012 on the first page of its AEPS report, and its ten-year forecast of sales and REC requirements on the second page of its AEPS report, as well as supporting documentation showing the facility names, certificate serial numbers, and Ohio certificate numbers for the RECs and SRECs obtained. Public Power asserts that this data, if made public, could harm its ability to compete in Ohio's retail electric generation marketplace. The Company states that it has taken measures to maintain the confidentiality of this data, and requests that the redacted information be treated as confidential.
- (9) R.C. 4905.07 provides that all facts and information in the possession of the Commission shall be public, except as provided in R.C. 149.43, and as consistent with the purposes of R.C. Title 49. R.C. 149.43 specifies that the term "public records" excludes information that, under state or federal law, may not be released. The Ohio Supreme Court has clarified that the "state or federal law" exemption is intended to cover trade secrets. *State ex rel. Besser v. Ohio State*, 89 Ohio St. 3d 396, 399, 732 N.E.2d 373 (2000). Ohio Adm.Code 4901-1-24 allows the Commission to issue an order to protect the confidentiality of information to the extent that state or federal law prohibits release of the information, including where the information is deemed * * * to constitute a trade secret under Ohio law. R.C. 1333.61(D) defines a trade secret as information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that: (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. *State ex rel. the Plain Dealer v. Ohio Dept. of Ins.*, 80 Ohio St.3d 513, 524-525, 687 N.E.2d 661 (1997). In that case, the Court also listed six factors for analyzing a trade secret claim: (1) the extent to which the information is known outside the business; (2) the extent to

which it is known to those inside the business, i.e., by the employees; (3) the precautions taken by the holder of the trade secret to guard the secrecy of the information; (4) the savings effected and the value to the holder in having the information as against competitors; (5) the amount of effort or money expended in obtaining and developing the information; and (6) the amount of time and expense it would take for others to acquire and duplicate the information. *Plain Dealer*, 524-525, 687 N.E.2d 672, citing *Pyromatics, Inc. v. Petruziello* (1983), 7 Ohio App.3d 131, 134-135, 7 OBR 165, 169, 454 N.E.2d 588, 592. Further, an entity claiming trade secret status bears the burden to identify and demonstrate that the material is included in categories of protected information under the statute and additionally must take some active steps to maintain its secrecy. See, *Fred Siegel Co., L.P.A. v. Arter & Hadden* (1999), 85 Ohio St.3d 171, 181, 707 N.E.2d 853, 862.

- (10) Applying the statutory requirements and the Court's six-factor test discussed in *Plain Dealer* and *Besser*, the Commission has held that motions for protective orders with respect to AEPS reports should be granted for projected data, but denied for any current or historical data that has been publicly disclosed, such as a company's historical intrastate sales or REC requirements that are a mathematical function of publicly-reported sales. See, e.g., *Direct Energy Services, LLC*, Case No. 12-1233-EL-ACP, Finding and Order (December 11, 2013) at 5-6. With respect to Public Power's motion in this case, we find that the motion should be denied with respect to its calculation of REC requirements shown on the first page of its AEPS report. The Company's intrastate sales for 2012 are publicly available in Public Power's annual report to this Commission, and the corresponding REC requirements can be calculated from this published data. However, we also find that Public Power's motion should be granted with respect to its ten-year forecast of sales and REC requirements shown on the second page of its AEPS report, as well as the supporting documentation showing the facility names and certificate details for the RECs and SRECs obtained, as the Company asserts that this information has not been publicly disclosed. Ohio Adm.Code 4901-1-24(F) provides that, unless otherwise ordered, protective orders issued pursuant to Ohio Adm.Code 4901-1-24(D) automatically expire after 18 months. Therefore, confidential treatment shall be afforded to its forecast of sales

and REC requirements shown in paragraph 5 of its AEPS report for a period ending 18 months from the date of this order. Any motion to extend such period of confidential treatment must be filed at least 45 days in advance of the expiration date, pursuant to Ohio Adm.Code 4901-1-24(F), or this information may be released without prior notice.

- (11) On June 21, 2013, Staff filed its review and recommendations of the Company's AEPS report. Staff finds that Public Power was required to comply with the renewable benchmarks for 2012, as it had retail electric sales in Ohio. As noted above, Staff agrees with the use of the Company's actual Ohio retail sales for 2012 as its baseline since the Company had no intrastate retail sales for the years 2009 through 2011. However, Staff reports that since the filing of its AEPS report, Public Power has corrected its calculation of its actual 2012 Ohio retail electric sales, which the Company reported as 38,597 MWh in its amended annual report. Given this revised 2012 sales figure, Staff notes that the Company's compliance obligations are lower than initially calculated in its AEPS report. Staff reviewed the Company's reserve subaccount data with the PJM EIS Generation Attribute Tracking System (GATS) and concluded that Public Power met its solar benchmarks, and satisfied its total non-solar obligation, but exceeded its in-state non-solar requirements for 2012. Staff also confirmed that the RECs and SRECs originated from generating facilities certified by the Commission and were associated with electricity generated during the applicable timeframe. Therefore, Staff recommends that Public Power be found to be in compliance with its 2012 renewable energy compliance obligations.
- (12) In regards to the excess RECs and SREC, Staff recommends that Public Power coordinate with Staff and GATS representatives to adjust the quantity of RECs and SRECs transferred to the reserve subaccount for 2012 compliance purposes so that the quantity transferred matches the Company's compliance obligation as determined by the Commission. If such adjustments cannot be completed prior to March 1, 2014, Staff recommends that the excess RECs and SREC be eligible to be applied administratively to a future compliance obligation, consistent with Ohio Adm.Code 4901:1-40-04(D)(3). Staff further recommends that, for future compliance years in which Public Power utilizes GATS to demonstrate its Ohio

compliance efforts, Public Power initiate the transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15 so as to precede the filing of its annual AEPS report with the Commission.

- (13) Upon review of Public Power's AEPS report, as well as Staff's findings and recommendations, the Commission finds that Public Power is in compliance with its 2012 renewable, in-state renewable, solar, and in-state solar benchmarks; and that the Company's AEPS report for 2012 should be accepted using the corrected baseline of 38,597 MWh as reported as the Company's amended annual report. The Commission also directs that, for future compliance years, Public Power initiate the transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15, consistent with Staff's recommendations. Further, as Public Power was in excess of its 2012 compliance obligations, the Company is directed to coordinate with Staff and GATS representatives to adjust the quantity of RECs and SRECs transferred to the reserve subaccount for 2012 compliance purposes consistent with Staff's recommendations noted above.

It is, therefore,

ORDERED, That Public Power's AEPS report for 2012 be accepted as set forth above. It is, further,

ORDERED, That Public Power take all actions regarding Staff's recommendations as adopted above. It is, further,

ORDERED, That Public Power's motion for protective order be granted with respect to its forecast of sales and REC requirements shown on the second page of its AEPS report, as well as the facility and certificate details in the supporting documentation filed under seal, pursuant to Ohio Adm.Code 4901-1-24, until June 11, 2015. It is, further,

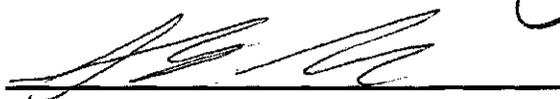
ORDERED, That Public Power's motion for protective order be denied with respect to the historical intrastate sales and REC requirement calculations shown on the first page of its AEPS report. It is, further,

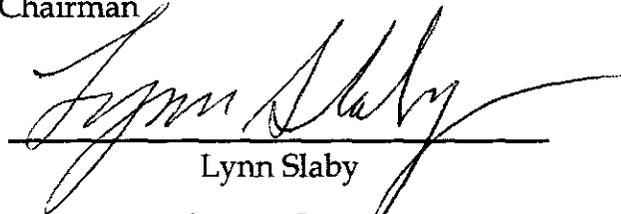
ORDERED, That, no sooner than 31 days after the issuance of this order, the Docketing Division shall release the first page of the Company's AEPS report filed under seal on April 15, 2013. It is, further,

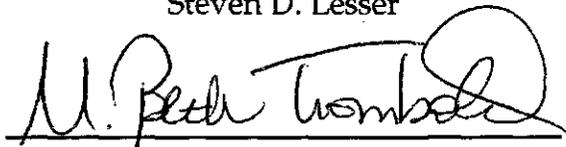
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

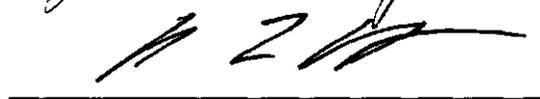
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


Lynn Slaby

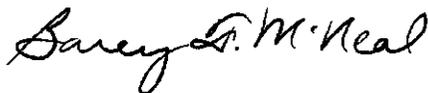

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Barcy F. McNeal
Secretary