

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative)
Energy Portfolio Status Report of Glacial) Case No. 13-931-EL-ACP
Energy of Ohio, Inc.)

FINDING AND ORDER

The Commission finds:

- (1) Glacial Energy of Ohio, Inc. (Glacial 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 15, 2013, Glacial filed its 2012 AEPS report, pursuant to R.C. 4928.64 and Ohio Adm.Code 4901:1-40-05(A). In its AEPS report, Glacial proposes a baseline of 811,695 MWh, which is the average of its Ohio electric retail sales for 2010 and 2011, as the Company had no such sales during 2009. Glacial calculates its 2012 compliance obligations to be 488 solar MWh, of which 244 must originate from Ohio facilities, and 11,688 non-solar MWh, of which at least 5,844 must originate from Ohio facilities. Glacial indicates that it has obtained the necessary RECs and SRECs to satisfy its 2012 compliance obligations, using the PJM EIS Generation Attribute Tracking System (GATS) to retire the necessary RECs and SRECs to demonstrate compliance.
- (5) On June 5, 2013, Staff filed its review and recommendations of the Company's AEPS report. Staff verified that Glacial accurately computed its baseline and 2012 compliance obligations. Additionally, Staff reviewed the Company's GATS reserve subaccount data and concludes that, for 2012, Glacial satisfied its renewable, in-state renewable, solar, and in-state solar benchmarks. 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. However, Staff reports that Glacial inadvertently retired more RECs and SRECs than were needed to satisfy its 2012 compliance obligations, with the excess amounting to three Ohio SRECs, three other SRECs, 59 Ohio RECs, and 59 other RECs. Accordingly, Staff recommends that Glacial be found to be in compliance with its 2012 renewable compliance obligations.
- (6) In regards to the excess REC and SREC, Staff recommends that Glacial 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 REC 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 Glacial utilizes GATS to demonstrate its Ohio compliance

efforts, the Company 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.

- (7) Upon review of the Company's AEPS report and Staff's recommendations, the Commission finds that Glacial 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. The Commission also directs that, for future compliance years, Glacial 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 Glacial 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 Glacial's AEPS report for 2012 be accepted. It is, further,

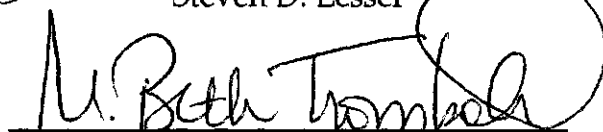
ORDERED, That Glacial take all actions regarding Staff's recommendations as adopted above. It is, further,

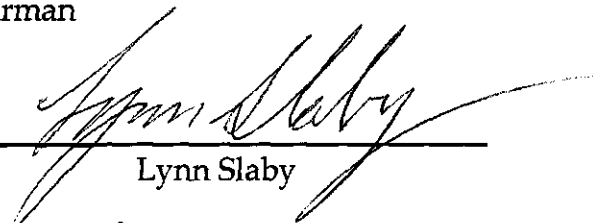
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


M. Beth Trombold


Lynn Slaby


Asim Z. Haque

RMB/vrm

Entered in the Journal

DEC 18 2013


Barcy F. McNeal

Barcy F. McNeal
Secretary