

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the GDF Suez Energy       )  
Resources North America, Inc. Annual       )  
Alternative Energy Portfolio Status       )  
Report for 2012                                )

Case No. 13-1974-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**

On April 9, 2013, GDF Suez Energy Resources North America, Inc. (GDF Suez or Company) filed its initial AEPS compliance status report for the 2012 compliance year under Case No. 04-1015-EL-CRS. Subsequently, the Commission opened Case No. 13-1974-EL-ACP for review of the Company's alternative energy compliance, and the Commission cross-filed the Company's initial AEPS compliance status report under the new case number. Commission Staff observed numerical discrepancies between the Company's initial AEPS compliance status report and the Company's initial CRES annual report, and requested that the Company file new, corrected reports.

On January 31, 2014, GDF Suez filed an amended AEPS compliance status report. On February 4, 2014, the Company filed a second copy of the amended AEPS compliance status report. In its amended AEPS report filings, GDF Suez indicated that it had no Ohio retail electric sales in 2009, 2010, or 2011. The Company proposed to use its actual metered load for 2012 rather than a projection of its sales for calculating its baseline. The Company stated that its actual metered load for 2012 was 139,401 megawatt-hours (MWHs). GDF Suez used its proposed baseline and the statutory benchmarks for 2012 to calculate its compliance obligations.

The Company asserted in its amended compliance status report that it obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to achieve compliance with its 2012 AEPS requirements.

## **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 GDF Suez is an electric services company in Ohio, issued Certificate No. 04-118E in Case No. 04-1015-EL-CRS, with retail electric sales in the state of Ohio, and therefore the Company had an AEPS obligation for 2012.
- (2) That the Company's amended AEPS compliance status report and the Company's amended CRES annual report corrected the numerical discrepancies Staff found between the Company's initial AEPS compliance status report and the Company's initial CRES annual report.
- (3) That GDF Suez proposed a baseline of 139,401 MWHs which it indicated reflects its actual 2012 sales and did not request a waiver from OAC 4901:1-40-03(B)(2)(b).
- (4) That the Company deviated from OAC 4901:1-40-03(B) by using actual sales for the 2012 baseline.
- (5) That the baseline GDF Suez proposes to use is acceptable.
- (6) That given its baseline, the Company did not compute its 2012 AEPS non-solar<sup>1</sup> compliance obligation accurately. The Company's 2012 compliance obligations, using a baseline of 139,401 MWHs and the statutory benchmarks, should have been as follows:
  - 2,007 Non-Solar MWHs, with at least 1,004 originating from an Ohio facility<sup>2</sup>

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<sup>1</sup> Staff uses "non-solar" in this context to refer to the total renewable energy requirement net of the specific solar requirement. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

<sup>2</sup>To calculate the total non-solar renewable compliance percentage obligation, subtract the annual total solar resource benchmark from the annual total renewable resource benchmark.

$$1.50\% - 0.06\% = 1.44\%$$

To determine the minimum total non-solar MWHs required, multiply the baseline by the non-solar percentage, then round to the nearest whole number.

$$139,401 * 1.44\% = 2,007.3744 = 2,007 \text{ non-solar MWHs}$$

To determine the minimum number of Ohio non-solar MWHs required, divide the total non-solar MWHs required by 2, then round to the nearest whole number.

$$2,007 / 2 = 1,003.5 = 1,004 \text{ Ohio non-solar MWHs}$$

- (7) That the Company has transferred RECs and S-RECs to its GATS reserve subaccount for Ohio compliance purposes.
- (8) That 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.
- (9) That 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.
- (10) That through its GATS reserve subaccount, the Company retired more RECs and S-RECs than were needed to satisfy its 2012 compliance obligations. Staff finds that the Company retired the following in excess of its requirements:
  - 7 Ohio S-RECs
  - 7 Other S-RECs
  - 303 Ohio RECs

## **V. Staff Recommendations**

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

- (1) That GDF Suez be found to have satisfied its 2012 AEPS compliance obligations.
- (2) That the excess RECs and S-RECs identified above in Finding (9) be eligible to be applied against applicable future compliance obligations of the Company, provided that the timing of this usage does not conflict with 4901:1-40-04(D)(3), OAC.
- (3) 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 March 1<sup>st</sup> and April 15<sup>th</sup> so as to precede the filing of its Ohio annual compliance status report with the Commission.
- (4) That for each future compliance year in which the Company demonstrates its Ohio compliance efforts, the Company reserves a new case number with the

industry code “EL” and the purpose code “ACP”, and subsequently files its Annual Alternative Energy Portfolio Status Report in the docket for that case.

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

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Summary: Staff Review and Recommendation electronically filed by Mr. Thomas E Stikeleather on behalf of PUCO Staff.