

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative)	
Energy Portfolio Status Report of PPL)	Case No. 14-0622-EL-ACP
Energy Plus, LLC)	
)	
In the Matter of the Report PPL)	
EnergyPlus, LLC Concerning its Plan for)	
Compliance with Advanced and Renewable)	
Energy Benchmarks)	

**PPL EnergyPlus, LLC
ANNUAL ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT**

AND

**PPL EnergyPlus, LLC
PLAN FOR COMPLIANCE WITH ADVANCED AND
RENEWABLE ENERGY BENCHMARKS**

I. Introduction

PPL EnergyPlus, LLC (“PPLEP”) is a competitive retail electric service (“CRES”) provider, as defined in Ohio Revised Code (O.R.C.) § 4928.01(A)(4), and an electric service company, as defined in O.R.C. § 4928.01(A)(9), having been issued Certificate No. 13-693(E)(1) by the Public Utilities Commission of Ohio (“Commission”) on May 5, 2013. Commencing in January 2014, PPLEP provides electric supply to commercial and industrial consumers throughout the state of Ohio.

Pursuant to O.R.C. § 4928.64 and Ohio Administrative Code (O.A.C.) Rule 4901:1-40-05, all Ohio electric service companies are required to file, by April 15 of each year, an annual alternative energy portfolio status report. In this report, electric service companies are required to analyze “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.”¹ To meet these requirements for 2013, PPLEP submits the following report which: (a) discusses its 2013 baseline; and (b) declares that it had no retail sales of electricity in Ohio in 2013, or in the prior three years, and therefore has no compliance obligation with respect to the renewable energy and solar energy benchmarks for 2013. Finally, PPLEP submits its plan for compliance with future annual advanced and renewable energy benchmarks, as required by O.A.C. Rule 4901:1-40-03(C).

II. Annual Alternative Energy Portfolio Status Report

For calendar year 2013, O.R.C. § 4928.64(B)(2) and O.A.C. Rule 4901:1-40-03(A)(2) require electric service companies to demonstrate that 2.0 percent of the retail electricity sold was derived from renewable energy resources. Of that 2.0 percent, half of the renewable energy resources implemented by electric service companies must have been generated at facilities located in Ohio. Additionally, 0.09 percent of the electricity sold by electric service companies must have been generated by solar energy resources, which portion may also be counted toward the renewable energy resources target. The level of these benchmark requirements is determined by first establishing a baseline number of kilowatt hours and then applying the benchmark percentages to that baseline.

A. Baseline Determination

Ordinarily, when an electric service company has been selling electricity in Ohio during the three preceding calendar years, the annual average of those three years is employed to determine the baseline. However, PPLEP commenced retail sales in Ohio in January 2014. Hence, O.A.C. Rule 4901:1-40-02 applies:

¹ O.A.C. Rule 4901:1-40-05(A).

Parties affected by these alternative energy portfolio standard rules include all Ohio electric utilities and all electric services companies serving retail electric customers in Ohio. Any entities that do not serve Ohio retail electric customers shall not be required to comply with the terms of the alternative energy portfolio standard.

Staff has determined in other ACP filings that when the electric services company did not have retail sales during the compliance year, the electric services company has no alternative energy portfolio standard compliance obligation for that year.² Therefore, PPLEP's baseline for 2013 is zero MWh.

B. 2013 Renewable Energy and Solar Energy Benchmarks and Compliance

Since PPLEP did not have any retail electric sales in Ohio during 2013 and, thus, no compliance obligation, it did not acquire any solar or renewable energy credits relative to its retail electric operations in Ohio.

III. Plan for Compliance with Future Annual Advanced and Renewable Energy Benchmarks

A. Baseline for Future Years

O.A.C. Rule 4901:1-40-03(C) requires each electric services company to file an annual plan for compliance with future annual advanced and renewable energy benchmarks, including solar, utilizing at least a ten-year planning horizon. Such plan must at a minimum include (i) a baseline for current and future calendar years; (ii) a supply portfolio projection, including both generation fleet and power purchases; (iii) a description of the methodology used by the company to evaluate its compliance options;

² *In the Matter of the 2012 Annual Alternative Energy Portfolio Status Report of ENCOA*, Case No. 13-1100-EL-ACP, Findings and Recommendations (June 30, 2013); *In the Matter of the GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy Annual Alternative Energy Portfolio Status Report for 2012*, Case No. 13-1976 EL-ACP, Findings and Recommendations (November 22, 2013).

and (iv) a discussion of perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing any such impediments.

As previously noted, PPLEP began to provide electric supply to customers only in January 2014. While PPLEP continues to enter new service contracts with commercial and industrial customers, it is still gaining experience and cannot forecast its baselines for ten years with any confidence based on its four months of retail sales experience. The number of CRES providers competing in Ohio EDU service territories is increasing. PPLEP respectfully submits Exhibit A, its baseline for 2014 and projected baselines for 2015 and 2016. These projections are based on PPLEP's 2014 year to date sales and contracted load combined with its historical win rate applied to opportunities currently being pursued.

B. Supply Portfolio Projection, Including both Generation Fleet and Power Purchases

PPLEP neither owns nor has plans to construct or purchase electric generation assets. It is PPLEP's plans to continue to supply power to its customers by purchasing power in the wholesale market.

C. Description of Methodology Used to Evaluate Compliance Options

Because PPLEP does not and will not own or control generation assets, it plans to meet its alternative energy benchmarks by purchasing RECs and SRECs. PPLEP will annually transfer the appropriate RECs and SRECs into its GATS reserve subaccount between March 1 and April 15 in order to precede the filing of its Ohio annual compliance report with the Commission.

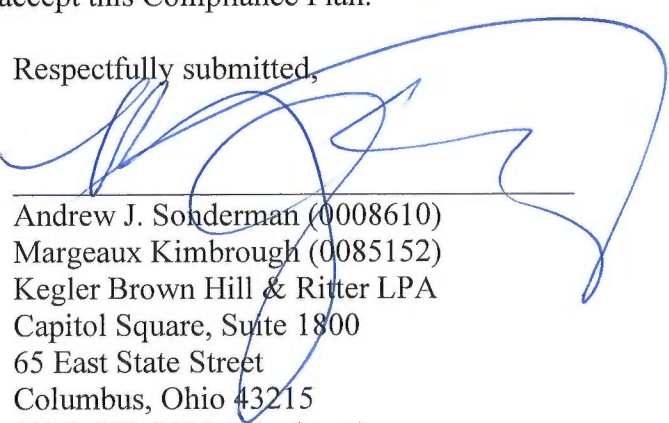
D. Uncertainties Regarding Achievement of Benchmarks

The Commission is aware of the relative scarcity of in-state SRECs. PPLEP will do its best to manage this uncertainty. PPLEP notes that the status of the application of the benchmarks themselves is under review. Specifically, Senate Bill No. 310, introduced by Senator Balderson on March 28, 2014, would freeze the renewable and solar energy benchmarks at the 2014 level required under current law, and freeze the amount of solar energy compliance payments at the 2014-2015 level. PPLEP, and all CRES providers, await further developments regarding this legislation.

IV. Conclusion

Based on the matters discussed herein and the Attachments submitted herewith, PPL EnergyPlus, LLC respectfully requests that this Commission find that it has no compliance obligations with respect to the 2013 Renewable Energy and Solar Renewable Energy benchmarks applicable thereto, and accept this Compliance Plan.

Respectfully submitted,



Andrew J. Sonderman (0008610)
Margeaux Kimbrough (0085152)
Kegler Brown Hill & Ritter LPA
Capitol Square, Suite 1800
65 East State Street
Columbus, Ohio 43215
(614) 462-5496 (telephone)
(614) 464-2634 (fax)
asonderman@keglerbrown.com
Counsel for PPL EnergyPlus, LLC

REDACTED EXHIBIT A

This Exhibit contains confidential, proprietary and trade secret information and the unredacted version is being submitted under seal with a Motion for Protective Order

Year	Projected Baseline (MWh)	Annual Benchmarks (%)		Projected Annual Benchmarks (MWh)		
		Renewable	Solar	Total Renewable	Solar	Total Renewable less Solar
2014		2.5	.12			
2015		3.5	.15			
2016		4.5	.18			

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Summary: Report of PPL EnergyPlus LLC Concerning its Plan for Compliance with Advanced and Renewable Energy Benchmarks electronically filed by Ms. Margeaux Kimbrough on behalf of PPL EnergyPlus, LLC