

## BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative	:	14-0745-EL-ACP
Energy Portfolio Status Report of Censtar	:	
Energy Corporation	:	
	:	14-0773-EL-ACP
In the Matter of Censtar Energy	:	
Corporation's Plan for Compliance with	:	
Advanced and Renewable Energy	:	
Benchmarks	:	

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### CENSTAR ENERGY CORPORATION'S ANNUAL ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT AND PLAN FOR COMPLIANCE WITH ADVANCED AND RENEWABLE ENERGY BENCHMARKS

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#### I. Introduction

Censtar Energy Corporation ("Censtar") is a competitive retail electric service ("CRES") provider, as defined in Ohio Revised Code § 4928.01(A)(4), and an electric service company, as defined in Rev. Code § 4928.01(A)(9), having been issued Certificate No.12-585E(1) by the Public Utilities Commission of Ohio ("Commission"). Censtar provides electric supply to residential, commercial, mercantile and industrial consumers throughout the state of Ohio.

Pursuant to Rev. Code § 4928.64 and Ohio Administrative Code Rule 4901:1-40-05, all Ohio electric service companies are required to file, by April 15<sup>th</sup> 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."<sup>1</sup> Censtar submits that it is not in compliance with Admin. Code 4901:1-40-03. For purposes of calculating its payment for non-compliance, Censtar submits the following report

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<sup>1</sup> Admin. Code 4901:1-40-05(A).

which (a) identifies its 2013 baseline; and (b) identifies its 2013 renewable energy and solar energy benchmarks. Finally, Censtar submits its plan for compliance with future annual advanced and renewable energy benchmarks, as required by Admin. Code 4901:1-40-03(C).

## **II. Annual Alternative Energy Portfolio Status Report**

For calendar year 2013, Rev. Code § 4928.64(B)(2) and Admin. Code 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, one 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**

If 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, Censtar commenced sales in Ohio in 2013. Hence, its baseline for 2013 is established pursuant to Admin. Code 4901:1-40-03 (B) (2) (b):

For an electric services company with no retail electric sales in the state during the preceding three calendar years, its initial baseline shall consist of a reasonable projection of its retail electric sales in the state for a full calendar year. Subsequent baselines shall consist of actual sales data, computed in a manner consistent with paragraph (B)(2)(a) of this rule.

Censtar did not begin serving customers until November 2013. In accordance with its Application for Waiver (filed on the same date as this Report), Censtar has calculated its initial

baseline using its *actual* 2013 retail electric sales. Censtar's actual sales in 2013 were 880,566 kWh. Accordingly, Censtar's initial baseline is 881MWh.

### **B. 2013 Renewable Energy and Solar Energy Benchmarks and Compliance**

The Non-Ohio Renewable Benchmark and Non-Ohio Solar Benchmark were calculated based on that Baseline Sales level multiplied against the percentage Benchmarks set forth in Ohio Rev. Code § 4928.64. Censtar's Compliance Plan Status Report for 2013 is attached hereto as Attachment 1. As noted in Attachment 1, Censtar did not purchase any RECs in 2013. Accordingly, Censtar is required, pursuant to Admin. Code 4901:1-40-08, to remit a compliance payment that is based on the amount of noncompliance rounded up to the next megawatt hour (MWh). According to Censtar's calculations, the amount of its required compliance payment is \$1,175.52. Censtar will remit said compliance payment to the Commission within 30 days after the Commission's finding that such payment is due, as is required by the Commission's rules.

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

### **A. Baseline for Future Years**

As previously noted, Censtar began to provide electric supply to customers at the end of 2013. While Censtar continues to enter new service contracts with customers, these are typically short term or month to month and the number of CRES providers competing in Ohio EDU service territories is increasing. Based on its experience to date, Censtar cannot with any confidence project its baseline for the next ten years.

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

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

Censtar neither owns nor has plans to construct or purchase electric generation assets. It is Censtar's plan to continue to supply power to its customers by purchasing power through market brokers, RFPs and third party contracts in some combination.

#### **C. Description of Methodology Used to Evaluate Compliance Options**

Because Censtar does not and will not own or control generation assets, it plans to meet its alternative energy benchmarks by purchasing RECs and SRECs. In the future, Censtar will maintain such RECs and SRECs in a GATS reserve subaccount and retire them as appropriate.

#### **D. Uncertainties Regarding Achievement of Benchmarks**

The Commission is aware of the relative scarcity of in-state SRECs. Censtar will do its best to manage this uncertainty. 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. Censtar, and all CRES providers, await further developments regarding this legislation.

#### IV. Conclusion

Based on the matters discussed herein and the Attachment submitted herewith, Censtar Energy Corporation respectfully submits its 2013 Alternative Energy Portfolio Status Report and Plan for Future Compliance with Alternative and Renewable Energy Benchmarks.

Respectfully submitted,



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Compliance Plan Status Report for Compliance Year 2013 Summary Sheet				
	Sales Unadjusted (MWHs)	Proposed Adjustments (MWHs)	Sales Adjusted (MWHs)	Source of Sales Volume Data
2010	0	0	0	(A)
2011	0	0	0	(B)
2012	0	0	0	(C)
Baseline for 2013 Compliance Obligation			881	(D) = AvgABC
2.00%	2013 Statutory Compliance Obligation			
	2013 Non-Solar Renewable Benchmark		1.91%	(E)
	2013 Solar Renewable Benchmark Per ORC, 4928.64(B)(2)		0.09%	(F)
2013 Compliance Obligation				
	Non-Solar RECs Needed for Compliance		17	(G) = (D) * (E)
	Minimum Required from Ohio Facilities		9	(H) = (G) * 0.5
	Solar RECs Needed for Compliance		1	(I) = (D) * (F)
	Minimum Required from Ohio Facilities		1	(J) = (I) * 0.5
Carry-Over from Previous Year(s), if applicable				
	Ohio Non-Solar - MWHs		0	(K)
	Other Non-Solar - MWHs		0	(L)
	Ohio Solar - MWHs		0	(M)
	Other Solar - MWHs		0	(N)
Total 2013 Compliance Obligations				
	Non-Solar RECs Needed for Compliance		17	(O) = (G) + (K) + (L)
	Minimum Required from Ohio Facilities		9	(P) = (H) + (K)
	Solar RECs Needed for Compliance		1	(Q) = (I) + (M) + (N)
	Minimum Required from Ohio Facilities		1	(R) = (J) + (M)
2013 Performance (Per GATS or MRETS Data)				
	Ohio Non-Solar - MWHs		0	(S)
	Other Non-Solar - MWHs		0	(T)
	Ohio Solar - MWHs		0	(U)
	Other Solar - MWHs		0	(V)
Under Compliance in 2013, if applicable				
	Ohio Non-Solar - MWHs		9	(W) = (P) - (S)
	Other Non-Solar - MWHs		8	(X) = (O - P) - (T)
	Ohio Solar - MWHs		1	(Y) = (R) - (U)
	Other Solar - MWHs		0	(Z) = (Q - R) - (V)
2013 Alternative Compliance Payments				
	Non-Solar, per MWH (Refer to Case 13-0995-EL-ACP)		\$48.56	(AA)
	Solar, per MWH - per 4928.64(C)(2)(a)		\$350.00	(BB)
2013 Payments, if applicable				
	Non-Solar Total		\$825.52	(CC) = (W+X) * (AA)
	Solar Total		\$350.00	(DD) = (Y+Z) * (BB)
	TOTAL		\$1,175.52	(EE) = (CC) + (DD)

This formula assumes sales during at least one of the 3 preceding years. If that is not the case, then rows A, B and C should be zero and estimated or actual sales should be used in row D. Refer to 4901:1-40-03(B), OAC, for details on the baseline calculation methodologies. Contact Staff with any questions.

This compliance worksheet was developed by Staff for internal review purposes. However, it may be useful for your company in preparation of its AEPS annual compliance status report for the 2013 compliance year. Your company is not required to include this form in its filing, but that is an option. If using this form, your company should insert data in the blue shaded boxes (as applicable). The remaining cells should auto-calculate. However, you should still independently verify the accuracy of the calculations. Questions concerning this worksheet can be addressed to Stuart.Siegfried@puc.state.oh.us

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

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**Case No(s). 14-0773-EL-ACP**

Summary: Report of Censtar Energy Corporation Regarding its Plan for Compliance with Advanced Renewable Energy Benchmarks electronically filed by Ms. Margeaux Kimbrough on behalf of CENSTAR ENERGY CORPORATION