

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Border Energy Electric )  
Services, Inc. Annual Alternative Energy )  
Portfolio Status Report for 2013 )**

**Case No. 14-0606-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 **2013** are as follows:

- Renewable Energy Resources = **2.00%** (includes solar requirement)
- Solar Energy Resources = **0.09%**

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**

Border Energy Electric Services, Inc. (Border or Company) filed its AEPS compliance status report for the 2013 compliance year on April 11, 2014. The Company later filed an amended status report in which it adjusted its calculated non-solar compliance obligation. In its compliance filing, Border proposed a baseline of 366,053 megawatt-hours (MWHs). The Company indicated that it began serving Ohio retail electric customers in June 2011, and its proposed baseline represents an average of its Ohio retail electric sales for 2011 and 2012. Applying the statutory benchmarks to its proposed baseline, Border calculated its 2013 compliance obligations in its amended filing to be as follows:

- 329 solar MWHs, of which at least 165 MWHs must originate from Ohio facilities
- 6,992 non-solar renewable MWHs, of which at least 3,496 MWHs must originate from Ohio facilities

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2013 compliance obligations. The Company further indicated that it had transferred the necessary RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccounts for Ohio compliance purposes.

## **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 Border is an electric services company in Ohio with retail electric sales in the state of Ohio, and therefore the Company had an AEPS obligation for 2013.
- (2) That the baseline proposed by Border is reasonable, and given the proposed baseline and the 2013 statutory benchmarks, Border accurately calculated its AEPS compliance obligations in its amended status report.
- (3) That for Ohio compliance purposes, the Company has transferred RECs and S-RECs to its GATS reserve subaccounts in the following quantities:
  - 200 Ohio S-RECs
  - 129 Other S-RECs
  - 3,519 Ohio RECs
  - 3,473 Other RECs
- (4) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total non-solar<sup>1</sup> obligation, while exceeding the specific minimum in-state non-solar requirement, for 2013. 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, 2013.
- (5) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total solar obligation, while exceeding the specific minimum in-state solar requirement, for 2013. 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, 2013.

## **V. Staff Recommendations**

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

- (1) That Border is found to have satisfied its 2013 AEPS compliance obligations.

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

- (2) 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 their Ohio annual compliance status report with the Commission.

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff