

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the)	
Discount Energy Group LLC)	Case No. 14-0604-EL-ACP
Annual Alternative Energy Portfolio)	
Status Report for 2013)	

Findings and Recommendations of the PUCO Staff

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

Discount Energy Group LLC (Company) filed its alternative energy portfolio status report for the 2013 compliance year on April 15, 2014. In its compliance filing, the Company proposed a baseline of 9,895 megawatt-hours (MWHs). The Company indicated that this figure represents its Ohio retail electric sales for the 2013 calendar year, as it did not have any Ohio sales during 2010-2012. Applying the statutory benchmarks to its proposed baseline, the Company calculated its 2013 compliance obligations to be as follows:

- 9 solar MWHs, of which at least 5 MWHs must originate from Ohio facilities
- 189 non-solar renewable MWHs, of which at least 95 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 the Company is an electric services company in the state of Ohio.
- (2) That the Company filed its 2013 AEPS status report on April 15, 2014.

- (3) That the baseline proposed by the Company consists of its actual sales for 2013. With no sales during the 3 years preceding the compliance year, the Ohio Administrative Code requires that the baseline consist of a reasonable projection of sales for a calendar year.¹ The Company did not file a waiver request of this rule, proposing to instead use its actual sales during the compliance year. Staff finds the proposed baseline to be reasonable, noting that the Commission has permitted the use of actual sales from the compliance year in several other similar instances.
- (4) That the Company accurately calculated its AEPS compliance obligations given its proposed baseline.
- (5) That for Ohio compliance purposes, the Company has transferred RECs and S-RECs to its GATS reserve subaccounts in the following quantities:
- 5 Ohio S-RECs
 - 4 Other S-RECs
 - 95 Ohio RECs
 - 94 Other RECs
- (6) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total non-solar obligation, while meeting 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.
- (7) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total solar obligation, while meeting 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.

¹ 4901:1-40-03(B)(2)(b), OAC

V. Staff Recommendations

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

- (1) That the Company is found to have satisfied its 2013 AEPS compliance obligations.
- (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 1st and April 15th 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. Andrew S Conway on behalf of PUCO Staff