

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy)
Portfolio Status Report for 2012 of Palmco) Case No. 13-930-EL-ACP
Power OH, LLC.)

FINDING AND ORDER

The Commission finds:

- (1) Palmco Power OH, LLC. (Palmco or Company) is an electric services company as defined in R.C. 4928.01(A)(9) and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4928.64(B)(2) establishes benchmarks for electric services companies to acquire a portion of their electricity supply for retail customers in Ohio from renewable energy resources. Half of the renewable benchmark must be met with resources located within Ohio (in-state renewable benchmark), including a portion from solar energy resources (solar benchmark), half of which must be met with resources located within Ohio (in-state solar benchmark). The specific renewable compliance obligations for 2012 are 1.50 percent (which includes the solar requirement) and 0.06 percent for solar. R.C. 4928.65 provides that an electric utility or electric services company may use renewable energy credits (RECs) and solar energy credits (SRECs) to meet its respective renewable energy and solar benchmarks. Ohio Adm.Code 4901:1-40-01(BB) defines a REC as the environmental attributes associated with one MWh of electricity generated by a renewable energy resource, except for electricity generated by facilities as described in Ohio Adm.Code 4901:1-40-04(E).
- (3) Ohio Adm.Code 4901:1-40-05(A) requires each electric services company to annually file by April 15 an annual alternative energy portfolio status report (AEPS report), unless otherwise ordered by the Commission. The AEPS report must analyze all activities the company undertook in the previous year in order to demonstrate how pertinent alternative energy portfolio benchmarks have been met. Staff then conducts an annual compliance review with regard to the benchmarks.

- (4) On April 15, 2013, Palmco filed its 2012 AEPS report, pursuant to R.C. 4928.64 and Ohio Adm.Code 4901:1-40-05(A), with a motion for protective order, seeking to prevent disclosure of its calculation of REC requirements and compliance results for 2012, as well as its ten-year forecast of sales and REC requirements. Palmco asserts that this data, if made public, could harm its ability to compete in Ohio's retail electric generation marketplace. The Company states that it has taken measures to maintain the confidentiality of this data, and requests that the redacted information be treated as confidential.
- (5) R.C. 4905.07 provides that all facts and information in the possession of the Commission shall be public, except as provided in R.C. 149.43, and as consistent with the purposes of R.C. Title 49. R.C. 149.43 specifies that the term "public records" excludes information that, under state or federal law, may not be released. The Ohio Supreme Court has clarified that the "state or federal law" exemption is intended to cover trade secrets. *State ex rel. Besser v. Ohio State*, 89 Ohio St. 3d 396, 399, 732 N.E.2d 373 (2000). Ohio Adm.Code 4901-1-24 allows the Commission to issue an order to protect the confidentiality of information to the extent that state or federal law prohibits release of the information, including where the information is deemed * * * to constitute a trade secret under Ohio law. R.C. 1333.61(D) defines a trade secret as information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that: (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. *State ex rel. the Plain Dealer v. Ohio Dept. of Ins.*, 80 Ohio St.3d 513, 524-525, 687 N.E.2d 661 (1997). In that case, the Court also listed six factors for analyzing a trade secret claim: (1) the extent to which the information is known outside the business; (2) the extent to which it is known to those inside the business, i.e., by the employees; (3) the precautions taken by the holder of the trade

secret to guard the secrecy of the information; (4) the savings effected and the value to the holder in having the information as against competitors; (5) the amount of effort or money expended in obtaining and developing the information; and (6) the amount of time and expense it would take for others to acquire and duplicate the information. *Plain Dealer*, 524-525, 687 N.E.2d 672, citing *Pyromatics, Inc. v. Petruziello* (1983), 7 Ohio App.3d 131, 134-135, 7 OBR 165, 169, 454 N.E.2d 588, 592. Further, an entity claiming trade secret status bears the burden to identify and demonstrate that the material is included in categories of protected information under the statute and additionally must take some active steps to maintain its secrecy. See, *Fred Siegel Co., L.P.A. v. Arter & Hadden* (1999), 85 Ohio St.3d 171, 181, 707 N.E.2d 853, 862.

- (6) Applying the statutory requirements and the Court's six-factor test discussed in *Plain Dealer* and *Besser*, the Commission has held that motions for protective orders with respect to AEPS reports should be granted for projected data, but denied for any current or historical data that has been publicly disclosed, such as a company's historical intrastate sales or REC requirements that are a mathematical function of publicly-reported sales. See, e.g., *Direct Energy Services, LLC*, Case No. 12-1233-EL-ACP, Finding and Order (December 11, 2013) at 5-6.
- (7) With respect to the instant case, we find that the Company's motion should be denied with respect to its calculation of REC requirements and compliance results for 2012 shown on the first and second pages of its AEPS report. The Company's annual intrastate sales totals are publicly available through its annual reports to this Commission for fiscal assessment, and the corresponding REC requirements can be calculated from this published data. Further, the Company's results in achieving or missing its benchmarks is the primary focus of the AEPS report and these reports are docketed to provide, rather than discourage, public access. However, we also find that Palmco's motion should be granted with respect to its ten-year forecast of sales and REC requirements shown on the second page of its AEPS report, as the Company asserts that this information has not been publicly disclosed. Ohio Adm.Code 4901-1-24(F) provides that, unless otherwise ordered, protective orders issued pursuant to Ohio Adm.Code 4901-1-24(D)

automatically expire after 24 months. Therefore, confidential treatment shall be afforded to its forecast of sales and REC requirements shown on the second page of its AEPS report for a period ending two years from the issuance of this order. Any motion to extend such period of confidential treatment must be filed at least 45 days in advance of the expiration date, pursuant to Ohio Adm.Code 4901-1-24(F), or this information may be released without prior notice.

- (8) In the Company's 2012 AEPS report, Palmco proposes a baseline of 2,941 MWh using its actual Ohio retail sales for 2012, as the Company had no Ohio retail sales for the years 2009 through 2011. Using this baseline and the 2012 statutory benchmarks, Palmco reports that it fell short in its 2012 compliance obligations by one solar MWh. The Company proposes to pay the alternative compliance payment of \$350.00 for one solar MWh set by R.C. 4928.64(C)(2)(a).
- (9) On June 12, 2013, Staff filed its review and recommendations of the Company's AEPS report. Staff finds that Palmco was required to comply with the renewable benchmarks for its retail electric sales in Ohio in 2012, and agrees that the Company's baseline of its actual Ohio retail sales for 2012 is reasonable, since Palmco had no intrastate retail sales for the years 2009 through 2011. Staff finds that Palmco accurately calculated its baseline, compliance obligations, and compliance payment for 2012. Further, Staff reviewed the Company's reserve subaccount data with the PJM EIS Generation Attribute Tracking System (GATS) and confirmed that the RECs and SRECs originated from generating facilities certified by the Commission and were associated with electricity generated during the applicable timeframe. Therefore, Staff recommends that the Company be directed to submit payment in the amount of \$350.00 to the Commission's Fiscal Division, and file notice of such payment in this docket. Finally, Staff recommends that, for future compliance years in which the Company utilizes GATS to demonstrate its Ohio compliance efforts, Palmco initiate the transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15 so as to precede the filing of its annual AEPS report with the Commission.

- (10) Upon review of the Company's AEPS report and the record in this case, the Commission adopts Staff's recommendations, and finds that Palmco has failed to comply with its 2012 AEPS obligations. Accordingly, Palmco is directed to remit payment to the Commission's Fiscal Division in the amount of \$350.00, made payable to "Treasurer State of Ohio" no later than ten days from the issuance of this Order. Notice of such payment should also be filed in this docket. Further, for future compliance years in which the Company is utilizing GATS to fulfill its Ohio compliance efforts, Palmco should initiate the transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15, consistent with Staff's recommendations.

It is, therefore,

ORDERED, That Palmco remit to the Commission's Fiscal Division within ten days from the issuance of this Order an alternative compliance payment in the amount of \$350.00, as set forth above, to fulfill its 2012 AEPS obligation. It is, further,

ORDERED, That Palmco file notice of such payment in this docket within ten days from the issuance of this Order, and take all actions regarding Staff's recommendations as adopted above. It is, further,

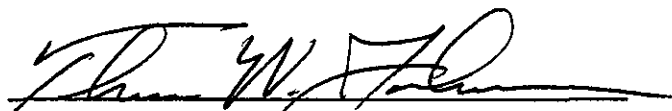
ORDERED, That Palmco's motion for protective order be granted for a period of two years from the issuance of this order with respect to the forecast of sales and REC requirements shown on the second page of its AEPS report filed under seal on April 16, 2013. It is, further,

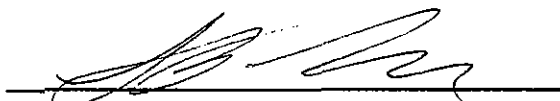
ORDERED, That Palmco's motion for protective order be denied with respect to the REC requirement calculations and actual compliance results for 2012 shown on the second and third pages of its AEPS report. It is, further,

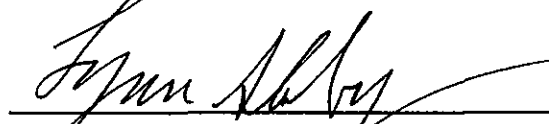
ORDERED, That, no sooner than 31 days after the issuance of this order, the Docketing Division shall release REC requirement calculations and actual compliance results for 2012 shown in Part III on the second and third pages of the Company's AEPS report filed under seal on April 16, 2013. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman


Steven D. Lesser


Lynn Slaby


M. Beth Trombold


Asim Z. Haque

RMB/vrm

Entered in the Journal
AUG - 6 2014



Barcy F. McNeal
Secretary