

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy)
Portfolio Status Report for 2013 of Iron) Case No. 14-579-EL-ACP
Energy LLC.)

FINDING AND ORDER

The Commission finds:

- (1) Iron Energy LLC (Iron Energy 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 2013 are 2.00 percent (which includes the solar requirement) and 0.09 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, Iron Energy filed a request for waiver of the baseline calculation methodology specified by Ohio Adm.Code 4901:1-40-03(B)(2)(b). This provision directs an electric services company with no in-state retail electric sales during the preceding three calendar years to use a projection of its in-state retail electric sales for a full calendar year to calculate its initial baseline. In its request, Iron Energy states that it did not begin operations in Ohio until March 2013 and thus had no sales in the three preceding years. Consequently, Iron Energy states, it seeks Commission approval to use actual retail sales figures for 2013 instead of a reasonable projection.
- (5) Although R.C. 4928.64(B) directs that the baseline for compliance with the renewable requirements be calculated using the average kWh sales for the preceding three calendar years, the statute does not specify a methodology for calculating baselines where a company does not have a three-year history of electric retail sales in Ohio. Ohio Adm.Code 4901:1-40-02(B) provides that the Commission may, upon a motion filed by a party, waive any requirement of that chapter, other than a statutory mandate, for good cause shown. The Commission finds the Company's request for waiver of Ohio Adm.Code 4901:1-40-03(B)(2)(b) to be reasonable, and directs that Iron Energy be permitted to calculate its initial baseline using its actual Ohio retail sales in 2013.
- (6) Also on April 15, 2014, as amended on July 24, 2014, Iron Energy filed its 2013 AEPS report, pursuant to R.C. 4928.64 and Ohio Adm.Code 4901:1-40-05(A). In its AEPS report, Iron Energy proposes a baseline using its actual Ohio retail sales for 2013, as the Company had no Ohio retail sales for the three preceding calendar years.
- (7) On October 3, 2014, Staff filed its review and recommendations of the Company's AEPS report. Staff finds that Iron Energy was required to comply with the renewable benchmarks for its retail electric sales in Ohio in 2013, and agrees that the Company's baseline of its actual Ohio retail sales for 2013 is reasonable, since Iron Energy had no intrastate retail sales for the prior three years. Staff finds that Iron Energy accurately calculated its baseline and compliance obligations for 2013. Further, Staff reviewed the Company's reserve subaccount data with the PJM EIS Generation Attribute Tracking System

(GATS) and concluded that Iron Energy has satisfied its compliance obligations for 2013. Staff also 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 Iron Energy be found to be in compliance with its 2013 renewable energy compliance obligations.

- (8) In regard to the excess RECs and SREC, Staff recommends that Iron Energy coordinate with Staff and GATS representatives to adjust the quantity of RECs and SRECs transferred to the reserve subaccount for 2013 compliance purposes so that the quantity transferred matches the Company's compliance obligation as determined by the Commission. If such adjustments cannot be completed prior to March 1 of the reporting year, Staff recommends that the excess RECs and SRECs be eligible to be applied administratively to a future compliance obligation, consistent with Ohio Adm.Code 4901:1-40-04(D)(3). Staff further recommends that, for future compliance years in which the Company utilizes GATS to demonstrate its Ohio compliance efforts, Iron Energy 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.
- (9) The Commission finds that Iron Energy is in compliance with its 2013 renewable, in-state renewable, solar, and in-state solar benchmarks, and that the Company's AEPS report for 2013 should be accepted. The Commission also directs that, for future compliance years, Iron Energy 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. Further, as Iron Energy was in excess of its 2013 compliance obligations, the Company is directed to coordinate with Staff and GATS representatives to adjust the quantity of RECs and SRECs transferred to the reserve subaccount for 2013 compliance purposes consistent with Staff's recommendations noted above.

It is, therefore,

ORDERED, That the Company's AEPS report for 2013 be accepted as filed, as set forth above. It is, further,

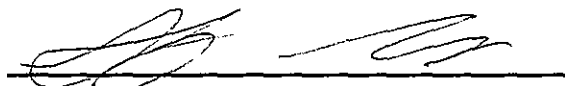
ORDERED, That the Company's request for a waiver of baseline calculation methodology, as described in Finding (4), be approved in accordance with Finding (5). It is, further,


ORDERED, That Iron Energy take all actions regarding Staff's recommendations as adopted above. 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

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Barcy F. McNeal
Secretary