

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy)
Portfolio Status Report for 2013 of BFE) Case No. 14-631-EL-ACP
Scheduling, LLC.)

FINDING AND ORDER

The Commission finds:

- (1) BFE Scheduling, LLC (BFE) 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).¹ The specific renewable compliance obligations for 2013 are 2.00 percent (which includes the solar requirement) and 0.09 percent for solar. R.C. 4928.645 (formerly R.C. 4928.65 prior to the enactment of 2014 Sub.S.B. No. 310), 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 megawatt hour (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).

¹ The Commission notes that, for future reports, Sub.S.B. No. 310 of the 130th General Assembly, which became effective September 12, 2014, has amended R.C. 4928.64 and 4928.65 to, inter alia, eliminate the in-state renewable benchmarks and advanced energy component, freeze renewable energy benchmarks for 2015 and 2016, and allow an alternative sales baseline calculation for determining compliance.

- (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. Ohio Adm.Code 4901:1-40-02(A) provides that any entity that does not serve Ohio retail electric customers shall not be required to comply with the AEPS rules.
- (4) On April 15, 2014, BFE filed its 2013 AEPS report, in which it reports that it began serving Ohio customers in November 2013, and consequently does not have three years of historical retail load from which to calculate the 2013 baseline. BFE proposes to use its actual retail sales of 1,321 MWh for 2013 as its baseline, but states that it did not comply with the resulting benchmark. Therefore, BFE proposes to either purchase RECs and SRECs or make a compliance payment of \$1,564.00 to the Commission.
- (5) On June 10, 2014, Staff filed its review and recommendations for BFE's AEPS report. Staff finds BFE's proposed baseline to be reasonable. Staff further states that BFE accurately calculated its AEPS compliance obligations and observes that BFE did not provide any rationale for not having purchased a larger volume of RECs and SRECs and "banking the excess for application against a future compliance obligation." Finally, Staff contends that BFE miscalculated its 2013 AEPs compliance obligations, and that its alternative compliance payment should be \$1,963.00. Therefore, Staff recommends that the Company be directed to submit payment in the amount of \$1,963.00 to the Commission's Fiscal Division, file notice of such payment in this docket, and file an attestation in this docket consistent with the requirements of Ohio Adm.Code 4901:1-40-08(D). Finally, Staff recommends that, for future compliance years in which the Company utilizes GATS to demonstrate its Ohio compliance efforts, BFE 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.

- (6) Upon review of the Company's AEPS report and the record in this case, the Commission adopts Staff's recommendations, and finds that BFE has failed to comply with its 2013 AEPS obligations. Accordingly, BFE is directed to remit payment to the Commission's Fiscal Division in the amount of \$1,963.00, made payable to "Treasurer State of Ohio" within 30 days from the issuance of this Order, and file in this docket file notice of such payment. In addition, also within 30 days of issuance of this Order, BFE should file in the docket an attestation, as required by Ohio Adm.Code 4901:1-40-08(D). The attestation must be signed by a BFE officer or designee, and indicate that BFE will not seek to recover the compliance payment from consumers. Finally, for future compliance years in which the Company is utilizing GATS to fulfill its Ohio compliance efforts, BFE 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 BFE remit to the Commission's Fiscal Division, within 30 days from the issuance of this Order, an alternative compliance payment in the amount of \$1,963.00, as set forth above, to fulfill its 2013 AEPS obligation. It is, further,


ORDERED, That within 30 days from the issuance of this Order, BFE file notice of such payment in this docket. It is, further,

ORDERED, That within 30 days from the issuance of this Order, BFE file in this docket an attestation consistent with Ohio Adm.Code 4901:1-40-08(D), as directed in finding (6). It is, further,

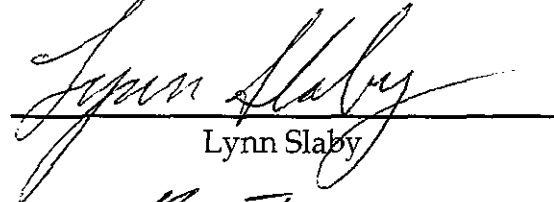
ORDERED, That BFE abide by the adopted Staff recommendations. It is, further,

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

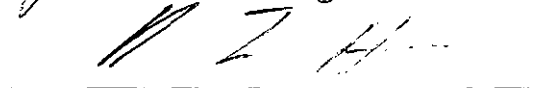
THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman

Steven D. Lesser


Lynn Slaby

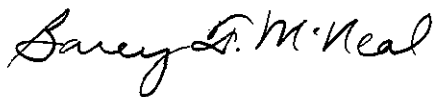
M. Beth Trombold


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MAR 25 2015



Barcy F. McNeal
Secretary