

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy	)	
Resources Report for the 2012 Calendar Year	)	Case No. 13-0741-EL-ACP
From MidAmerican Energy Company	)	

In the Matter of the Alternative Energy	)	
Resources Report for the 2013 Calendar Year	)	Case No. 14-0538-EL-ACP
From MidAmerican Energy Company	)	

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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 section 4928.64, 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 2012 and 2013 are as follows:

Compliance Year	Renewable Resources (including solar)	Solar Resources
2012	1.5%	0.06%
2013	2.0%	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**

For the 2012 compliance year, MidAmerican Energy Company (MidAmerican or Company) filed both a redacted (public) and unredacted (confidential) version of its annual alternative energy status report on March 26, 2013. In its status report, the Company indicated that it had Ohio retail electric sales in 2010 and 2011, which when averaged, totaled 152,873 megawatt-hours (MWHs). However, the Company proposed a figure of 174,316 MWHs which it felt was a more representative baseline. With its proposed baseline and the 2012 statutory benchmarks, the Company calculated its 2012 compliance obligations the details of which are included on the unredacted version of its status report. The Company asserted in its annual compliance status report that it fully satisfied its 2012 compliance requirements with the purchase of renewable energy credits (RECs) and solar RECs (S-RECs). The Company further indicated that it retired the necessary RECs and S-RECs through its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount.

For the 2013 compliance year, MidAmerican filed both a redacted (public) and unredacted (confidential) version of its annual alternative energy status report on April 2, 2014. The Company also filed a supplemental version of its public report on April 10, 2014. In the supplemental version of its filing, MidAmerican proposed a baseline of 162,581 MWHs which was an average of its annual Ohio retail electric sales for 2010 – 2012. With its proposed baseline and the 2013 statutory benchmarks, the Company calculated its 2013 compliance obligations to be as follows:

- 146 solar MWHs, of which at least 73 MWHs must originate from Ohio facilities
- 3,105 non-solar MWHs, of which at least 1,553 MWHs must originate from Ohio facilities

The Company asserted in its status report that it fully satisfied its 2013 compliance requirements with the purchase of RECs and S-RECs. The Company further indicated that it retired the necessary RECs and S-RECs through its GATS reserve subaccount.

### **III. Filed Comments**

No persons filed comments in these proceedings.

### **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 with retail electric sales in the state of Ohio during 2012 and 2013, and therefore the Company had AEPS compliance obligations for both 2012 and 2013.
- (2) That with Ohio retail electric sales in 2010 and 2011, the Company's proposed 2012 baseline should have been an average of the annual sales for those two years consistent with 4901:1-40-03(B)(2)(a), OAC. The Company proposed a higher baseline, thereby over-stating its 2012 compliance obligations.
- (3) That the Company's proposed 2013 baseline is reasonable, and that the Company accurately computed its 2013 compliance obligations.
- (4) That the Company has transferred RECs and S-RECs to its GATS reserve subaccount to demonstrate compliance with its 2012 and 2013 AEPS obligations.
- (5) That following a review of the Company's reserve subaccount data on GATS for 2012, Staff confirmed that the Company satisfied its total solar and non-solar obligations, as well as the specific in-state minimum requirements. Because the Company retired RECs and S-RECs based on its higher proposed baseline, Staff finds that the Company retired more RECs and S-RECs than were necessary to satisfy the Company's 2012 compliance obligations. The RECs and S-RECs that the Company transferred to its GATS reserve subaccount for 2012 were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2012.
- (6) That following a review of the Company's reserve subaccount data on GATS for 2013, Staff confirmed that the Company satisfied its total solar and non-solar obligations, as well as the specific in-state minimum requirements. The RECs and S-RECs that the Company transferred to its GATS reserve subaccount for

2013 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 the Company over-complied in the 2011 compliance year.<sup>1</sup> The excess retirements from that year were not applied to the Company's 2012 or 2013 compliance obligations.
- (8) That based on over-retirements in recent compliance years, MidAmerican maintains an excess balance comprised of the following:

REC/S-REC	2011	2012	2013	Total
Ohio S-RECs	18	6	0	24
Other S-RECs	18	6	0	24
Ohio RECs	562	130	0	692
Other RECs	1,616	130	0	1,746

## 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 be found to have satisfied its 2012 and 2013 AEPS compliance obligations.
- (2) That the excess retirements detailed above in Finding 8 be applied to the Company's 2014 or 2015 compliance obligations, provided that the timing does not conflict with Rule 4901:1-40-04(D)(3), OAC.
- (3) 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 its Ohio annual compliance status report with the Commission.

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<sup>1</sup> Case No. 12-1215-EL-ACP

**This foregoing document was electronically filed with the Public Utilities**

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Summary: Staff Review and Recommendation of the MidAmerican Energy Company for the 2012 and 2013 Compliance Years electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff