

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Duke Energy)
Ohio, Inc., Annual Renewable)
Portfolio Standard Status Report)
For 2014)**

Case No. 15-0707-EL-ACP

Findings and Recommendations of the PUCO Staff

I. Statutory Background

Senate Bill 221, with an effective date of July 31, 2008, established Ohio's renewable portfolio standard (RPS) applicable to electric distribution utilities and electric service companies. The RPS 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 2014 are as follows:

- Renewable Energy Resources = 2.50% (includes solar requirement)
- Solar Energy Resources = 0.12%

The PUCO further developed rules to implement the Ohio RPS, 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

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) filed its RPS compliance status report for the 2014 compliance year on April 15, 2015. In its compliance filing, the Company proposed a baseline of 5,085,763 megawatt-hours (MWHs), which it indicated was its actual Ohio full service retail electric sales for 2014. Applying the statutory benchmarks to its proposed baseline, the Company calculated its 2014 compliance obligations to be as follows:

- 6,103 Solar MWHs
- 121,041 Non-Solar MWHs

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2014 compliance obligations.

III. Filed Comments

No persons filed comments in this proceeding.

IV. Staff Findings

Following its review of Duke Energy Ohio's 2014 annual status report and any timely comments submitted in this proceeding, Staff makes the following findings:

- (1) That Duke Energy Ohio is an electric distribution utility in Ohio with retail electric sales in the state of Ohio during 2014, and therefore the Company had an RPS obligation for 2014.
- (2) That the baseline proposed by Duke Energy Ohio is reasonable. The Company used its compliance year sales to determine its baseline, which is an option available to companies beginning with the 2014 compliance year pursuant to 4928.643(B), ORC. Given the proposed baseline and the 2014 statutory

benchmarks, the Company accurately calculated its RPS compliance obligations.

- (3) That the Company has transferred 121,041 RECs and 6,103 S-RECs to its GATS reserve subaccount for 2014 Ohio compliance purposes.
- (4) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that Duke Energy Ohio has satisfied its non-solar¹ obligation for 2014. 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, 2014.
- (5) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that Duke Energy Ohio has satisfied its solar obligation for 2014. 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, 2014.

V. Staff Recommendations

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

- (1) That Duke Energy Ohio is found to have satisfied its 2014 RPS 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.

¹ Staff uses "non-solar" in this context to refer to the total renewable requirement net of the specific solar carve-out. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

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Summary: Staff Review and Recommendation electronically filed by Ms. Mahila Christopher
on behalf of PUCO Staff