

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Energy Services )  
Providers, Inc. 2013 Alternative Energy ) Case No. 15-0798-EL-ACP  
Portfolio Standard Status Report )

In the Matter of the Energy Services )  
Providers, Inc. 2014 Renewable Portfolio ) Case No. 15-0799-EL-ACP  
Standard Status Report )

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**Staff Findings and Recommendations**

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I. Statutory Background

Amended Substitute Senate Bill 221, of the 127<sup>th</sup> General Assembly (2008 Ohio Laws S221, effective 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 Ohio Revised Code (R.C.) 4928.64, with relevant resource definitions also contained within R.C. 4928.01(A).

According to R.C. 4928.64(B)(2), the compliance obligations for 2013 and 2014 are as follows:

<b>Compliance Year</b>	<b>Renewable Resources (including solar)</b>	<b>Solar Resources</b>
2013	2.00%	0.09%
2014	2.50%	0.12%

In addition, during 2013, there was a requirement that at least half of the renewable energy resources, including the solar energy resources, be met through facilities located in this state.<sup>1</sup>

The Public Utilities Commission of Ohio (PUCO or Commission) further developed rules to implement the Ohio AEPS, contained within Ohio Administrative Code (Ohio Adm.Code) 4901:1-40.

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<sup>1</sup> The minimum in-state requirement did not apply during 2014 as a result of Senate Bill 310.

Ohio Adm.Code 4901:1-40-05(A), states:

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.

Ohio Adm.Code 4901:1-40-05(C), states:

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 Filings Summarized**

### **(1) 2013**

In its status report for the 2013 compliance year, Energy Services Providers, Inc. d/b/a Ohio Gas & Electric (OHG&E or Company) proposed a baseline of 588 megawatt-hours (MWHs) which it indicated represented its actual 2013 sales.<sup>2</sup> With its proposed baseline and the 2013 statutory benchmarks, the Company calculated its 2013 compliance obligations to be as follows:

- 1 solar MWHs
- 12 non-solar MWHs

OHG&E indicated that it had not satisfied its renewable obligations for 2013 and proposed to pay an alternative compliance payment to address its compliance deficiency.

### **(2) 2014**

For the 2014 compliance year, OHG&E proposed a baseline of 3,197 MWHs which it asserted was its actual Ohio retail electric sales for 2014. With its proposed baseline and

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<sup>2</sup> OHG&E asserted in its compliance filing that it did not have any Ohio retail electric sales in 2010, 2011, or 2012.

the 2014 statutory benchmarks, the Company calculated its 2014 compliance obligations to be as follows:

- 4 solar MWHs
- 76 non-solar MWHs

The Company indicated in its status report that it fully satisfied its 2014 compliance requirements with the purchase and retirement of renewable energy credits (RECs) and solar RECs (S-RECs).

### **III. Filed Comments**

No persons filed comments in these proceedings.

### **IV. Staff Findings**

Following its review of the annual status reports and any timely comments submitted in these proceedings, Staff makes the following findings:

- (1) The Company was an electric services company with retail electric sales in the state of Ohio during 2013 and 2014, and therefore the Company had renewable compliance obligations for 2013, and 2014.<sup>3</sup>
- (2) The Company filed its 2013 and 2014 compliance status reports on April 23, 2015.
- (3) The Company's proposed 2013 and 2014 baselines are reasonable. Given the baselines and the applicable statutory benchmarks, the Company accurately calculated its 2013 and 2014 compliance obligations.
- (4) For 2013, the Company transferred 1 S-REC to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount for compliance with its renewable obligations.<sup>4</sup> The Company proposed to address its remaining 12 REC shortfall through payment of an alternative compliance payment which should amount to \$582.72.<sup>5</sup>
- (5) For 2014, the Company transferred 4 S-RECs and 76 RECs to its GATS reserve subaccount to satisfy its renewable obligations.

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<sup>3</sup> Energy Services Providers, Inc. was certified to provide power marketer services in Ohio during 2013 and 2014; see PUCO Case No. 11-6022-EL-CRS.

<sup>4</sup> The Company's compliance filing erroneously indicates that zero S-RECs were retired for 2013.

<sup>5</sup> 12 RECs \* \$48.56 = \$582.72

- (6) Following a review of the Company's reserve subaccount data on GATS for 2014, Staff confirmed that the Company satisfied its total solar and non-solar obligations. The RECs and S-RECs that the Company transferred to its GATS reserve subaccount for 2014 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) The Company is found to have not satisfied its 2013 renewable obligations, and therefore an alternative compliance payment is warranted for 2013.
- (2) For 2013, the Company should be directed to remit payment to the Commission in the amount of \$582.72 consistent with the requirement set forth in Ohio Adm.Code 4901:1-40-08. Payment should not be made until such time as directed by the Commission.

The payment should be directed to the PUCO's payment lockbox, payable to "Treasurer State of Ohio". A letter should also be attached to the check stating that it is a compliance payment required by R.C. 4928.64 for deposit to the credit of the Advanced Energy Fund, under the control of the Ohio Development Services Agency and created under R.C. 4928.61. The letter should also cite the Commission case ordering the payment. The address for the PUCO's payment lockbox is as follows:

Treasurer State of Ohio  
L-3603  
Columbus, OH 43260-3603

- (3) For 2013, the Company should be directed to submit an attestation in Case No. 15-0798-EL-ACP consistent with the requirements set forth in Ohio Adm.Code 4901:1-40-08(D).
- (4) The Company is found to have fully satisfied its 2014 renewable obligations.
- (5) The Company should file its compliance status report for the 2015 compliance year by no later than April 15, 2016.

- (6) 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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Summary: Staff Review and Recommendation For the 2013 and 2014 Compliance Years electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff