

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the HIKO Energy LLC)	
2013 Alternative Energy Portfolio Standard)	Case No. 15-1243-EL-ACP
Status Report)	

In the Matter of the HIKO Energy, LLC)	
2014 Renewable Portfolio Standard)	Case No. 15-1244-EL-ACP
Status Report)	

Staff Findings and Recommendations

I. Statutory Background

Amended Substitute Senate Bill 221, of the 127th 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:

Compliance Year	Renewable Resources (including solar)	Solar Resources
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.¹

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.

¹ 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 Filing Summarized

2013

For the 2013 compliance year, HIKO Energy, LLC (HIKO or Company) filed both a redacted (public) and unredacted (confidential) version of its annual alternative energy status report in July 2015. Along with its compliance status report, HIKO filed a Motion for Protective Order and a Motion for Leave to File Reports out of Time. In its status report, HIKO indicated that it did not have any Ohio retail electric sales in 2010, 2011 and 2012. The Company, therefore, proposed a baseline of 23,946 megawatt-hours (MWHs) which it indicated was a projection of sales for the entire 2013 calendar year. With its proposed baseline and the 2013 statutory benchmarks, the Company calculated its 2013 compliance obligations to be as follows:

- 22 solar MWHs
- 457 non-solar MWHs

The Company asserted in its annual compliance status report that it fully satisfied its 2013 compliance requirements, including exceeding the minimum in-state requirement, with the purchase of renewable energy credits (RECs) and solar RECs (S-RECs). The Company further stated that it retired the necessary RECs and S-RECs through its PJM EIS Generation Attribute Tracking System (GATS) reserve subaccount.

2014

For the 2014 compliance year, HIKO filed both a redacted and unredacted version of its renewable portfolio standard compliance status report in July 2015. Along with its compliance status report, HIKO filed a Motion for Protective Order and a Motion for Leave to File Reports out of Time. In its compliance status report, HIKO proposed a baseline of 32,733 MWHs which it asserted was its actual Ohio retail electric sales for 2014. With its proposed baseline and the 2014 statutory benchmarks, the Company calculated its 2014 compliance obligations to be as follows:

- 39 solar MWHs
- 779 non-solar MWHs

The Company indicated in its status report that it fully satisfied its 2014 compliance requirements with the purchase of RECs and S-RECs. The Company further stated 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) 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 both 2013 and 2014.²
- (2) The Company filed its compliance status reports on July 2, 2015. Along with the status reports in these two proceedings, the Company included Motions for Leave to File Reports out of Time. The compliance status report for the 2013 compliance year was due no later than April 15, 2014. The compliance status report for the 2014 compliance year was due no later than April 15, 2015.
- (3) The Company's proposed 2013 and 2014 baselines are reasonable, and the Company accurately calculated its 2013 and 2014 compliance obligations.

² HIKO Energy, LLC was certified to provide power marketer services in Ohio during 2013 and 2014; see PUCO Case No. 12-1611-EL-CRS.

- (4) The Company transferred 22 S-RECs and 457 RECs, all of which were from Ohio facilities, to its GATS reserve subaccount to demonstrate compliance with its 2013 AEPS obligations.
- (5) The Company transferred 39 S-RECs and 779 RECs to its GATS reserve subaccount to demonstrate compliance with its 2014 renewable obligations.
- (6) 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) 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 be found to have satisfied its 2013 and 2014 AEPS compliance obligations.
- (2) The Company should file its compliance status report for the 2015 compliance year by no later than April 15, 2016.
- (3) 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 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