

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Independence Energy)
Group, LLC 2014 Renewable Portfolio)
Standard Status Report)

Case No. 15-0776-EL-ACP

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 renewable portfolio standard (RPS) applicable to electric distribution utilities and electric service companies. The RPS 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 **2014** are as follows:

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

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

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

Independence Energy Group LLC (Independence Energy or Company) filed its RPS compliance status report for the 2014 compliance year on April 17, 2015. In its filing, Independence Energy proposed a baseline of 946 megawatt-hours (MWHs) which it asserted corresponded to its actual sales in 2014. Applying the statutory benchmarks to its proposed baseline, Independence Energy calculated its 2014 compliance obligations to be as follows:

- 1 solar MWHs
- 23 non-solar MWHs

The Company indicated its intention to apply a portion of its over-retirement of renewable energy credits (RECs) and solar RECs (S-RECs) from 2013 to satisfy its 2014 compliance obligations.

III. Filed Comments

No persons filed comments in this proceeding.

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) Independence Energy was an electric services company in Ohio with retail electric sales in the state of Ohio during 2014, and therefore the Company had an RPS obligation for 2014.¹

¹ Independence Energy was certified to provide retail generation and power marketer services in Ohio during 2014; See PUCO Case No. 12-2089-EL-CRS.

- (2) The baseline proposed by Independence Energy is inaccurate. The Company asserted that it used its compliance year sales to determine its baseline, which is an option available to companies beginning with the 2014 compliance year pursuant to R.C. 4928.643(B). However, during the course of Staff's review, the Company informed Staff that its 2014 sales should have been 1,121 MWHs.
- (3) Using the corrected baseline of 1,121 MWHs, the Company's 2014 RPS compliance obligations translate to 1 solar MWH and 27 non-solar MWHs.
- (4) The Company has proposed to apply a portion of its excess retirement from 2013 to its 2014 compliance obligations. The Company's 2013 excess equates to 3 solar MWHs and 67 non-solar MWHs.² The Company also retired 4 non-solar RECs for 2014.
- (5) The excess retirement from 2013, combined with the Company's retirement for 2014, exceeded its 2014 compliance obligations as illustrated by Exhibit 1. After satisfying its 2014 obligations, the Company is left with an excess retirement of 2 S-RECs and 44 RECs.

V. Staff Recommendations

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

- (1) Independence Energy is found to have satisfied its 2014 RPS compliance obligations.
- (2) 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.

² See PUCO Case 14-0646-EL-ACP

Exhibit 1

Independence Energy Compliance Plan Status Report for Compliance Year 2014 Summary Sheet				
	Sales Unadjusted (MWHs)	Proposed Adjustments (MWHs)	Sales Adjusted (MWHs)	Source of Sales Volume Data
2011		0	0	(A)
2012		0	0	(B)
2013		0	0	(C)
Baseline for 2014 Compliance Obligation (MWHs)			1,121	(D) = AvgABC
(Note: If using 2014 sales as your baseline, insert that figure in cell I14 and indicate in box to right if 2014 sales are adjusted or not.				Not Adjusted
2.50%	2014 Statutory Compliance Obligation			
	2014 Non-Solar Renewable Benchmark		2.38%	(E)
	2014 Solar Renewable Benchmark		0.12%	(F)
	Per ORC, 4928.64(B)(2)			
2014 Compliance Obligation				
	Non-Solar RECs Needed for Compliance		27	(G) = (D) * (E)
	Solar RECs Needed for Compliance		1	(H) = (D) * (F)
Carry-Over from Previous Year(s), if applicable				
	Non-Solar (RECs)		-67	(I)
	Solar (S-RECs)		-3	(J)
Total 2014 Compliance Obligations				
	Non-Solar RECs Needed for Compliance		-40	(K) = (G) + (I)
	Solar RECs Needed for Compliance		-2	(L) = (H) + (J)
2014 Performance (Per GATS or MRETS Data)				
	Non-Solar (RECs)		4	(M)
	Solar (S-RECs)		0	(N)
Under Compliance in 2014, if applicable				
	Non-Solar (RECs)		-44	(O) = (K) - (M)
	Solar (S-RECs)		-2	(P) = (L) - (N)
2014 Alternative Compliance Payments				
	Non-Solar, per REC (Refer to Case 14-0746-EL-ACP)		\$49.22	(Q)
	Solar, per S-REC - per 4928.64(C)(2)(a)		\$300.00	(R)
2014 Payments, if applicable				
	Non-Solar Total		\$0.00	(S) = (O) * (Q)
	Solar Total		\$0.00	(T) = (P) * (R)
	TOTAL		\$0.00	(U) = (S) + (T)

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff