

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Source	)	
Power & Gas, LLC 2015 Renewable	)	Case No. 16-0840-EL-ACP
Portfolio 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 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 **2015** 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**

Source Power & Gas, LLC (Source or Company) filed its RPS compliance status report for the 2015 compliance year on April 15, 2016. In its compliance filing, Source proposed a baseline of 115,104 megawatt-hours (MWHs) which it characterized as its actual Ohio retail electric sales for 2015. With its proposed baseline, Source calculated its 2015 compliance obligations to be as follows:

- 173 Solar MWHs
- 3,856 Non-Solar MWHs

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2015 compliance obligations. The Company further indicated that it had transferred the necessary RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount for Ohio compliance purposes.

## **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) Source was an electric services company in Ohio with retail electric sales in the state of Ohio during 2015, and therefore the Company had an RPS obligation for 2015.<sup>1</sup>

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<sup>1</sup> Source was certified to provide power marketer services in Ohio during 2015; see PUCO Case No. 13-2068-EL-CRS

- (2) The baseline proposed by Source is reasonable. The Company opted to use 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).
- (3) When calculating its 2015 RPS compliance obligations, the Company input incorrect benchmarks which resulted in over-stating its obligations. The Company assumed a total renewable obligation of 3.5%, with a specific solar carve-out of 0.15%. However, the current statutory benchmarks for 2015 were 2.5% and 0.12% respectively.<sup>2</sup>
- (4) With the Company's proposed baseline and the current statutory benchmarks for 2015, Staff calculates the Company's obligations to be as follows:
- 138 Solar MWHs<sup>3</sup>
  - 2,739 Non-Solar MWHs<sup>4</sup>
- (5) The Company has transferred 3,856 RECs and 173 S-RECs to its GATS reserve subaccount for 2015 Ohio compliance purposes.
- (6) Because the Company assumed higher compliance benchmarks in its calculations, it retired an excess of 1,117 RECs and 35 S-RECs for 2015.
- (7) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its non-solar<sup>5</sup> obligation for 2015. 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, 2015.
- (8) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its solar obligation for 2015. The S-RECs that the Company transferred to its GATS reserve subaccount were sourced from solar generating facilities certified by the Commission and were appropriately

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<sup>2</sup> R.C. 4928.64(B)(2)

<sup>3</sup> 115,104 MWHs \* 0.12% = 138.12 MWHs, which Staff would round to 138 MWHs.

<sup>4</sup> 115,104 MWHs \* 2.38% = 2,739.48 MWHs, which Staff would round to 2,739 MWHs.

<sup>5</sup> 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.

associated with electricity generated between August 1, 2008, and December 31, 2015.

## **V. Staff Recommendations**

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

- (1) Source is found to have satisfied its 2015 RPS compliance obligations.
- (2) Because Source retired more RECs and S-RECs than was necessary to satisfy its 2015 RPS compliance obligations as detailed in Finding 6, Staff recommends that the Company, Staff, and GATS representatives coordinate to adjust the quantity of RECs and S-RECs transferred to the reserve subaccount for 2015 compliance purposes so that the quantity transferred matches the Company's compliance obligation as determined by the Commission.
- (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 1<sup>st</sup> and April 15<sup>th</sup> so as to precede the filing of their Ohio annual compliance status report with the Commission.

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

**Commission of Ohio Docketing Information System on**

**9/15/2016 3:45:35 PM**

**in**

**Case No(s). 16-0840-EL-ACP**

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