

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Ohio Edison Company,)	
The Cleveland Electric Illuminating Company)	Case No. 15-0743-EL-ACP
And The Toledo Edison Company 2014)	
Renewable Portfolio Standard Status Report)	

In the Matter of the Ohio Edison Company,)	
The Cleveland Electric Illuminating Company)	Case No. 16-0788-EL-ACP
And The Toledo Edison Company 2015)	
Renewable Portfolio Standard Status Report)	

In the Matter of the Ohio Edison Company,)	
The Cleveland Electric Illuminating Company)	Case No. 17-0946-EL-ACP
And The Toledo Edison Company 2016)	
Renewable Portfolio Standard Status Report)	

In the Matter of the Ohio Edison Company,)	
The Cleveland Electric Illuminating Company)	Case No. 18-0693-EL-ACP
And The Toledo Edison Company 2017)	
Renewable Portfolio Standard 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 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 – 2017** are as follows:

Compliance Year	Total Renewable Requirement	Solar Requirement
2014	2.5%	0.12%
2015	2.5%	0.12%

2016	2.5%	0.12%
2017	3.5%	0.15%

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 Filings Summarized

2014 Compliance Year

Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (Companies) filed their RPS compliance status report for the 2014 compliance year on April 15, 2015. In their compliance filing, the Companies proposed a baseline of 11,462,425 megawatt-hours (MWHs) which they indicated was an average of their Ohio retail electric sales for 2011, 2012, and 2013. Applying the statutory benchmarks to their proposed baseline, the Companies calculated their 2014 compliance obligations to be as follows:

- 13,755 Solar MWHs

- 272,805 Non-Solar¹ MWHs

The Companies indicated that they had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy their 2014 compliance obligations. The Companies further indicated that they had transferred RECs and S-RECs to their PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount and Midwest Renewable Energy Tracking System (M-RETS) account for Ohio compliance purposes.

2015 Compliance Year

The Companies filed their RPS compliance status report for the 2015 compliance year on April 15, 2016. In their compliance filing, the Companies proposed a baseline of 10,653,483 MWHs which they indicated was an average of their Ohio retail electric sales for 2012, 2013, and 2014. Applying the statutory benchmarks to their proposed baseline, the Companies calculated their 2015 compliance obligations to be as follows:

- 12,784 Solar MWHs
- 253,553 Non-Solar MWHs

The Companies indicated that they had obtained the necessary RECs and S-RECs to satisfy their 2015 compliance obligations. The Companies further indicated that they had transferred RECs and S-RECs to their GATS reserve subaccount and M-RETS account for Ohio compliance purposes.

2016 Compliance Year

The Companies filed their RPS compliance status report for the 2016 compliance year on April 17, 2017. In their compliance filing, the Companies proposed a baseline of 10,474,348 MWHs which they indicated was an average of their Ohio retail electric sales for 2013, 2014, and 2015. Applying the statutory benchmarks to their proposed baseline, the Companies calculated their 2016 compliance obligations to be as follows:

- 12,570 Solar MWHs
- 249,288 Non-Solar MWHs

The Companies indicated that they had obtained the necessary RECs and S-RECs to satisfy their 2016 compliance obligations. The Companies further indicated that they had transferred RECs and S-RECs to their GATS reserve subaccount for Ohio compliance purposes.

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.

2017 Compliance Year

The Companies filed their RPS compliance status report for the 2017 compliance year on April 16, 2018. In their compliance filing, the Companies proposed a baseline of 10,150,490 MWHs which they indicated was an average of their Ohio retail electric sales for 2014, 2015, and 2016. Applying the statutory benchmarks to their proposed baseline, the Companies calculated their 2017 compliance obligations to be as follows:

- 15,225 Solar MWHs
- 340,042 Non-Solar MWHs

The Companies indicated that they had obtained the necessary RECs and S-RECs to satisfy their 2017 compliance obligations. The Companies further indicated that they had transferred RECs and S-RECs to their GATS reserve subaccount for Ohio compliance purposes.

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 Companies were electric distribution utilities in Ohio with retail electric sales in the state of Ohio during 2014, 2015, 2016 and 2017, and therefore the Companies had an RPS obligation for 2014, 2015, 2016 and 2017.
- (2) Beginning with the 2014 RPS compliance year, companies have the option of determining their compliance baseline as the average of their annual retail electric sales from the three prior years or as their retail electric sales during the compliance year.² The Companies opted to use the three year average approach when determining their compliance baselines for the 2014, 2015, 2016, and 2017 compliance years.

² R.C. 4928.643

- (3) Given the Companies' proposed baselines and the applicable statutory benchmarks, the Companies accurately calculated their RPS compliance obligations for 2014, 2015, 2016 and 2017.
- (4) The Companies transferred 8,655 S-RECs and 232,805 RECs to their GATS reserve subaccount for 2014 Ohio compliance purposes. In addition, the Companies transferred 5,100 S-RECs and 40,000 RECs to their M-RETS retirement account for 2014, resulting in total retirements by the Companies for 2014 of 13,755 S-RECs and 272,805 RECs.
- (5) The Companies transferred 5,984 S-RECs and 116,399 RECs to their GATS reserve subaccount for 2015 Ohio compliance purposes. In addition, the Companies transferred 6,800 S-RECs and 137,154 RECs to their M-RETS retirement account for 2015, resulting in total retirements by the Companies for 2015 of 12,784 S-RECs and 253,553 RECs.
- (6) The Companies transferred 12,570 S-RECs and 249,288 RECs to their GATS reserve subaccount for 2016 Ohio compliance purposes.
- (7) The Companies transferred 15,225 S-RECs and 340,042 RECs to their GATS reserve subaccount for 2017 Ohio compliance purposes.
- (8) Following a review of the Companies' reserve subaccount data on GATS and M-RETS, Staff confirmed that the Companies satisfied their compliance obligations for 2014, 2015, 2016 and 2017. The S-RECs and RECs transferred to their GATS and M-RETS accounts were sufficient to address their 2014, 2015, 2016, and 2017 RPS compliance requirements. Staff's review confirmed that the retired S-RECs and RECs were all of appropriate vintages and sourced from renewable facilities certified by the Commission.

V. Staff Recommendations

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

- (1) The Companies are found to have satisfied their 2014, 2015, 2016, and 2017 RPS compliance obligations.
- (2) For future compliance years in which the Companies are utilizing GATS to demonstrate their Ohio compliance efforts, the Companies initiate the transfer of the appropriate RECs and S-RECs to their 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.

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Summary: Staff Review and Recommendation for the 2014, 2015, 2016, and 2017 RPS Compliance Years electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff