

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Sperian)	
Energy Corp. 2014 Renewable)	Case No. 15-0775-EL-RPT
Portfolio Standard Status Report)	
 In the Matter of the Sperian)	
Energy Corp. 2015 & 2016 Renewable)	Case No. 16-0847-EL-ACP
Portfolio Standard Status Report)	
 In the Matter of the Sperian)	
Energy Corp. 2017 Renewable)	Case No. 18-0581-EL-ACP
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 **2012 – 2017** are as follows:

Compliance Year	Total Renewable Requirement	Solar Requirement
2012	1.5%	0.06%
2013	2%	0.09%
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

During Staff's review of Sperian Energy Corp's (Sperian or Company) RPS compliance reports, Staff had occasion to have multiple exchanges with the Company.¹ During these exchanges, it became apparent that the Company may need to take certain steps in order to bring it into compliance with its annual RPS obligations.

In order to address this, the Company included in its compliance report in Case No. 18-0581-EL-ACP a summary of its annual compliance status for 2012 – 2016. In addition, the Company indicated that it retired additional renewable energy credits (RECs) and solar RECs (S-RECs) in April 2018 in order to bring it into compliance with its aggregate compliance obligations thru 2017.

The compliance years included within the scope of this Staff review are detailed below.

¹ Sperian Energy Corp. has changed its name to Tomorrow Energy Corp. However, as the Company operated as Sperian during the period covered by the report (i.e., 2012 – 2017), this report will refer to the company as Sperian; See PUCO Case No. 12-0552-EL-CRS.

2012 & 2013 Compliance Years

Sperian did not file RPS compliance reports with the PUCO for the 2012 or 2013 compliance year. However, the Company acknowledged that it had Ohio retail electric sales during 2012 and 2013, and therefore it had an RPS compliance obligation for these two years. In its 18-0581-EL-ACP filing, it indicated 2012 and 2013 Ohio retail electric sales of 6,151 megawatt-hours (MWHs) and 71,700 MWHs respectively.

In 2014 and 2015, Sperian transferred RECs and S-RECs to its GATS reserve subaccount and designated these retirements for 2012 and 2013 Ohio RPS compliance. All of these RECs and S-RECs were sourced from Ohio renewable facilities, thereby satisfying the in-state minimum that applied prior to the 2014 compliance year. The retirements were not a match to the Company's compliance obligations, with an under-retirement of S-RECs and an over-retirement of RECs.

2014 Compliance Year

Sperian filed its RPS compliance status report for the 2014 compliance year on April 16, 2015, in Case No. 15-0775-EL-RPT.² In its RPS report, the Company indicated 2014 sales of 62,165 MWHs, with compliance obligations of 75 S-RECs and 1,480 RECs. The Company retired S-RECs and RECs via GATS to match these 2014 obligations. However, the Company has since revised its 2014 sales volume higher which would increase its RPS obligations, thereby leaving it short of compliance for this particular year.

2015 Compliance Year

Sperian filed its RPS compliance report for the 2015 compliance year on April 19, 2016. In its RPS report, the Company indicated 2015 sales of 33,092 MWHs, with compliance obligations of 40 S-RECs and 788 RECs. The Company retired S-RECs and RECs via GATS to match these 2015 obligations. Similar to 2014, the Company has since revised its 2015 sales volume higher, and therefore its retirements were not sufficient to address its increased 2015 compliance obligations.

² RPS compliance reports should be filed in cases with a purpose code of "ACP", rather than "RPT". Sperian's RPS reports since 2014 have been filed in ACP cases.

2016 Compliance Year

Sperian filed its RPS compliance report for the 2016 compliance year on September 29, 2017.³ In its RPS report, the Company indicated 2016 sales of 16,090 MWHs, with compliance obligations of 19 S-RECs and 383 RECs. The Company retired S-RECs and RECs via GATS for 2016. The Company has since revised its 2016 sales volume higher, and therefore its retirements were not a match for its increased 2016 compliance obligations.

2017 Compliance Year

Sperian filed its RPS compliance status report for the 2017 compliance year on April 11, 2018. In its compliance filing, the Company proposed a baseline of 18,763 MWHs which it indicated was its Ohio retail electric sales for 2017. Applying the statutory benchmarks to its proposed baseline, Sperian calculated its 2017 compliance obligations to be as follows:

- 28 Solar MWHs
- 629 Non-Solar MWHs

The Company indicated that it had obtained the necessary RECs and S-RECs to satisfy its 2017 compliance obligations. Sperian further indicated that it had transferred RECs and S-RECs to its GATS reserve subaccount for Ohio compliance purposes. In addition to its 2017 obligations, the Company retired an additional 6 S-RECs and 216 RECs in order to address its compliance deficiencies from prior compliance years.

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 2012, 2013, 2014, 2015, 2016, and 2017.⁴ Therefore, the Company had an RPS obligation for these six years.

³ The Company filed its 2016 RPS report in Case No. 16-0847-EL-ACP, the same case in which its 2015 RPS report was filed. Staff has informed the Company that each year's report should be filed in a separate case, which the Company did for 2017.

⁴ Sperian was certified to provide retail generation, aggregation, power marketer, and power broker services during the years 2012 – 2017; See PUCO Case No. 12-0552-EL-CRS.

- (2) The Company did not file RPS compliance reports for 2012 and 2013, despite having had Ohio retail electric sales during those years.
- (3) The Company filed RPS compliance reports for 2014, 2015, 2016, and 2017. The compliance reports for 2014 and 2016 were not filed in appropriate cases, but the Company did file appropriately for 2017. They have indicated an understanding of the filing expectations moving forward.
- (4) In its 2017 compliance report, the Company included a summary of its annual compliance performance for the years 2012 – 2016. The summary included updated compliance baselines utilizing internal billing data. Staff finds these revised baselines to be reasonable.
- (5) The Company's retirement history for 2012 – 2016 shows an inconsistent pattern of under-compliance and over-compliance. However, the Company expressed an interest in rectifying its past compliance performance. To accomplish that, Sperian retired additional S-RECs and RECs for 2017 in order to satisfy the Company's overall compliance obligations, including any lingering deficiencies from prior compliance years.

V. Staff Recommendations

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

- (1) In the aggregate, the Company is found to have satisfied its 2012, 2013, 2014, 2015, 2016, and 2017 RPS compliance obligations.
- (2) For future compliance years, the Company should file its RPS compliance report each year by April 15th in a separate case with an "ACP" designation, unless otherwise directed by the Commission.

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Summary: Staff Review and Recommendation for the 2012 - 2017 RPS Compliance Years
electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff