

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Town Square	)	
Energy East, LLC 2017 Renewable	)	Case No. 18-0478-EL-ACP
Portfolio Standard Status Report	)	

In the Matter of the Town Square	)	
Energy East, LLC 2018 Renewable	)	Case No. 19-0864-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 **2017** and **2018** are as follows:

Compliance Year	Total Renewable Requirement	Solar Requirement
2017	3.5%	0.15%
2018	4.5%	0.18%

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**

### 2017 Compliance Year

Town Square Energy East, LLC (TSEE or Company) filed its RPS compliance status report for the 2017 compliance year on March 26, 2018. In its compliance filing, TSEE proposed a baseline of 20,200 megawatt-hours (MWHs) which it indicated was the average of its Ohio retail electric sales for 2014, 2015, and 2016. Applying the statutory benchmarks to its proposed baseline, TSEE calculated its 2017 compliance obligations to be as follows:

- 30 Solar MWHs
- 677 Non-Solar<sup>1</sup> MWHs

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2017 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount for Ohio compliance purposes.

### 2018 Compliance Year

TSEE filed its RPS compliance status report for the 2018 compliance year on April 11, 2019. In its compliance filing, TSEE proposed a baseline of 15,392 MWHs which it indicated was its Ohio retail electric sales for 2018. Applying the statutory benchmarks to its proposed baseline, TSEE calculated its 2018 compliance obligations to be as follows:

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<sup>1</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.

- 28 Solar MWHs
- 665 Non-Solar MWHs

The Company indicated that it had obtained the necessary RECs and S-RECs to satisfy its 2018 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its 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 Company's annual status reports, other relevant compliance materials, and any timely comments submitted in these proceedings, Staff makes the following findings:

- (1) TSEE was an electric services company in Ohio with retail electric sales in the state of Ohio during 2017 and 2018, and therefore the Company had an RPS obligation for both 2017 and 2018.<sup>2</sup>
- (2) The Company had proposed a 2017 baseline of 20,200 MWHs, which it characterized as an average of its Ohio retail electric sales for 2014, 2015, and 2016. Since the time of its filing, the Company has proposed to use an adjusted 2016 sales volume in its baseline calculation which results in a revised baseline for 2017 of 25,089 MWHs.
- (3) With a revised baseline of 25,089 MWHs for 2017, the Company's adjusted obligations for 2017 are 38 S-RECs and 840 RECs.
- (4) The Company has transferred 38 S-RECs and 847 RECs to its GATS reserve subaccount for 2017 Ohio compliance purposes. Following a review of the GATS retirement data, Staff confirmed that the Company satisfied its adjusted RPS obligations for 2017. The S-RECs and RECs that the Company retired were sourced from generating facilities certified by the Commission and were of appropriate vintages.

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<sup>2</sup> TSEE was certified to provide retail generation services in Ohio during 2017 and 2018; see PUCO Case No. 12-3002-EL-CRS.

- (5) The baseline proposed by the Company for 2018 is reasonable, and given the proposed baseline and the applicable statutory benchmarks, TSEE accurately calculated its RPS compliance obligations for 2018.
- (6) The Company has transferred 28 S-RECs and 664 RECs to its GATS reserve subaccount for 2018 Ohio compliance purposes. Following a review of the GATS retirement data, Staff confirmed that the Company satisfied its RPS obligations for 2018.<sup>3</sup> The S-RECs and RECs that the Company retired were sourced from generating facilities certified by the Commission and were of appropriate vintages.

## **V. Staff Recommendations**

Following its review of the information submitted in these proceedings and other relevant data, Staff recommends that TSEE be found to have satisfied its 2017 and 2018 RPS compliance obligations.

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<sup>3</sup> While the Company's 2018 retirements were one REC short of its non-solar obligation, Staff notes that the Company's 2017 retirements exceeded its adjusted 2017 non-solar obligation by seven RECs. Therefore, in the aggregate, the Company's 2017 and 2018 obligations were satisfied.

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

**Commission of Ohio Docketing Information System on**

**11/20/2019 8:26:57 AM**

**in**

**Case No(s). 18-0478-EL-ACP, 19-0864-EL-ACP**

Summary: Staff Review and Recommendation for the 2017 and 2018 RPS Compliance Years  
electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff