

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the South Bay	)	
Energy Corp. 2019 Renewable	)	Case No. 20-0752-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 **2019** are as follows:

- Renewable Energy Resources = **5.50%** (includes solar requirement)
- Solar Energy Resources = **0.22%**

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 renewable energy portfolio status report analyzing all activities undertaken in the previous calendar year to demonstrate how the applicable renewable energy portfolio benchmarks have been met. Staff shall conduct annual compliance reviews with regard to the benchmarks under the renewable energy portfolio standard.

Ohio Adm.Code 4901:1-40-05(C), states:

Staff shall review each electric utility's or electric services company's renewable 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**

South Bay Energy Corp. (SBEC or Company) filed its RPS compliance status report for the 2019 compliance year on April 15, 2020. In its compliance filing, SBEC proposed a baseline of 829 megawatt-hours (MWHs) which it indicated was the average of its Ohio retail electric sales for 2017 and 2018.<sup>1</sup> Applying the statutory benchmarks to its proposed baseline, SBEC calculated its 2019 compliance obligations to be as follows:

- 2 Solar MWHs
- 44 Non-Solar<sup>2</sup> MWHs

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2019 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its PJM EIS Generation Attribute 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 Company's annual status report, other relevant compliance materials, and any timely comments submitted in this proceeding, Staff makes the following findings:

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<sup>1</sup> The Company reported zero Ohio retail electric sales for 2016.

<sup>2</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.

- (1) SBEC was an electric services company in Ohio with retail electric sales in the state of Ohio during 2019, and therefore the Company had an RPS obligation for 2019.<sup>3</sup>
- (2) The baseline proposed by the Company is reasonable, and given the proposed baseline and the 2019 statutory benchmarks, SBEC accurately calculated its RPS compliance obligations.
- (3) The Company has transferred 2 S-RECs and 44 RECs to its GATS reserve subaccount for 2019 Ohio compliance purposes.
- (4) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its non-solar obligation for 2019. The RECs that the Company transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were of appropriate vintages.
- (5) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its solar obligation for 2019. The S-RECs that the Company transferred to its GATS reserve subaccount were sourced from solar generating facilities certified by the Commission and were of appropriate vintages.

## **V. Staff Recommendations**

Following its review of the information submitted in this proceeding and other relevant data, Staff recommends that SBEC is found to have satisfied its 2019 RPS compliance obligations. Staff further recommends that this annual compliance status report be automatically approved consistent with Ohio Adm.Code 4901:1-40-05(D).

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<sup>3</sup> SBEC was certified to provide power marketer services in Ohio during 2019; see PUCO Case No. 17-1327-EL-CRS.

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