

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE ANNUAL
ADJUSTMENT OF THE ALTERNATIVE
COMPLIANCE PAYMENT FOR 2022
PURSUANT TO R.C. 4928.64 (C)(2)(B).

CASE NO. 22-1064-EL-ACP

FINDING AND ORDER

Entered in the Journal on November 30, 2022

I. SUMMARY

{¶ 1} The Commission approves the annual adjustment of the alternative compliance payment for 2022, pursuant to R.C. 4928.64(C)(2)(b).

II. DISCUSSION

{¶ 2} R.C. 4928.64 establishes specific percentage benchmarks for kilowatt hours generated from renewable and solar energy resources sold by an electric utility for years beginning in 2009 and thereafter. R.C. 4928.64(C)(2)(b) creates a compliance payment pertaining to the renewable energy resource benchmarks that is equal to the number of additional renewable energy credits that the electric utility or electric services company would have needed to comply with the applicable benchmark in the period under review, multiplied by at least \$45.00 and adjusted annually by the Commission to reflect any change in the consumer price index (CPI) as defined in R.C. 101.27. R.C. 101.27(C)(1) defines CPI to mean the CPI prepared by the United States Bureau of Labor Statistics (U.S. city average for urban wage earners and clerical workers: all items, 1982-1984=100), or, if that index is no longer published, a generally available comparable index.

{¶ 3} Am. Sub. H.B. No. 6, which became effective in October 2019, eliminated the specific solar requirement from the state's renewable portfolio standard (RPS) beginning with the 2020 compliance year. During prior compliance years, there were separate alternative compliance payments for the solar component and the remaining renewable, non-solar component. With the elimination of the solar requirement following the 2019 compliance year, there will now be a single alternative compliance payment determined

each year that will apply to the overall renewable requirement. The Commission's rules on this topic, as discussed further below, have not yet been revised to incorporate these changes, and therefore those rules currently also refer to a "non-solar" component.

{¶ 4} In Ohio Adm.Code Chapter 4901:1-40, the Commission adopted rules to implement the RPS established under R.C. 4928.64. Ohio Adm.Code 4901:1-40-08, effective March 26, 2020, addresses compliance payments. Ohio Adm.Code 4901:1-40-08(A)(2)(b), which specifically focuses on the Commission's annual adjustment of the non-solar renewable energy resource compliance payment, provides the following methodology for determining the compliance payment:

Beginning in the year 2010, the per MWh payment for renewable energy resources will be adjusted annually to reflect the annual change to the consumer price index as defined in Section 101.27 of the Revised Code. Such adjustment shall be performed by staff no later than June first of each calendar year. This annual adjustment shall be calculated using the following formula:

$$=((\text{CPIYR2}/\text{CPIYR1}) * \text{current per MWh payment}).$$

{¶ 5} On November 18, 2022, Staff filed its report recommending that, based on the most recent CPI data, the renewable energy resource compliance payment under R.C. 4928.64(C)(2)(b) should be \$56.99/MWh for 2022. No objections to Staff's calculations have been filed. Staff acknowledges that although Ohio Adm.Code 4901:1-40 directs Staff to make this adjustment by June 1 of each year, this date was inadvertently missed because of staffing changes. Staff does not expect this delay to create difficulties for the companies filing their 2022 compliance reports. Accordingly, the renewable energy resource compliance payment under R.C. 4928.64(C)(2)(b) shall be \$56.99/MWh for 2022.

{¶ 6} The Commission finds that the compliance payment under R.C. 4928.64(C)(2)(b) should be \$56.99/MWh for 2022, and that a limited waiver of Ohio Adm.Code 4901:1-40-08(A)(2)(b) should be granted.

III. ORDER

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That the compliance payment for renewable energy resources under R.C. 4928.64(C)(2)(b) be \$56.99/MWh for 2022. It is, further,

{¶ 9} ORDERED, That a limited waiver of Ohio Adm.Code 4901:1-40-08(A)(2)(b) be granted. It is, further,

{¶ 10} ORDERED, That a notice or copy of this Finding and Order be served upon each electric utility, the Commission's electric industry listserv, and upon all parties of interest.

COMMISSIONERS:

Approving:

Jenifer French, Chair

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

JML/hac

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

11/30/2022 4:00:48 PM

in

Case No(s). 22-1064-EL-ACP

Summary: Finding & Order approving the annual adjustment of the alternative compliance payment for 2022, pursuant to R.C. 4928.64(C)(2)(b) electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio