



the new green

www.recycled-energy.com

740 Quail Ridge Drive

Westmont, IL 60559

phone 630.590.6030

fax 630.590.6037

July 18, 2008

Alan R. Schriber, Chairman
The Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43215

Re: Comments of Recycled Energy Development, LLC on the implementation of
Senate Bill No. 221.
Case No. 08-777-EL-ORD

Dear Chairman Schriber:

Recycled Energy Development, LLC (RED) appreciates the opportunity to submit comments regarding implementation of Senate Bill No. 221 of 2008. RED's mission is to profitably reduce greenhouse-gas emissions through the development and ownership of energy recycling facilities. These comments focus on question (c) of the staff's request for response and specifically encourage the Commission to promulgate milestones and metrics for the Advanced Energy Resources tier of the Alternative Energy portfolio standard.

Tremendous potential exists in Ohio to develop Advanced Energy Resources, particularly recycled energy and combined heat and power. By capturing waste energy, Ohio manufacturers can increase their productivity, cut greenhouse-gas emissions, and create jobs. Recycled energy can generate vast amounts of low-cost power without burning fossil fuels or emitting greenhouse gases, resulting in an increase in energy efficiency that's good for business, consumers, and the environment. Recycled Energy Development, which has raised \$1.5 billion in equity for such projects, would invest a great deal in Ohio if the Commission promulgated progressive benchmarks for the Advanced Energy tier.

Ohio's new law requires that by 2025 25-percent of electricity sold by electric distribution utilities or electric service companies must be generated from Alternative Energy Resources. To accomplish this ambitious goal, the law requires that Renewable Energy Resources comprise at least 12.5 percent of electricity by 2025, and the bill sets progressive benchmarks for this tier starting in 2009. The other half of the 25-percent target may come from Advanced Energy Resources, yet the bill leaves it to the Commission to set annual benchmarks. In order to ensure timely development of such resources, the Commission needs to promulgate incremental percentage requirements.

The force majeure provision provides the Commission with discretion to determine whether adequate Renewable Energy Resources are available for the utilities to

meet the benchmarks. If the Commission determines that resources are not reasonably available, it must modify the obligations for that reporting period. Since Ohio has tremendous potential for recycling waste energy, the Commission could allow utilities to meet any approved shortfalls in their renewable energy obligations with generation from sources that qualify as Advanced Energy Resources.

The bill also sets progressive requirements for utilities to report greenhouse gas emissions and plan for carbon dioxide controls. The Commission could facilitate greater emission reductions by promulgating rules to encourage the development of clean energy technologies. One approach would be a Clean Energy Standard Offer Program (CESOP), which is being developed by the Tennessee Valley Authority and Ontario Power Administration. An Ohio CESOP would have the Commission calculate the true cost of delivering electricity from the best new, electric-only power plant that meets current environmental standards and then offer long-term contracts to any clean energy plant that provide power for just 85 percent of that cost. Qualifying clean energy plants must be non-carbon-emitting facilities, such as those employing renewable energy, or achieve at least 60-percent annual fossil efficiency. If the Commission implements this regulatory approach to provide clean energy at a discount, all stakeholders benefit, including the distribution utilities, manufacturers, and retail customers.

RED respectfully requests the Commission incorporate these comments in adopting regulations for the implementation of the Alternative Energy Resources provision of SB 221. The Commission is working under an extremely tight timetable, and we thank you for the opportunity to comment.

Sincerely,

s/ Melissa M. Mullarkey
Research Analyst

Cc: Commissioner Paul A. Centolella
Commissioner Ronda Hartman Fergus
Commissioner Valerie A. Lemmie
Commissioner Cheryl L. Roberto

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/18/2008 3:07:20 PM

in

Case No(s). 08-0777-EL-ORD

Summary: Comments electronically filed by Ms. Melissa M Mullarkey on behalf of Recycled Energy Development, LLC and Ms. Melissa M Mullarkey