

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Picway Generating Station for)
Certification as an Eligible Ohio) Case No. 10-387-EL-REN
Renewable Energy Resource)
Generating Facility.)

FINDING AND ORDER

The Commission finds:

- (1) On March 23, 2010, Picway Generating Station (Picway) filed an application for certification as an eligible Ohio renewable energy resource generating facility. Picway is owned by Columbus Southern Power Company (CSP).
- (2) Pursuant to the terms of Rule 4901:1-40-04(F)(2), Ohio Administrative Code (O.A.C.), Picway's application is subject to a 60-day automatic approval process. The rule also provides that the Commission may suspend an application during the 60-day approval process. As additional information and investigation were needed in order to thoroughly review the application, the 60-day automatic approval process for Picway's application was suspended on May 12, 2010.
- (3) On April 29, 2010, June 8, 2010, and June 17, 2010, Picway clarified and supplemented its application by filing responses to Staff data requests.
- (4) Consistent with Sections 4928.64 and 4928.65, Revised Code, in order to qualify as a certified eligible Ohio renewable energy resource generating facility, a facility must demonstrate in its application that it has satisfied all of the following criteria:
 - (a) The generation produced by the renewable energy resource generating facility can be shown to be deliverable into the state of Ohio, pursuant to Section 4928.64(B)(3), Revised Code.

- (b) The resource to be utilized in the generating facility is recognized as a renewable energy resource pursuant to Sections 4928.64(A)(1) and 4928.01(A)(35), Revised Code, or a new technology that may be classified by the Commission as a renewable energy resource pursuant to Section 4928.64(A)(2), Revised Code.
 - (c) The facility must satisfy the applicable placed-in-service date, delineated in Section 4928.64(A)(1), Revised Code.
- (5) Picway submitted for certification a 100-megawatt (MW) generating unit, located at 9301 U.S. Route 23, Columbus, Ohio 43137. The application states that Picway is an investor-owned utility generating facility. The application explains that the facility is located within the geographic area of PJM Interconnection, L.L.C. Based upon the application, and the facility's location in Ohio, the electricity generated from the Picway facility is deliverable into Ohio. Accordingly, the Commission finds that the application satisfies the first criterion.
- (6) According to the application, the Picway facility plans to integrate solid biomass fuel as its renewable energy resource. Picway proposes to combust up to 100 percent solid biomass fuel, using pellets comprised of woody biomass and/or herbaceous crops. In addition, Picway plans to reduce its reliance on No. 2 fuel oil during unit startup and for flame stabilization by switching to a blend of diesel and biodiesel. When operating exclusively on biomass fuel, Picway's maximum capacity rating will drop to 50 MW, due to the heat and moisture content of biomass fuel. Picway states that if testing shows that relying solely on biomass fuel will create technical issues, biomass fuel will be co-fired with coal. Supplementary biomass, such as sawdust, wood chips, agricultural waste, or other fuels compliant with the statutory definition of biomass may also be used. The application notes that an initial testing period will be required to determine the optimal percentage of biomass fuel that can be consumed, and detailed information about the testing process was included in the application.

Picway explains that the long-range renewable energy production of the facility will depend upon the results of the initial tests, as well as market economics. The application describes the process for sampling and measuring the amount of solid biomass fuel and biodiesel used by the Picway facility and includes a detailed formula explaining how the amount of electricity, and the resulting renewable energy credits (RECs), generated from biomass energy will be calculated, in accordance with Rule 4901:1-40-01(G), O.A.C.

Biomass energy is specifically recognized as a renewable resource pursuant to Section 4928.01(A)(35), Revised Code. The biomass energy materials Picway proposes to use, specifically biomass pellets from primarily woody sources and/or herbaceous crops, supplemented as needed with sawdust, wood chips, and agricultural waste, and biodiesel, meet the definition of biomass energy contained in Rule 4901:1-40-01(E), O.A.C. Therefore, the Commission finds that the second criterion is satisfied.

- (7) The application maintains that the proposed change in fuel type to include the use of biomass energy satisfies the requirement that a renewable energy resource be created after January 1, 1998, through the proposed modification of a pre-1998 facility. While Picway has previously experimented with using an alternative feedstock, by testing the potential use of sawdust residues, the application states that Picway has relied upon coal as its regular fuel source and maintains that the integration of biomass fuel into its fuel supply constitutes the creation of a new renewable energy resource.

The placed-in-service requirement imposed by Section 4928.64(A)(1), Revised Code, can be met through the creation of a renewable energy resource on or after January 1, 1998, by the modification of any facility placed in service prior to January 1, 1998. The Commission finds that, as described in the application, the conversion of the Picway facility to the use of renewable fuels, such as biomass, constitutes a modification that creates a renewable energy resource. The Commission finds that the Picway facility meets the third criterion.

- (8) Given that Picway's application demonstrates that its facility satisfies the requisite statutory criteria to become certified as an eligible Ohio renewable energy resource generating facility, as well as the Commission's rules, the Commission finds that Picway's application should be approved and that the RECs generated will be proportional to the renewable energy or renewable fuel consumed by the facility.
- (9) In addition to satisfying the above-cited criteria, Section 4928.65, Revised Code, requires a renewable energy resource generating facility to be registered with an approved attribute tracking system, such as the Generation Attribute Tracking System (GATS), or the Midwest Renewable Energy Tracking System (M-RETS), for the facility's renewable energy credits to be used for compliance with Ohio's alternative energy portfolio standards. Picway indicated in its application that it is already registered with GATS and that on March 4, 2010, it was approved as a multi-fuel generating facility, with agricultural crops, biomass liquids, and biomass solids added to its GATS identification number.
- (10) Picway is hereby issued certification number 10-BIO-OH-GATS-0312 as an eligible Ohio renewable energy resource generating facility. Picway must notify the Commission within 30 days of any changes to the information provided in the initial application. Additionally, in the event of any substantive changes in the facility's operational characteristics or proposed fuel source, or if the results of any testing phase demonstrate that the use of biomass energy is not feasible, Picway must notify the Commission within 30 days of such changes. Failure to do so may result in revocation of its certification.

It is, therefore,

ORDERED, That Picway's application for certification as an eligible Ohio renewable energy resource generating facility be granted as set forth herein. It is, further,

ORDERED, That Picway be issued certification number 10-BIO-OH-GATS-0312, in accordance with finding (10). It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

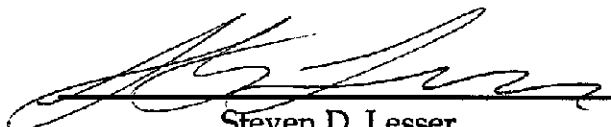


Alan R. Schriber, Chairman



Paul A. Centolella

Valerie A. Lemmie



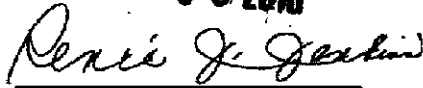
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Renee J. Jenkins
Secretary