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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Alternative)
Energy Portfolio Status Report of)
Dominion Retail, Inc.)**

Case No. 10-2986-EL-ACP

Findings and Recommendations of the PUCO Staff

I. Statutory Background

Senate Bill 221, with an effective date of July 31, 2008, established Ohio's alternative energy portfolio standard (AEPS) applicable to both electric distribution utilities and electric service companies. The AEPS is addressed principally in sections 4928.64 and 4928.65, Ohio Revised Code (ORC), with relevant resource definitions contained within 4928.01(A), ORC.

According to 4928.64(B)(2), ORC, the specific compliance obligations for 2009 are as follows:

- Renewable Energy Resources = 0.25% (includes solar carve-out)
- Solar Energy Resources = 0.004%

In addition, there is a requirement that at least half of the renewable energy resources, including the solar energy resources, shall be met through facilities located in this state.

The PUCO further developed rules to implement the Ohio AEPS, with those rules contained within Ohio Administrative Code (OAC) 4901:1-40.

4901:1-40-05(A), OAC:

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.

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4901:1-40-05(C), OAC:

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.

II. Company Filing Summarized

In its filing, Dominion Retail, Inc. (Dominion Retail) acknowledges that it is an electric services company and subject to Section 4928.64, ORC.¹ Dominion Retail calculated a baseline, consisting of an average of its annual Ohio retail sales data for 2006 – 2008, of 146,771 megawatt-hours (MWH).² Dominion Retail indicates that it has under-complied by the entire amount of its 2009 compliance obligation³ and proposes to pay the alternative compliance payments at a total cost of \$18,990.⁴ Dominion Retail further indicated that it is pursuing renewable energy credits in 2010 to meet its 2010 compliance obligation.⁵

III. Filed Comments

No persons filed comments in this proceeding.

IV. Staff Findings

Following its review of the annual status report and any timely comments submitted in this proceeding, Staff makes the following findings:

- (1) Dominion Retail is an electric services company with retail electric sales in the state of Ohio.
- (2) Dominion Retail submitted its annual status report for 2009 compliance activities on December 10, 2010. While Staff finds that this filing is late relative to the filings requirements of 4901:1-40-05(A), Staff believes that Dominion Retail will comply with future filing requirements in a timely manner.

¹ P. 1 of Company filing

² P. 3 of Company filing

³ P. 4 of Company filing

⁴ P. 5 of Company filing

⁵ P. 4 of Company filing

- (3) Staff performed an independent calculation that confirmed the baseline figure proposed by Dominion Retail.
- (4) Dominion Retail has proposed to pay the alternative compliance payment to address its 2009 compliance obligations.
- (5) The alternative compliance payments for 2009 were \$450/MWH⁶ and \$45/MWH⁷ for solar and non-solar renewable respectively.
- (6) Staff finds Dominion Retail's calculation of \$18,990 to be accurate, given the baseline calculation, the applicable alternative compliance payments, and the statutory benchmarks for 2009.
 - (a) 2009 Solar Requirement
 $146,771 \text{ MWH} * 0.004\% = 5.87$ rounded up to 6 MWH (per rule 4901:1-40-08)
 $6 \text{ MWH} * \$450/\text{MWH} = \$2,700$
 - (b) 2009 Non-Solar Requirement
 $146,771 \text{ MWH} * 0.246\% = 361.06$ rounded up to 362 (per rule 4901:1-40-08)
 $362 \text{ MWH} * \$45/\text{MWH} = \$16,290$
 - (c) 2009 Total Payment Due = \$18,990

V. Staff Recommendations

Following its review of the information submitted in this proceeding, Staff recommends the following:

- (1) Dominion Retail should remit payment to the Commission in the amount of \$18,990 consistent with the requirements in 4901:1-40-08(B), OAC.

The payment should be directed to the PUCO's Fiscal Department, and made out to "Treasurer State of Ohio". A letter should also be attached to the check stating that it is a compliance payment required by Ohio Revised Code Section 4928.64 for deposit to the credit of the Advanced Energy Fund, under the control of the Ohio Department of Development and created under section 4928.61 of the

⁶ Ohio Revised Code 4928.64(C)(2)(a)

⁷ Ohio Revised Code 4928.64(C)(2)(b)

Revised Code. The letter should also cite the Commission case ordering the payment.

- (2) Dominion Retail should submit an attestation in this docket consistent with the requirements in 4901:1-40-08(D), OAC.