

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application for The :
Laurel Wind Farm to Receive Ohio RPS : Case No. 09-836-EL-REN
Generator Status. :

REVIEW AND RECOMMENDATIONS
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

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May 9, 2011

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STAFF REVIEW

On September 21, 2009, Laurel Wind Energy LLC (Laurel Wind) submitted an application seeking certification of the Laurel Wind Farm as an eligible Ohio renewable energy resource generating facility.

According to the application, the Laurel Wind Farm would use wind as its energy resource, and it had a projected placed in-service date of December 31, 2010. Staff believes that these two components satisfy the first two applicable statutory requirements for an eligible renewable energy resource generating facility – specifically, the resource or technology employed and the facility’s placed in-service date.

The remaining statutory requirement pertains to deliverability of the facility’s electrical output to the state of Ohio, consistent with Ohio Revised Code (ORC) 4928.64(B)(3). According to the application, the Laurel Wind Farm is located in Marshall County, Iowa. Ohio Administrative Code (OAC) 4901:1-40-01(I) defines “deliverable into this state” as follows:

(I) "Deliverable into this state" means that the electricity originates from a facility within a state contiguous to Ohio. It may also include electricity originating from other locations, pending a demonstration that the electricity could be physically delivered to the state.

This required demonstration of deliverability was further addressed in the Commission's Finding and Order in Case No. 09-0555-EL-REN, when the Commission endorsed the following methodology for generating facilities that are located outside of Ohio and its contiguous states:

The Commission finds that Staff's proposed methodology and recommended definition of "significant impact" are reasonable and should be adopted. Accordingly, any applicant seeking to demonstrate the physical deliverability of energy into Ohio from a generating facility located outside of Ohio or a contiguous state may do so with a power flow study, performed by an RTO, offering evidence of a significant impact on power flows over transmission lines located in the state of Ohio. The transmission lines must serve loads connected to distribution lines located in Ohio. If the study shows an impact on a transmission line in Ohio that is greater than five percent and greater than one megawatt, the electricity produced by the renewable generating facility would be deemed to have a significant impact, thereby satisfying the statutory criteria that the electricity is physically deliverable into Ohio.¹

Because the Laurel Wind Farm is not located within Ohio or a contiguous state, it is required to submit documentation with its application that demonstrates physical deliverability.

In its application before the Commission, Laurel Wind indicated that the 121 MW facility would be connected to a 161 kV electric system owned by ITC, Inc. and operated by the Midwest Independent transmission System Operator, Inc. (MISO). In its effort to demonstrate deliverability, Laurel Wind attached a copy of MISO's June 25, 2009, draft

¹ Finding 8, p. 4, of Commission's Finding and Order

Interconnection System Impact Study (SIS) for the Laurel Wind Farm as Exhibit 1 to its application. An SIS is a study that evaluates the impacts of adding a generating facility to the regional bulk power system and identifies any transmission system upgrades that would be required to maintain the reliability of the regional transmission system. The Staff does not believe that the SIS represents a demonstration of physical deliverability of electricity from the Laurel Wind Farm into the state of Ohio. Consistent with the Commission's decision in Case 09-0555-EL-REN, the Staff concludes that a power flow study would be necessary to substantiate claims of physical deliverability.

Staff believes that the submittal of the requisite power flow study is the responsibility of the applicant. However, during the development of its proposed methodology for determining deliverability, Staff requested in early 2010 that PJM and MISO provide the staff with distribution factor (dfax) or power flow studies for all generating facilities connected to their systems and their impact on the power flows on transmission lines located in Ohio. A dfax study is a computer model of the transmission systems that measure the change in power flows across a flowgate due to a change in generation. The Laurel Wind Farm was one of the generating facilities modeled in the MISO dfax study. The study conducted by MISO assumed a 50/50 peak load forecast for 2014. The studies included all existing generating units and all units that have signed an Interconnection Service Agreement and are expected to be in-service by 2014. MISO evaluated the impacts of power flows on 67 electric transmission lines in Ohio. Based on the MISO study results for the Laurel Wind Farm, the highest dfax value that the Laurel

Wind Farm had on a transmission line in Ohio was 2.04%. Applying this dfax value to the facility's capacity used in the dfax study results in a figure of 2.47 MW².

STAFF RECOMMENDATION

In reaching its recommendation, the Staff relied on the Commission's decision in Case No. 09-0555-EL-REN and specifically the following language:

If the study shows an impact on a transmission line in Ohio that is greater than five percent and greater than one megawatt, the electricity produced by the renewable generating facility would be deemed to have a significant impact, thereby satisfying the statutory criteria that the electricity is physically deliverable into Ohio.

Following its review of the information submitted by the applicant, as well as the dfax study conducted by MISO, Staff recommends that the Laurel Wind Farm be denied certification as an eligible Ohio renewable energy resource generating facility on the basis that its application fails to demonstrate that the electricity generated from the Laurel Wind Farm facility is physically deliverable to the state of Ohio. As modeled, the facility failed to achieve greater than a 5% impact on transmission lines in Ohio. It did satisfy the greater than 1 MW criterion endorsed by the Commission in Case No. 09-0555-EL-REN;

² 2.47 MW = 2.04% * 121 MW

however, the Commission's decision requires that both criteria be satisfied for a determination of deliverability.

Respectfully submitted,

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PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Review and Recommendation** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, or hand-delivered, upon the following Parties of Record, this 9th day of May, 2011.



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