

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative)
Energy Portfolio Status Report of APN) Case No. 11-1324-EL-ACP
Starfirst, LP for Calendar Year 2010.)

FINDING AND ORDER

The Commission finds:

- (1) APN Starfirst, LP (APN) is an electric services company as defined in Section 4928.01(A)(9), Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) Section 4928.64(B), Revised Code, establishes benchmarks for electric services companies to acquire a portion of their electricity supply for retail customers in Ohio from renewable energy resources. Specifically, the statute requires that, for 2010, a portion of the electricity sold by means of retail electric sales in Ohio must come from alternative energy resources (overall renewable energy resources benchmark), half of which must be met with resources located within Ohio (in-state renewable energy resources benchmark), and including 0.010 percent from solar energy resources (overall solar energy resources (SER) benchmark), half of which must be met with resources located within Ohio (in-state SER benchmark). This requirement increased to 0.030 percent for 2011.
- (3) Rule 4901:1-40-05(A), Ohio Administrative Code (O.A.C.), requires that, unless otherwise ordered by the Commission, each electric services company file by April 15 of each year an annual alternative energy portfolio status report. The report must analyze all activities the company undertook in the previous year in order to demonstrate how pertinent alternative energy portfolio benchmarks and planning requirements have been or will be met. Additionally, Commission Staff (Staff) must conduct an annual compliance review with regard to the benchmarks. Finally, Rule 4901:1-40-02(A), O.A.C., provides that electric services companies that do not serve Ohio retail electric customers are not required to comply with the terms of the alternative energy portfolio benchmarks.

- (4) On March 18, 2011, APN filed its 2010 alternative energy portfolio status report, pursuant to Section 4928.64, Revised Code, and Rule 4901:1-40-05(A), O.A.C. In its report, APN proposes a baseline of 51,731 megawatt-hours, which is based on its actual Ohio retail sales in 2010. Using this baseline and the 2010 statutory benchmarks, APN reports that it met its compliance obligations consisting of 259 renewable energy credits (RECs) and five solar RECs, all of which were from resources located within Ohio.
- (5) On February 23, 2012, Staff filed findings and recommendations regarding APN's alternative energy portfolio status report. Initially, Staff finds that APN was required to comply with the terms of the alternative energy portfolio benchmarks for 2010, as it had retail electric sales in Ohio. Staff reports that APN's proposed baseline consists of its actual sales for 2010, rather than projected sales for that year, as contemplated by Rule 4901:1-40-03(B)(2)(b), O.A.C., in circumstances where an electric services company has no Ohio retail sales during the preceding three calendar years. Staff states that APN did not have Ohio retail sales in 2007, 2008, or 2009. Noting that use of a projection is intended to provide the electric services company with an indication of its compliance obligations earlier in the year for planning purposes, Staff indicates that it is not opposed to APN's use of actual sales to compute its baseline. With respect to the computation of APN's compliance obligations, Staff finds that APN overstated its overall renewable energy resources compliance obligation by six RECs, because APN did not net out the SER requirement.

Additionally, Staff states that it reviewed APN's Generation Attribute Tracking System (GATS) reserve subaccounts and confirms that, for 2010, APN satisfied its overall renewable energy resources benchmark and its overall SER benchmark, while exceeding its in-state renewable energy resources benchmark and its in-state SER benchmark. Staff further indicates that it reviewed APN's GATS reserve subaccount information and confirmed that the RECs originated from generating facilities certified by the Commission and were associated with electricity generated during the applicable timeframe. Accordingly, Staff recommends that APN be

found to be in compliance with its 2010 alternative energy compliance obligations.

Staff recommends that the six RECs retired via APN's GATS reserve subaccount that exceeded the amount necessary for compliance in 2010 be eligible to be applied against a future renewable energy resources compliance obligation, provided that the timing does not conflict with Rule 4901:1-40-04(D)(3), O.A.C. Staff further recommends that, for future compliance years in which APN utilizes GATS to demonstrate its Ohio compliance efforts, APN initiate the transfer of the appropriate RECs and solar RECs to its GATS reserve subaccount between March 1 and April 15 so as to precede the filing of its annual alternative energy portfolio status report with the Commission.

- (6) Upon review of APN's alternative energy portfolio status report and Staff's findings and recommendations, the Commission finds that APN is in compliance with its 2010 overall renewable energy resources benchmark, in-state renewable energy resources benchmark, overall SER benchmark, and in-state SER benchmark. Consequently, the Commission finds that APN's alternative energy portfolio status report for 2010 should be accepted.

The Commission further finds that, consistent with Staff's recommendation, the six RECs retired via APN's GATS reserve subaccount that exceeded the amount necessary for compliance in 2010 may be applied against a future renewable energy resources compliance obligation, provided that the timing does not conflict with Rule 4901:1-40-04(D)(3), O.A.C. Finally, with respect to future compliance years, the Commission directs APN to initiate the transfer of the appropriate RECs and solar RECs to its GATS reserve subaccount between March 1 and April 15, consistent with Staff's recommendation.

It is, therefore,

ORDERED, That APN's alternative energy portfolio status report for 2010 be accepted in accordance with finding (6). It is, further,

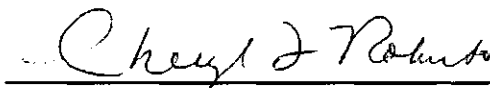
ORDERED, That a copy of this finding and order be served upon all parties of record.

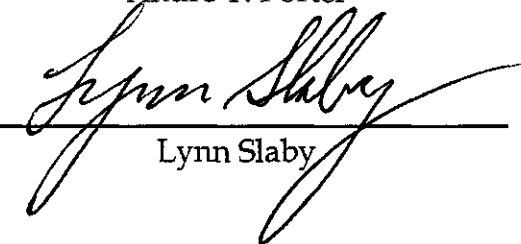
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


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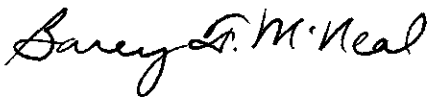

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