

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Duke Energy Retail Sales,)
LLC's Annual Alternative Energy Portfolio) Case No. 11-2517-EL-ACP
Status Report.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Retail Sales, LLC (DERS) 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 April 15, 2011, DERS 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, DERS states that it had no Ohio retail sales in 2007 or 2008 and, accordingly, proposes a baseline based on its Ohio retail sales in 2009. Using this baseline and the 2010 statutory benchmarks, DERS reports that it met its overall renewable energy resources benchmark, its in-state renewable energy resources benchmark, its overall SER benchmark, and its in-state SER benchmark, as well as a shortfall carried over from its 2009 benchmarks.
- (5) On August 22, 2012, Staff filed findings and recommendations regarding DERS' alternative energy portfolio status report. Initially, Staff finds that DERS was required to comply with the terms of the alternative energy portfolio benchmarks for 2010, as it had retail electric sales in Ohio, and that DERS appropriately calculated its baseline and 2010 compliance obligations. Additionally, Staff states that it reviewed detailed information regarding renewable energy credits (RECs) and solar RECs secured by DERS and confirms that, for 2010, DERS satisfied its overall renewable energy resources benchmark, its in-state renewable energy resources benchmark, its overall SER benchmark, and its in-state SER benchmark, as well as its shortfall carried over from 2009. Staff further indicates that its review confirms 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 DERS be found to be in compliance with its 2010 alternative energy compliance obligations, including its shortfall carried over from 2009.

Staff notes that, as of the date of Staff's findings and recommendations, DERS had not moved the applicable RECs or solar RECs to its Generation Attribute Tracking System (GATS) reserve subaccount. Staff, therefore, recommends that DERS transfer the applicable RECs and solar RECs to its GATS

reserve subaccount for Ohio compliance purposes, with such transfer to occur within 30 days of the Commission's decision in this proceeding. Staff indicates that it will review the details of the transfer for confirmation and to ensure consistency with the data previously provided to Staff. Staff adds that compliance should be contingent upon such transfer.

Staff further recommends that, for future compliance years in which DERS utilizes GATS to demonstrate its Ohio compliance efforts, DERS 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 DERS' alternative energy portfolio status report and Staff's findings and recommendations, the Commission finds that DERS 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, as well as its shortfall carried over from 2009. Consequently, the Commission finds that DERS' alternative energy portfolio status report for 2010 should be accepted.

The Commission further finds that, consistent with Staff's recommendation, DERS should transfer the applicable RECs and solar RECs to its GATS reserve subaccount for Ohio compliance purposes within 30 days of the issuance of this finding and order, with compliance contingent upon such transfer, and that Staff should review the details of the transfer. Finally, with respect to future compliance years, the Commission directs DERS 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,

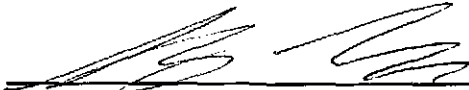
ORDERED, That DERS' alternative energy portfolio status report for 2010 be accepted in accordance with finding (6). It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



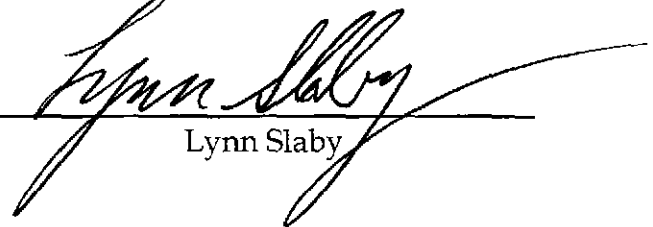
Todd A. Snitchler, Chairman



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Barcy F. McNeal
Secretary