

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Report of Duke Energy)
Ohio, Inc., Concerning its Advanced and)
Renewable Energy Baseline and) Case No. 12-1214-EL-ACP
Benchmarks and Ten-Year Compliance)
Plan.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) Section 4928.64(B), Revised Code, establishes benchmarks for electric utilities to acquire a portion of the electric utility's standard service offer from renewable energy resources. Specifically, the statute provides that, for 2011, a portion of the electric utility's electricity supply for its standard service offer must come from alternative energy sources (overall renewable energy resources benchmark), including 0.030 percent from solar energy resources (SER) (overall SER benchmark), half of which must be met with resources located within Ohio (in-state SER benchmark). This requirement increases to 0.060 percent for 2012.
- (3) Rule 4901:1-40-05(A), Ohio Administrative Code (O.A.C.), requires that, unless otherwise ordered by the Commission, each electric utility must file, by April 15 of each year, an annual alternative energy portfolio status report. The report must analyze all activities the utility 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, Staff must conduct an annual compliance review with regard to benchmarks.
- (4) On April 12, 2012, Duke submitted its 2011 alternative energy portfolio status report. In its filing, Duke explains that it appropriately calculated its baseline and complied with its benchmark requirements.

- (5) On August 22, 2012, Staff filed findings and recommendations on Duke's alternative energy portfolio status report. In its review, Staff notes that Duke accurately calculated its baseline of 16,014,263 megawatt hours (MWhs). Further, Staff opines that Duke accurately calculated its compliance obligations as 2,402 MWhs of Ohio solar and 2,402 MWhs of other solar, 77,669 MWhs of Ohio non-solar, and 77,669 MWhs of other non-solar renewables. Staff explains that it requested and received details on the renewable energy credits (RECs) and solar-RECs (S-RECs) that Duke proposed to use to satisfy its compliance obligation for 2011, and that Duke had both sufficient RECs and S-RECs to satisfy its obligation. The necessary RECs and S-RECs originated from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2011. Staff further states that Duke has not transferred any RECs or S-RECS that it intends to use towards its 2011 compliance requirements to its Generation Attribute Tracking System (GATS) reserve subaccount.
- (6) In its review, Staff recommends Duke should transfer 155,338 RECs and 4,804 S-RECs to its GATS reserve subaccount for 2011 Ohio compliance purposes. Staff recommends that a finding of compliance should be contingent upon such a transfer, which Staff recommends should occur within 45 days of the Commission decision in this proceeding. As a final matter, Staff recommends that, in future years, where Duke is utilizing GATS to demonstrate compliance, it should initiate the transfer of the appropriate RECs and S-RECS between March 1 and April 15, so as to precede the filing of its annual compliance status report with the Commission.
- (7) Upon review of Duke's alternative energy portfolio status report and Staff's findings and recommendations, the Commission finds that Duke is in compliance with all of its 2011 renewable energy resources benchmarks, contingent upon Duke transferring the appropriate number of RECs and S-RECs to its GATS subaccount in accordance with Staff's recommendation. Consequently, the Commission finds that Duke's alternative energy portfolio status report for 2011 should be accepted. Finally, the Commission finds that, for future compliance years in which Duke is using GATS to demonstrate its efforts towards Ohio compliance, Duke shall

initiate the transfer of the appropriate RECs and S-RECs to its GATS reserve subaccount between March 1 and April 15, in order to precede the filing of its annual compliance status report with the Commission.

It is, therefore,

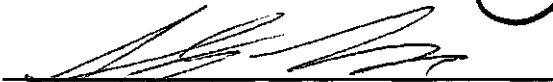
ORDERED, That Duke's alternative energy portfolio status report for 2011 is accepted, in accordance with Finding (7). It is, further,

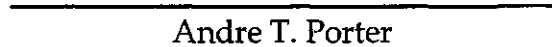
ORDERED, That Duke follow the Commission directives set forth in Finding (7). It is, further,

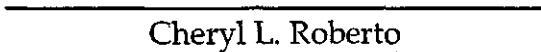
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

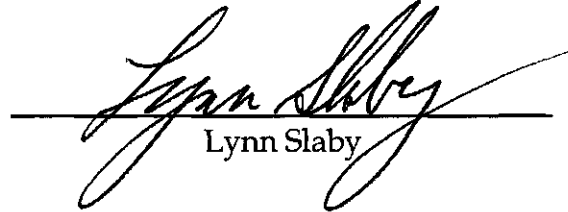
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser

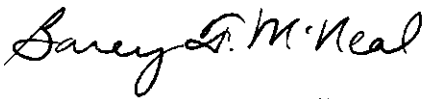

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OCT 10 2012



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Secretary