

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the 2010 Alternative)
Energy Portfolio Status Report of)
Dominion Retail, Inc.)**

Case No. 11-2470-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 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 **2010** are as follows:

- Renewable Energy Resources = 0.50% (includes solar requirement)
- Solar Energy Resources = 0.010%

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.

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.

The findings and recommendations in this document pertain to the company's compliance status. This document does not address such matters as cost recovery or status relative to the statutory 3% cost provision.

II. Company Filing Summarized

In its status report filing, Dominion Retail, Inc. (Dominion Retail or Company) proposed a baseline of 211,752 megawatt-hours (MWHs) computed as an average of its annual Ohio retail electricity sales in 2007, 2008, and 2009. With its proposed baseline and the 2010 statutory benchmarks, Dominion Retail calculated its 2010 AEPS compliance obligations to be the following:

- Ohio Solar – 11 MWHs
- Other Solar – 11 MWHs
- Ohio Non-Solar¹ – 519 MWHs
- Other Non-Solar¹ – 519 MWHs

Dominion Retail asserted that it secured adequate renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2010 Ohio AEPS requirements, with the exception of the Ohio solar requirement. Included within the Company's status report filing was a *force majeure* request to address its shortfall of 11 Ohio S-RECs. The Commission granted the *force majeure* request, with the requirement that the deficiency be added to the Company's 2011 in-state solar requirement.²

III. Filed Comments

Staff filed comments addressing the Company's *force majeure* request. No other parties filed comments in this proceeding.

¹ Staff uses "non-solar" in this context to refer to the total renewable requirement net of the specific solar requirement. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

² Finding and Order, 8/3/2011

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) That Dominion Retail is an electric services company with Ohio electric sales in 2010, and therefore Dominion Retail had an AEPS compliance obligation for 2010.
- (2) That Dominion Retail filed its 2010 alternative energy annual status report on April 15, 2011.
- (3) That the Company accurately computed its baseline and compliance obligations.
- (4) That Dominion Retail transferred its RECs and S-RECs for 2010 compliance to its PJM EIS Generation Attribute Tracking System (GATS) reserve subaccount in April 2011.
- (5) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total non-solar obligation, as well as the specific minimum in-state non-solar requirement for 2010. The specific RECs that the Company has transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2010.
- (6) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied half of its total solar obligation for 2010. The Company did not retire any Ohio S-RECs for 2010 compliance, however the Commission had granted the Company's request for *force majeure*. The specific S-RECs that the Company has transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated between August 1, 2008, and December 31, 2010.

V. Staff Recommendations

Following its review of the information submitted in this proceeding and other relevant data, Staff recommends the following:

- (1) That Dominion Retail be found to be in compliance with its 2010 non-solar compliance obligation and with its adjusted solar requirement.

- (2) That the compliance deficiency of 11 Ohio S-RECs be added to the Company's in-state solar requirement for 2011, consistent with the Commission's decision addressing the *force majeure* request.
- (3) That for future compliance years in which Dominion Retail is utilizing GATS to demonstrate its Ohio compliance efforts, the Company initiates the transfer of the appropriate RECs and S-RECs to its GATS reserve subaccount between March 1st and April 15th so as to precede the filing of its Ohio annual compliance status report with the Commission.

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff