

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the Alternative	)	
Energy Rider Contained in the Tariffs of Ohio	)	
Edison Company, The Cleveland Electric	)	Case Nos. 11-5201-EL-RDR
Illuminating Company and The Toledo Edison	)	
Company.	)	

**REPLY BRIEF OF  
INTERSTATE GAS SUPPLY, INC. d/b/a IGS Energy**

**I. INTRODUCTION**

Interstate Gas Supply, Inc. d/b/a IGS Energy is filing this Reply Brief in response to OCC's argument that "neither Section 4928.64(C)(5), Revised Code nor any other provision in the law indicates that compliance obligations are not resolved when compliance payments are made. IGS disagrees and incorporates by reference its Initial Brief on this subject.

**II. ARGUMENT**

**The General Assembly did not intend that renewable energy compliance payments be used as a means of achieving compliance in lieu of actually acquiring or realizing energy derived from renewable energy resources.**

At pages 42-43 of the public version of its Initial Brief, the Ohio Consumers' Counsel argues that even a plain reading of Section 4928.64(C)(5), Revised Code states nothing which indicates that compliance obligations are resolved through the making of compliance payments. This is simply inaccurate.

Section 4928.64(C)(5), Revised Code provides as follows:

(5) The commission shall establish a process to provide for at least an annual review of the alternative energy resource market in this state and in the service territories of the regional transmission organizations that manage transmissions systems located in this state. The commission shall use the results of this study to identify

any needed changes to the amount of the renewable energy compliance payment specified under divisions (C)(2)(a) and (b) of this section. Specifically, the commission may increase the amount to ensure that payment of compliance payments is not used to achieve compliance with this section in lieu of actually acquiring or realizing energy derived from renewable energy resources. However, if the commission finds that the amount of the compliance payment should be otherwise changed, the commission shall present this finding to the general assembly for legislative enactment.

(Emphasis added.)

The Commission was given the authority to increase the amount of compliance payments. Why did the General Assembly give the Commission such authority? The answer is provided in the above underscored section of the statute: “to ensure that payment of compliance payments is not used to achieve compliance with this section in lieu of actually acquiring or realizing energy derived from renewable energy resources.” This is a clear declaration on the part of the General Assembly that it does not want electric distribution utilities or competitive retail electric service providers to achieve compliance merely by making the renewable energy compliance payment instead of actually acquiring or realizing energy derived from renewable energy resources.

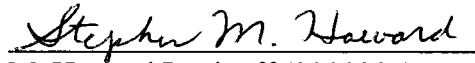
The renewable energy compliance payment is not an end in and of itself, nor is it a means to achieve compliance. Instead, it is a penalty that is designed to encourage compliance with the law and to deter non-compliance. The Commission should be implementing the General Assembly’s clear intent by encouraging the purchase of energy from renewable energy resources.

### **III. CONCLUSION**

The Commission should reject OCC’s argument at pages 42-43 of its Initial Public Brief and find that the potential imposition of a renewable energy compliance payment does not constitute a method of achieving compliance, but rather is a penalty intended to encourage and

provide an incentive for electric distribution utilities and competitive retail electric service providers to actually acquire or realize energy derived from renewable energy resources.

Respectfully Submitted,



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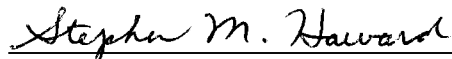
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## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 6<sup>th</sup> day of May, 2013 by electronic mail upon the persons listed below.



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Summary: Brief Reply Brief electronically filed by Mr. Stephen M Howard on behalf of Interstate Gas Supply, Inc. d/b/a IGS Energy