

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Alternative Energy)
Resources Report for Calendar Year 2010) Case No. 11-2449-EL-ACP
from Integrys Energy Services, Inc.)

FINDING AND ORDER

The Commission finds:

- (1) Integrys Energy Services, Inc. (Integrys), is an electric services company as defined in Section 4928.01(A)(9), Revised Code, and, as such, is subject to the jurisdiction of the 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).
- (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, the Commission's 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, Integrys 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, Integrys indicates that it computed its baseline for the 2010 compliance year by averaging its retail electric sales for 2007, 2008, and 2009. Using its computed baseline and the 2010 statutory benchmarks, Integrys 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 through the use of renewable energy credits (RECs) and solar RECs. Further, Integrys indicates that it satisfied its in-state SER benchmark shortfall from 2009, which was carried over to its 2010 in-state SER benchmark.
- (5) On March 29, 2013, Staff filed findings and recommendations regarding Integrys' alternative energy portfolio status report. Initially, Staff finds that Integrys was required to comply with the terms of the alternative energy portfolio benchmarks for 2010, as it had retail electric sales in Ohio. Staff notes that Integrys' proposed baseline is reasonable.

Additionally, Staff states that it reviewed Integrys' Generation Attribute Tracking System (GATS) reserve subaccount data and confirms that, for 2010, Integrys satisfied its overall renewable energy resources benchmark, in-state renewable energy resources benchmark, and overall SER benchmark. Staff concludes that, although Integrys correctly calculated its overall SER benchmark, Integrys incorrectly calculated its minimum in-state solar requirement by one solar REC. Staff further indicates that it confirmed that the RECs and solar RECs originated from generating facilities certified by the Commission and were associated with electricity generated during the applicable timeframe.

Accordingly, Staff recommends that Integrys be found to be in compliance with its 2010 alternative energy compliance obligations, with the exception of its in-state SER benchmark, which was one solar REC short of being satisfied. Staff remarks that, to compensate for this shortfall, Integrys should retire one more solar REC than would otherwise be necessary to satisfy the minimum in-state SER benchmark in its next compliance filing. Staff states that this should not increase the total number of solar RECs required, but rather would adjust the proportion

of in-state to overall solar RECs. Finally, Staff recommends that, for future compliance years in which Integrys uses GATS to demonstrate its Ohio compliance efforts, Integrys should initiate the transfer of the appropriate 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 Integrys' alternative energy portfolio status report and Staff's findings and recommendations, the Commission finds that Integrys is in compliance with its 2010 overall renewable energy resources benchmark, in-state renewable energy resources benchmark, and overall SER benchmark. Further, the Commission finds that Integrys was one solar REC short of satisfying its in-state SER benchmark, although it appropriately calculated its overall SER benchmark. Consequently, the Commission finds that, consistent with Staff's recommendation, Integrys should retire one more solar REC than would otherwise be necessary to satisfy the minimum in-state SER benchmark in its next compliance filing. The Commission also finds that Integrys' alternative energy portfolio status report for 2010 should be accepted.

The Commission further finds that, consistent with Staff's recommendation, Integrys should initiate the transfer of the appropriate RECs and solar RECs to its GATS reserve subaccount between March 1 and April 15.

It is, therefore,

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

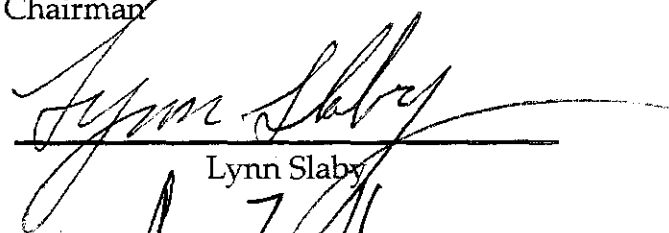
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

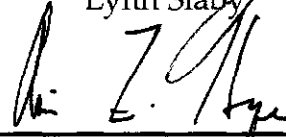
THE PUBLIC UTILITIES COMMISSION OF OHIO

Todd A. Snitchler, Chairman

Steven D. Lesser


M. Beth Trombold

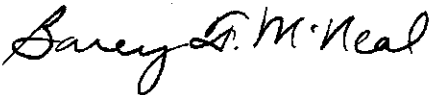

Lynn Slaby


Asim Z. Haque

MWC/sc

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Barcy F. McNeal
Secretary