

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Report of Duke )  
Energy Ohio, Inc., Concerning its )  
Advanced and Renewable Energy ) Case No. 14-377-EL-ACP  
Baseline and Benchmarks and Ten )  
Year Compliance Plan. )

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**DUKE ENERGY OHIO, INC.'S  
2013 ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT AND TEN  
YEAR ADVANCED ENERGY AND RENEWABLE ENERGY BENCHMARK  
COMPLIANCE PLAN**

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**I. INTRODUCTION**

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) is an electric distribution utility as that term is defined within Ohio Revised Code Section 4928.01(A)(6), and is therefore subject to the advanced energy and renewable requirements contained in Revised Code 4928.64.

Consistent with the rules enacted by the Public Utilities Commission of Ohio (Commission), including Ohio Administrative Code (O.A.C.) Section 4901:1-40-05, Duke Energy Ohio hereby submits this initial report in which it identifies its energy baseline and renewable energy credit (REC) and solar renewable energy credit (SREC) benchmarks and its compliance with year 2013 advanced and renewable mandates. Duke Energy Ohio also provides herein its plan for compliance with future annual advanced and renewable mandates as required by O.A.C. 4901:1-40-03(C).

## II. DUKE ENERGY OHIO'S BASELINE CALCULATION

Ohio Rev. Code Section 4928.64(B) provides that the baseline for a utility's compliance with the alternative energy resource requirements shall be the average of such total kilowatt hours it sold in the preceding three years, except that the Commission may reduce a utility's baseline to adjust for new economic growth in the utility's territory. The Company, in this application, is demonstrating compliance with its baseline and benchmarks on an unadjusted basis.

2010 Full Service Sales		10,102,444
2011 Full Service Sales		6,705,961
2012 Full Service Sales		6,012,923
<b>Average</b>		7,607,109
2013 renewable benchmark		1.91%
2013 solar benchmark		0.09%
2013 renewable requirements by jurisdiction (total less solar)		145,296
Ohio	<b>50%</b>	72,648
Out of state	<b>50%</b>	72,648
2013 solar requirements by jurisdiction		6,846
Ohio	<b>50%</b>	3,423
Out of state	<b>50%</b>	3,423

### III. DUKE ENERGY OHIO'S DEMONSTRATION OF COMPLIANCE WITH THE 2013 RENEWABLE ENERGY BENCHMARKS

#### A. NON-SOLAR

1. Duke Energy Ohio provided one half of its total non-solar renewable energy requirements through in-state, non-solar, renewable energy credits.

As set forth above, the 2013 benchmark for in-state, non-solar, renewable energy which Duke Energy Ohio was required to meet was 72,648 RECs. (1 REC: 1MWh)

2. Duke Energy Ohio provided one half of its total non-solar renewable energy requirements through non-solar, renewable energy credits purchased from adjacent states.

As set forth above, the 2013 benchmark for adjacent-state, non-solar, renewable energy which Duke Energy Ohio was required to meet was 72,648 RECs

#### B. SOLAR

1. Duke Energy Ohio met its solar renewable energy requirements through in-state solar renewable energy credits.

As set forth above, the 2013 benchmark for Ohio-sited sources of solar energy which Duke Energy Ohio was required to meet was 3,423 RECs

2. Duke Energy Ohio met its solar renewable energy requirements through purchase of renewable energy credits from outside the state of Ohio.

As set forth above, the 2013 benchmark for adjacent-state sources of solar energy which Duke Energy Ohio was required to meet was 3,423 RECs.

**IV. DUKE ENERGY OHIO'S PLAN FOR COMPLIANCE WITH FUTURE ADVANCED AND RENEWABLE ENERGY BENCHMARKS.**

The Commission has enacted a requirement that each electric utility and electric service company file a plan for compliance with future advanced and renewable energy benchmarks. Rule 4901:1-40-03(C) directs utilities and service companies to include the following:

1. A baseline for the current and future calendar years;
  - a. Please see Appendix A
2. Supply portfolio projection, including both generation fleet and power purchases;
  - a. N/A
3. A description and methodology used to evaluate compliance options; and

- a. At the present time, the Company achieves annual compliance through REC purchase transactions that have been relatively short-term in nature. However, the Company plans to employ any and all reasonable methods to assure ongoing compliance, and these tactics may be adjusted, as necessary. The Company believes that maintaining flexibility in its choice of compliance strategies is necessary to provide the greatest certainty of compliance, and to assure that the most cost-effective methods are implemented for the benefit of customers.
4. A discussion of any perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing such impediments.
  - a. Any impediments to achieving compliance in the near term are currently modest because the REC markets are well-supplied. Over the longer term, the bigger concern is with the uncertainty of future obligations, given the Company's continually-shifting load obligation (which, in turn, maintains the Company's bias towards short-term REC purchase contracts).

## V. CONCLUSION

Duke Energy Ohio respectfully requests that the Commission approve its evaluation of the baseline for 2013 and find that Duke Energy Ohio has met its

advanced and renewable compliance requirements for 2013 and that it has complied with all its reporting requirements related to such compliance.

Respectfully submitted,  
DUKE ENERGY OHIO, INC.

A handwritten signature in blue ink that reads "Elizabeth H. Watts" with a stylized flourish at the end.

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Duke Energy Ohio, Inc.  
Case No. 14-0377-EL-ACP

APPENDIX A

**DUKE ENERGY OHIO TEN YEAR BASELINE AND BENCHMARK FORECAST**

<u>Year</u>	<u>Year</u>	<u>Duke Ohio Sendout MWH</u>	<u>SSO SALES FORECAST Default Load (includes losses)</u>	<u>RENEWABLE ENERGY BASELINE FORECAST</u>	<u>Non-Solar Requirement (%)</u>	<u>Non-Solar Requirement (MWH)</u>	<u>Solar Requirement (%)</u>	<u>Solar Requirement (MWH)</u>
0	2013	20,014,502	5,068,814	7,607,109	1.91%	145,296	0.09%	6,846
1	2014	20,727,481	5,354,782	5,929,233	2.38%	141,116	0.12%	7,115
2	2015	21,055,896	5,374,939	5,478,840	3.35%	183,541	0.15%	8,218
3	2016	21,524,685	5,507,917	5,266,178	4.32%	227,499	0.18%	9,479
4	2017	21,762,070	5,583,898	5,412,546	5.28%	285,782	0.22%	11,908
5	2018	21,940,281	5,651,222	5,488,918	6.24%	342,508	0.26%	14,271
6	2019	22,078,258	5,709,146	5,581,012	7.20%	401,833	0.30%	16,743
7	2020	22,024,701	5,701,500	5,648,089	8.16%	460,884	0.34%	19,204
8	2021	21,954,461	5,680,571	5,687,289	9.12%	518,681	0.38%	21,612
9	2022	22,009,364	5,706,925	5,697,072	10.08%	574,265	0.42%	23,928
10	2023	22,057,038	5,731,169	5,696,332	11.04%	628,875	0.46%	26,203

Note: Prior year sales for calculation of 2012 - 2014 baseline as follows (in MWH):

2012	6,012,923
2011	6,705,961
2010	10,102,444

**Compliance Plan Status Report for Compliance Year 2013  
Summary Sheet**

	Sales Unadjusted (MWHs)	Proposed Adjustments (MWHs)	Sales Adjusted (MWHs)	Source of Sales Volume Data
2010	10,102,444	0	10,102,444	(A)
2011	6,705,961	0	6,705,961	(B)
2012	6,012,923	0	6,012,923	(C)

**Baseline for 2013 Compliance Obligation** 7,607,109 (D) = AvgABC

2.00% **2013 Statutory Compliance Obligation**

2013 Non-Solar Renewable Benchmark 1.91% (E)

2013 Solar Renewable Benchmark 0.09% (F)

Per ORC, 4928.64(B)(2)

**2013 Compliance Obligation**

Non-Solar RECs Needed for Compliance 145,296 (G) = (D) \* (E)

Minimum Required from Ohio Facilities 72,648 (H) = (G) \* 0.5

Solar RECs Needed for Compliance 6,846 (I) = (D) \* (F)

Minimum Required from Ohio Facilities 3,423 (J) = (I) \* 0.5

**Carry-Over from Previous Year(s), if applicable**

Ohio Non-Solar - MWHs 0 (K)

Other Non-Solar - MWHs 0 (L)

Ohio Solar - MWHs 0 (M)

Other Solar - MWHs 0 (N)

**Total 2013 Compliance Obligations**

Non-Solar RECs Needed for Compliance 145,296 (O) = (G) + (K) + (L)

Minimum Required from Ohio Facilities 72,648 (P) = (H) + (K)

Solar RECs Needed for Compliance 6,846 (Q) = (I) + (M) + (N)

Minimum Required from Ohio Facilities 3,423 (R) = (J) + (M)

**2013 Performance (Per GATS or MRETS Data)**

Ohio Non-Solar - MWHs 72,648 (S)

Other Non-Solar - MWHs 72,648 (T)

Ohio Solar - MWHs 3,423 (U)

Other Solar - MWHs 3,423 (V)

**Under Compliance in 2013, if applicable**

Ohio Non-Solar - MWHs 0 (W) = (P) - (S)

Other Non-Solar - MWHs 0 (X) = (O - P) - (T)

Ohio Solar - MWHs 0 (Y) = (R) - (U)

Other Solar - MWHs 0 (Z) = (Q - R) - (V)

**2013 Alternative Compliance Payments**

Non-Solar, per MWH (Refer to Case 13-0995-EL-ACP) \$48.56 (AA)

Solar, per MWH - per 4928.64(C)(2)(a) \$350.00 (BB)

**2013 Payments, if applicable**

Non-Solar Total \$0.00 (CC) = (W+X) \* (AA)

Solar Total \$0.00 (DD) = (Y+Z) \* (BB)

**TOTAL** \$0.00 (EE) = (CC) + (DD)

*This compliance worksheet was developed by Staff for internal review purposes. However, it may be useful for your company in preparation of its AEPS annual compliance status report for the 2013 compliance year. Your company is not required to include this form in its filing, but that is an option. If using this form, your company should insert data in the blue shaded boxes (as applicable). The remaining cells should auto-calculate. However, you should still independently verify the accuracy of the calculations. Questions concerning this worksheet can be addressed to Stuart.Siegfried@puc.state.oh.us*



**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/7/2014 10:35:58 AM**

**in**

**Case No(s). 14-0377-EL-ACP**

Summary: Report Duke Energy Ohio, Inc.'s 2013 Alternative Energy Portfolio Status Report and Ten Year Advanced Energy and Renewable Energy Benchmark Compliance Plan electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Watts, Elizabeth H.