

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy)
Portfolio Status Report for 2012 of) Case No. 13-831-EL-ACP
energy.me midwest llc, dba energy.me.)

FINDING AND ORDER

The Commission finds:

- (1) energy.me midwest llc, dba energy.me (energy.me or Company) is an electric services company as defined in R.C. 4928.01(A)(9) and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4928.64(B)(2) establishes benchmarks for electric services companies to acquire a portion of their electricity supply for retail customers in Ohio from renewable energy resources. Half of the renewable benchmark must be met with resources located within Ohio (in-state renewable benchmark), including a portion from solar energy resources (solar benchmark), half of which must be met with resources located within Ohio (in-state solar benchmark). The specific renewable compliance obligations for 2012 are 1.50 percent (which includes the solar requirement) and 0.06 percent for solar. R.C. 4928.65 provides that an electric utility or electric services company may use renewable energy credits (RECs) and solar energy credits (SRECs) to meet its respective renewable energy and solar benchmarks. Ohio Adm.Code 4901:1-40-01(BB) defines a REC as the environmental attributes associated with one MWh of electricity generated by a renewable energy resource, except for electricity generated by facilities as described in Ohio Adm.Code 4901:1-40-04(E).
- (3) Ohio Adm.Code 4901:1-40-05(A) requires each electric services company to annually file by April 15 an annual alternative energy portfolio status report (AEPS report), unless otherwise ordered by the Commission. The AEPS report must analyze all activities the company undertook in the previous year in order to demonstrate how pertinent alternative energy portfolio benchmarks have been met. Staff then conducts an annual compliance review with regard to the benchmarks.

- (4) On April 5, 2013, energy.me filed its 2012 AEPS report, pursuant to R.C. 4928.64 and Ohio Adm.Code 4901:1-40-05(A), with a request for waiver of the baseline calculation methodology specified by Ohio Adm.Code 4901:1-40-03(B)(2)(b). This provision directs an electric services company with no in-state retail electric sales during the preceding three calendar years to use a projection of its in-state retail electric sales for a full calendar year to calculate its initial baseline. In its request for waiver, the Company states that it was issued Certificate No. 12-549E in Case No. 12-1972-EL-CRS on August 6, 2012, and did not begin to make retail sales in Ohio until December 2012. Accordingly, the Company proposes to use a baseline of its actual Ohio retail sales in 2012.
- (5) On April 15, 2013, Staff filed a response to energy.me's request for waiver, recommending that a waiver be granted allowing the Company's baseline to be determined using actual, rather than projected, sales for 2012.
- (6) Although R.C. 4928.64(B) directs that the baseline for compliance with the renewable requirements be calculated using the average kWh sales for the preceding three calendar years, the statute does not specify a methodology for calculating baselines where a company does not have a three-year history of electric retail sales in Ohio. Ohio Adm.Code 4901:1-40-02(B) provides that the Commission may, upon a motion filed by a party, waive any requirement of that chapter, other than a statutory mandate, for good cause shown. After consideration of Staff's recommendation, the Commission finds the Company's request for waiver of Ohio Adm.Code 4901:1-40-03(B)(2)(b) to be reasonable, and directs that the Company be permitted to calculate its initial baseline using its actual Ohio retail sales in 2012.
- (7) With respect to the Company's 2012 AEPS report, energy.me proposes a baseline of 84 MWh using its actual Ohio retail sales for 2012, as the Company had no Ohio retail sales for the years 2009 through 2011. Using this baseline and the 2012 statutory benchmarks, energy.me calculated its 2012 compliance obligations to be 0.05 solar MWh and 1.21 non-solar MWh. Rather than obtaining and retiring RECs, the Company proposes to pay an alternative compliance payment. R.C. 4928.64(C)(2)(a) sets the rate for the solar compliance payment

for 2012 at \$350.00/MWh, and R.C. 4928.64(C)(2)(b) directs the Commission to annually adjust the non-solar compliance rate in accordance with the consumer price index. On May 16, 2012, the Commission issued a Finding and Order setting the non-solar compliance payment rate at \$47.56/MWh for 2012. Based on these rates, energy.me calculated its total 2012 compliance payment to be \$75.05.

- (8) On May 6, 2013, Staff filed its review and recommendations of the Company's AEPS report. Staff finds that energy.me was required to comply with the renewable benchmarks for 2012, as it had retail electric sales in Ohio but has not satisfied its 2012 AEPS compliance obligations. As noted above, Staff agrees with the use of the Company's actual Ohio retail sales for 2012 and the calculation of its baseline, since the Company had no intrastate retail sales for the years 2009 through 2011. However, Staff reports that the Company's calculation of the compliance payment did not round up the Company's sales to the next MWh, consistent with Ohio Adm.Code 4901:1-40-08(B). Staff calculated the correct compliance payment amount to be \$445.12. Accordingly, Staff recommends that the Company be directed to submit payment of the above amount to the Commission's Fiscal Division and file notice of such payment in this docket. Further, Staff recommends that, for future compliance years in which energy.me utilizes the PJM EIS Generation Attribute Tracking System (GATS) to demonstrate its Ohio compliance efforts, the Company should initiate the transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15 so as to precede the filing of its annual AEPS report with the Commission. No objection to Staff's recommendations was filed by the Company.
- (9) Upon review of the Company's AEPS report and the record in this case, the Commission adopts Staff's recommendations, and finds that energy.me has failed to comply with its 2012 AEPS obligations. Accordingly, energy.me is directed to remit payment to the Commission's Fiscal Division in the amount of \$445.12, made payable to "Treasurer State of Ohio" no later than ten days from the issuance of this Order. Notice of such payment should also be filed in this docket. Further, for future compliance years in which the Company is utilizing GATS to fulfill its Ohio compliance efforts, energy.me should initiate the

transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15, consistent with Staff's recommendations.

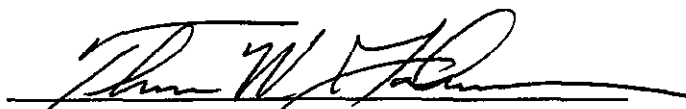
It is, therefore,

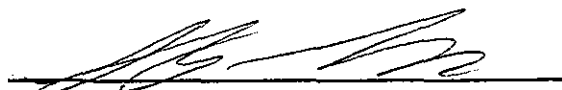
ORDERED, That energy.me remit to the Commission's Fiscal Division within ten days from the issuance of this Finding and Order an alternative compliance payment in the amount of \$445.12, as set forth above, to fulfill its 2012 AEPS obligation. It is, further,


ORDERED, That energy.me file notice of such payment in this docket within ten days from the issuance of this Finding and Order, and take all actions regarding Staff's recommendations as adopted above. It is, further,

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

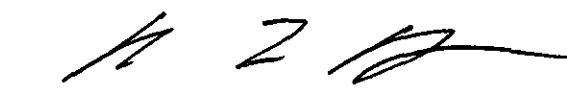
THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman


Steven D. Lesser


Lynn Slaby

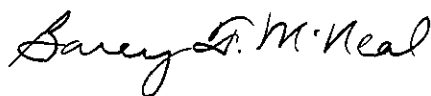

M. Beth Trombold


Asim Z. Haque

RMB/vrm

Entered in the Journal

JUL 09 2014



Barcy F. McNeal
Secretary