

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Duke Energy)
Ohio, Inc., Annual Alternative)
Energy Portfolio Status Report for 2013)**

Case No. 14-0377-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 **2013** are as follows:

- Renewable Energy Resources = **2.00%** (includes solar requirement)
- Solar Energy Resources = **0.09%**

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

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) filed its AEPS compliance status report for the 2013 compliance year on April 07, 2014. In its compliance filing, the Company proposed a baseline of 7,607,109 megawatt hours (MWHs), which is the average of its Ohio standard service electric sales for 2010, 2011, and 2012.¹ Applying the statutory benchmarks to its proposed baseline, the Company calculated its 2013 compliance obligations² to be the following:

Table 1

Benchmark Category	Compliance required³ (MWHs)
Ohio Solar	3,423
Other Solar	3,423
Ohio Non-solar ⁴	72,648
Other Non-solar	72,648

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2013 compliance obligations.

III. Filed Comments

No persons filed comments in this proceeding.

¹ Company status report, p. 2

² Ibid.

³ Compliance may be met with 100% Ohio sourced S-RECs/RECs, as applicable.

⁴ Staff uses "non-solar" in this context to refer to the total renewable requirement net of the specific solar carve-out. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

IV. Staff Findings

Following its review of Duke Energy Ohio's 2013 annual status report and the record of RECs and S-RECs retired in the Company's PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount for compliance year 2013, Staff makes the following findings:

- (1) That Duke Energy Ohio is an electric distribution utility in Ohio with retail electric sales in the state of Ohio, and therefore the Company had an AEPS obligation for 2013.
- (2) That the baseline proposed by the Company is reasonable, and given the proposed baseline and the 2013 statutory benchmarks, the Company has accurately calculated its AEPS compliance obligations.
- (3) That for Ohio compliance purposes, the Company has transferred RECs and S-RECs to its 2013 GATS reserve subaccount in the following quantities (1 REC \equiv 1 MWH):

Table 2

REC category	Quantity
Ohio S-RECs	3,423
Other S-RECs	3,423
Ohio RECs	72,648
Other RECs	72,648

- (4) 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 2013. The RECs that the Company 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, 2013.
- (5) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total solar obligation, as well as the specific minimum in-state solar requirement, for 2013. The S-RECs that the Company 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, 2013.

V. Staff Recommendations

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

- (1) That Duke Energy Ohio is found to have satisfied its 2013 AEPS compliance obligations.
- (2) That the compliance benchmarks and corresponding fulfillment, as detailed above in Table 1 and Table 2 respectively, be applied to the Company for 2013.
- (3) That for future compliance years in which the Company 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 their Ohio annual compliance status report with the Commission.

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Summary: Staff Review and Recommendation electronically filed by Ms. Mahila Christopher
on behalf of PUCO Staff