

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Annual Alternative)
Energy Resources Compliance Report)
For Calendar Year 2013 of)
NextEra Energy Services Ohio, LLC)**

Case No. 14-0611-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

NextEra Energy Services Ohio, LLC (NextEra or Company) filed its annual alternative energy status report for 2013 on April 14, 2014. In its status report, NextEra proposed a baseline of 326,953 megawatt-hours (MWHs), which it indicated was an average of its Ohio retail electric sales for 2010, 2011, and 2012. With its proposed baseline and the 2013 statutory benchmarks, the Company computed its 2013 compliance obligations to be the following:

- 294 Solar MWHs, of which at least 147 MWHs must originate from Ohio facilities
- 6,245 Non-Solar¹ Renewable MWHs, of which at least 3,123 must originate from Ohio facilities

In addition to its compliance obligation specific to the 2013 compliance year, the Company also addressed its compliance obligations from the 2010 and 2011 compliance years that were rolled forward to 2013.² The company quantified these compliance obligations as 412 solar MWHs and 11,556 non-solar MWHs.

The Company asserted in its annual compliance status report that it fully satisfied its 2013 compliance requirements, including those obligations rolled forward from previous compliance years, with the purchase of renewable energy credits (RECs) and solar RECs (S-RECs). The Company further indicated that it retired the necessary RECs and S-RECs through its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount.

III. Filed Comments

No persons filed comments in this proceeding.

¹ 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.

² Cases 11-2363-EL-ACP and 12-1285-EL-ACP

IV. Staff Findings

Following its review of the annual status report and any timely comments submitted in this proceeding, Staff makes the following findings:

- (1) That the Company is an electric services company with retail electric sales in the state of Ohio, and therefore the Company had an AEPS compliance obligation for 2013.
- (2) That the Company submitted its annual compliance status report for 2013 AEPS compliance activities on April 14, 2014.
- (3) That the Company's proposed baseline is reasonable.
- (4) That the Company accurately computed its 2013 compliance obligations, including the compliance obligations rolled forward from previous compliance years.
- (5) 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.
- (6) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total solar obligation, while exceeding 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.
- (7) That as reflected on Exhibit 1, the Company satisfied its total 2013 compliance obligations, including the compliance obligations rolled forward from the 2010 and 2011 compliance years.

V. Staff Recommendations

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

- (1) That the Company be found to have satisfied its 2013 AEPS compliance obligations, which included the compliance obligations rolled forward from the 2010 and 2011 compliance years.
- (2) 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 its Ohio annual compliance status report with the Commission.

Exhibit 1

NextEra 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	418,471	0	418,471	(A)
2011	356,927	0	356,927	(B)
2012	205,460	0	205,460	(C)
Baseline for 2013 Compliance Obligation			326,953	(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		6,245	(G) = (D)*(E)
	Minimum Required from Ohio Facilities		3,123	(H) = (G) * 0.5
	Solar RECs Needed for Compliance		294	(I) = (D) * (F)
	Minimum Required from Ohio Facilities		147	(J) = (I) * 0.5
Carry-Over from Previous Year(s), if applicable				
	Ohio Non-Solar - MWhs		2,944	(K)
	Other Non-Solar - MWhs		8,612	(L)
	Ohio Solar - MWhs		153	(M)
	Other Solar - MWhs		259	(N)
Total 2013 Compliance Obligations				
	Non-Solar RECs Needed for Compliance		17,801	(O) = (G) + (K) + (L)
	Minimum Required from Ohio Facilities		6,067	(P) = (H) + (K)
	Solar RECs Needed for Compliance		706	(Q) = (I) + (M) + (N)
	Minimum Required from Ohio Facilities		300	(R) = (J) + (M)
2013 Performance (Per GATS or MRETS Data)				
	Ohio Non-Solar - MWhs		6,067	(S)
	Other Non-Solar - MWhs		11,734	(T)
	Ohio Solar - MWhs		638	(U)
	Other Solar - MWhs		68	(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		-338	(Y) = (R) - (U)
	Other Solar - MWhs		338	(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)

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff