

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

Case No. 14-0635-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

Starion Energy PA, Inc. (Starion or Company) filed its AEPS compliance status report for the 2013 compliance year on April 14, 2014. In its compliance filing, Starion proposed a baseline of 1,790 megawatt-hours (MWHs) comprised of an average of its Ohio retail sales for 2010, 2011, and 2012. Applying the statutory benchmarks to its proposed baseline, Starion calculated its 2013 compliance obligations to be as follows:

- 34 non-solar MWHs, of which at least 17 must originate from Ohio facilities
- 2 solar MWHs, of which at least 1 must originate from Ohio facilities

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2013 compliance obligations. The Company further indicated that it had transferred the necessary RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccounts for Ohio compliance purposes.

III. Filed Comments

No persons filed comments in this proceeding.

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 Starion is an electric services company 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 Starion is reasonable, and given the proposed baseline and the 2013 statutory benchmarks, Starion accurately calculated its AEPS compliance obligations.

- (3) That the Company has transferred RECs and S-RECs to its GATS reserve subaccounts for Ohio compliance purposes.
- (4) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its total non-solar¹ obligation, as well as the specific minimum in-state non-solar requirement, for 2013. The Company exceeded the specific minimum in-state non-solar requirement because it retired exclusively Ohio RECs. 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 Company exceeded the specific minimum in-state solar requirement because it retired exclusively Ohio S-RECs. 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.
- (6) That, through its GATS reserve subaccount, the Company retired more S-RECs than were needed to satisfy its 2013 compliance obligations. The Staff's calculations, including its quantification of the over-compliance, are included on Attachment 1.

V. Staff Recommendations

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

- (1) That Starion is found to have satisfied its 2013 AEPS compliance obligations.
- (2) That because Starion retired more S-RECs than were necessary to satisfy its 2013 AEPS compliance obligations as discussed above in Finding 6 and as quantified on Attachment 1, Staff recommends that the Company, Staff, and GATS representatives coordinate to adjust the quantity of S-RECs transferred to the reserve subaccount for 2013 compliance purposes so that the quantity transferred

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.

matches the Company's compliance obligations as determined by the Commission. If such adjustments cannot be completed prior to the end of February 2015, the time at which such adjustments would no longer be permitted, Staff recommends that the excess discussed above in Finding 6 and quantified on Attachment 1 be eligible to be applied administratively to a future compliance obligation provided such application is consistent with 4901:1-40-04(D)(3), OAC.

- (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.

Attachment 1

Compliance Plan Status Report for Compliance Year 2013 Summary Sheet				
	Sales	Proposed	Sales	Source of
	Unadjusted (MWHs)	Adjustments (MWHs)	Adjusted (MWHs)	Sales Volume Data
2010	0	0	0	(A)
2011	0	0	0	(B)
2012	1,790	0	1,790	(C)
Baseline for 2013 Compliance Obligation			1,790	(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		34	(G) = (D) * (E)
	Minimum Required from Ohio Facilities		17	(H) = (G) * 0.5
	Solar RECs Needed for Compliance		2	(I) = (D) * (F)
	Minimum Required from Ohio Facilities		1	(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		34	(O) = (G) + (K) + (L)
	Minimum Required from Ohio Facilities		17	(P) = (H) + (K)
	Solar RECs Needed for Compliance		2	(Q) = (I) + (M) + (N)
	Minimum Required from Ohio Facilities		1	(R) = (J) + (M)
	2013 Performance (Per GATS or MRETS Data)			
	Ohio Non-Solar - MWHs		34	(S)
	Other Non-Solar - MWHs		0	(T)
	Ohio Solar - MWHs		41	(U)
	Other Solar - MWHs		0	(V)
	Under Compliance in 2013, if applicable			
	Ohio Non-Solar - MWHs		-17	(W) = (P) - (S)
	Other Non-Solar - MWHs		17	(X) = (O - P) - (T)
	Ohio Solar - MWHs		-40	(Y) = (R) - (U)
	Other Solar - MWHs		1	(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		-\$13,650.00	(DD) = (Y+Z) * (BB)
	TOTAL		-\$13,650.00	(EE) = (CC) + (DD)

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Summary: Staff Review and Recommendation electronically filed by Ina Avalon on behalf of PUCO Staff