

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Annual Alternative)
Energy Portfolio Status Report of)
Consolidated Edison Solutions, Inc.)**

Case No. 14-0693-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

Consolidated Edison Solutions, Inc. (ConEd or Company) filed its AEPS compliance status report for the 2013 compliance year on April 16, 2014, as amended on January 16, 2015. In its amended compliance filing, ConEd indicated that it began serving Ohio retail electric customers in 2013. With no sales in the years preceding the compliance year, the Company proposed a baseline of 2,552 megawatt-hours (MWHs) which it indicated reflects its actual Ohio retail sales for 2013.¹

Applying the statutory benchmarks to its proposed baseline, ConEd calculated its 2013 compliance obligations to be as follows:

- 2 solar MWHs, of which at least 1 MWH must originate from an Ohio facility
- 49 non-solar renewable MWHs, of which at least 25 MWHs must originate from an Ohio facility

ConEd indicated in its amended compliance filing that it satisfied its 2013 compliance obligations through the purchase of renewable energy credits (RECs) and solar RECs (S-RECs). The Company further indicated that it retired the necessary quantity of RECs and S-RECs through its PJM EIS Generation Attribute Tracking System (GATS) reserve subaccount.

III. Filed Comments

No persons filed comments in this proceeding.

¹ On April 16, 2014, the Company also filed an application seeking to waive the baseline calculation requirements of 4901:1-40-03(B)(2)(b), OAC; this request has not yet been ruled upon by the Commission

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 ConEd is an electric services company in Ohio with retail electric sales in the state of Ohio during 2013, and therefore the Company had an AEPS obligation for 2013.
- (2) That the baseline proposed by ConEd consists of its actual sales for 2013. With no sales during the 3 years preceding the compliance year, the Ohio Administrative Code requires that the baseline consist of a reasonable projection of sales for a calendar year.² The Company filed a waiver request of this rule, proposing to instead use its actual sales during the compliance year. Staff finds the proposed baseline to be reasonable, noting that the Commission has permitted the use of actual sales from the compliance year in several other similar instances.
- (3) That ConEd accurately calculated its AEPS compliance obligations given its proposed baseline.
- (4) That the Company retired RECs and S-RECs for 2013 via its account with GATS. The Company's GATS reserve subaccount data showed the following having been retired for the 2013 compliance year:
 - 1 Ohio S-REC
 - 1 Other S-REC
 - 25 Ohio Non-Solar RECs
 - 24 Other Non-Solar RECs
- (5) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that ConEd satisfied its total non-solar³ 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.

² 4901:1-40-03(B)(2)(b), OAC

³ 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.

- (6) That following a review of the Company's reserve subaccount data on GATS, Staff confirmed that ConEd 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 ConEd be found to have satisfied its 2013 AEPS compliance obligations.
- (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 their Ohio annual compliance status report with the Commission.

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