

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy)
Portfolio Status Report for 2013 of Nordic) Case No. 14-627-EL-ACP
Energy Services, LLC.)

FINDING AND ORDER

The Commission finds:

- (1) Nordic Energy Services, LLC (Nordic) 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).¹ The specific renewable compliance obligations for 2013 are 2.00 percent (which includes the solar requirement) and 0.09 percent for solar. R.C. 4928.645 (formerly R.C. 4928.65 prior to the enactment of 2014 Sub.S.B. No. 310), 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 megawatt hour (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).

¹ The Commission notes that, for future reports, Sub.S.B. No. 310 of the 130th General Assembly, which became effective September 12, 2014, has amended R.C. 4928.64 and 4928.65 to, inter alia, eliminate the in-state renewable benchmarks and advanced energy component, freeze renewable energy benchmarks for 2015 and 2016, and allow an alternative sales baseline calculation for determining compliance.

- (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. Ohio Adm.Code 4901:1-40-02(A) provides that any entity that does not serve Ohio retail electric customers shall not be required to comply with the AEPS rules.
- (4) On April 14, 2014, Nordic filed its 2013 AEPS report, in which Nordic proposed a baseline of 447 MWh, which reflects its actual Ohio retail sales for 2013. Nordic states that it did not satisfy its 2013 compliance obligations through the retirement of renewable energy credits, and instead proposes to pay an alternative compliance payment of \$787.04.
- (5) On December 1, 2014, Staff filed its review and recommendations for Nordic's AEPS report. Staff finds Nordic's proposed baseline to be reasonable. Staff further states that Nordic accurately calculated its AEPS compliance obligations and that Nordic correctly determined that a compliance payment of \$787.04 is needed to address its compliance shortfall. Therefore, Staff recommends that the Company be directed to submit payment in the amount of \$787.04 to the Commission's Fiscal Division, file notice of such payment in this docket, and file an attestation in this docket consistent with the requirements of Ohio Adm.Code 4901:1-40-08(D). Finally, Staff recommends that, for future compliance years in which the Company utilizes GATS to demonstrate its Ohio compliance efforts, Nordic 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.

- (6) Upon review of the Nordic's AEPS report and the record in this case, the Commission adopts Staff's recommendations, and finds that Nordic has failed to comply with its 2013 AEPS obligations. Accordingly, Nordic is directed to remit payment to the Commission's Fiscal Division in the amount of \$787.40, made payable to "Treasurer State of Ohio" within 30 days from the issuance of this Order, and file in this docket file notice of such payment. In addition, also within 30 days of issuance of this Order, Nordic should file in the docket an attestation, as required by Ohio Adm.Code 4901:1-40-08(D). The attestation must be signed by a Nordic officer or designee, and indicate that Nordic will not seek to recover the compliance payment from consumers. Finally, for future compliance years in which the Company is utilizing GATS to fulfill its Ohio compliance efforts, Nordic 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 Nordic remit to the Commission's Fiscal Division, within 30 days from the issuance of this Order, an alternative compliance payment in the amount of \$787.04, as set forth above, to fulfill its 2013 AEPS obligation. It is, further,


ORDERED, That within 30 days from the issuance of this Order, Nordic file notice of such payment in this docket. It is, further,


ORDERED, That within 30 days from the issuance of this Order, Nordic file in this docket an attestation consistent with Ohio Adm.Code 4901:1-40-08(D), as directed in finding (6). It is, further,

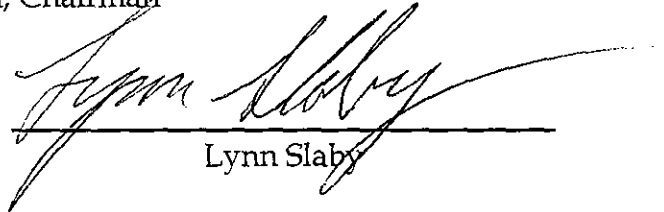
ORDERED, That Nordic abide by the adopted Staff recommendations. It is, further,

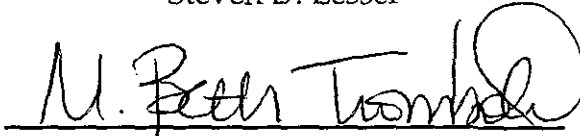
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

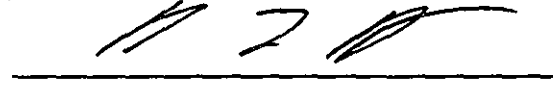
THE PUBLIC UTILITIES COMMISSION OF OHIO


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APR 02 2015


Barcy F. McNeal

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Secretary