

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy)
Portfolio Status Reports of Titan Gas,) Case No. 14-285-EL-ACP
LLC, dba Titan Gas and Power, for the) Case No. 15-689-EL-ACP
2013 and 2014 Compliance Years.)

FINDING AND ORDER

The Commission finds:

- (1) Titan Gas, LLC, dba Titan Gas and Power (Titan or the Company) is an electric services company as defined in R.C. 4928.01(A)(9), and a competitive retail electric service (CRES) provider certified by this Commission pursuant to R.C. 4928.06.
- (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. For the 2013 compliance year, half of the renewable benchmark must be met with resources located within Ohio (in-state renewable benchmark), including half of the solar energy resources benchmark (in-state solar benchmark). The specific renewable compliance obligations for 2013 are 2.00 percent, including the 0.09 percent solar requirement. For the 2014 compliance year, Sub.S.B. No. 310 of the 130th General Assembly (SB 310), which became effective September 12, 2014, amended R.C. 4928.64 and 4928.65 to eliminate the in-state renewable benchmarks and advanced energy component, freeze renewable energy benchmarks for 2015 and 2016, and allow actual sales in the compliance year to be used for the baseline calculation. The specific renewable compliance requirements for 2014 increased to 2.50 percent, including the 0.12 percent solar requirement. R.C. 4928.645, formerly R.C. 4928.65 prior to the enactment of SB 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).

- (3) Ohio Adm.Code 4901:1-40-05(A) requires each electric services company to file an annual alternative energy portfolio status report (AEPS report) by April 15 of each year, unless otherwise ordered by the Commission. The AEPS report must demonstrate and analyze all the company's activities in the previous year to comply with applicable alternative energy portfolio benchmarks. To determine an electric service company's renewable benchmark compliance, the baseline must be calculated pursuant to the methodologies set forth in 4901:1-40-03(B)(2). The baseline is either the average of the three preceding calendar years of annual kilowatt-hour (kWh) of electricity sales or, if there are no in-state retail electric sales during the three preceding calendar years, the projection of in-state retail electric sales for a full calendar year. Staff then conducts an annual compliance review of the company's filing and records on the Generation Attribute Tracking System (GATS) owned and operated by PJM Environmental Information Services, Inc.¹ to ensure that RECs were sourced from generating facilities certified by the Commission and appropriately associated with electricity generated between August 1, 2008, and the end of the compliance reporting period.
- (4) On February 21, 2014, Titan filed a request for waiver of the baseline calculation methodology specified by Ohio Adm.Code 4901:1-40-03(B)(2)(b), which is the use of projected sales in the absence of three years of historical sales, in Case No. 14-285-EL-ACP. Titan states that it had no Ohio retail sales in 2010 through 2012, and proposes a baseline using its actual, rather than projected, Ohio retail sales in 2013.

¹ GATS tracks the creation and usage of RECs and SRECs for compliance verification. The system enables the Commission to track and verify when RECs have been used and the state of origin associated with the REC.

- (5) On March 5, 2014, Staff filed a response to the Company's request, recommending that a waiver be granted allowing Titan's baseline to be determined using actual 2013 sales, rather than projected.
- (6) Although R.C. 4928.64(B) directs that the baseline for compliance with the renewable requirements be calculated using the average kWh of electricity sales for the preceding three calendar years, the statute does not specify a methodology for calculating baselines where a company does not have a three-year history of electric retail sales in Ohio. Ohio Adm.Code 4901:1-40-02(B) provides that the Commission may, upon a motion filed by a party, waive any requirement of that chapter, other than a statutory mandate, for good cause shown. After consideration of Staff's recommendation, the Commission finds the Company's request for waiver of Ohio Adm.Code 4901:1-40-03(B)(2)(b) to be reasonable, and directs that Titan be permitted to calculate its initial baseline using its actual Ohio retail sales in 2013.
- (7) On April 11, 2014, Titan filed its 2013 AEPS report in Case No. 14-285-EL-ACP, in which it proposes to use its 2013 actual jurisdictional sales of 18 MWHs to determine its baseline, as the Company had no electric sales in Ohio during 2010 through 2012. Using this baseline, Titan reports that it had satisfied its 2013 compliance obligations as the Company's minimal amount of sales for 2013 equates to a zero compliance obligation.
- (8) On January 16, 2015, Staff filed its review and recommendations of the Company's AEPS report in Case No. 14-285-EL-ACP. Staff reports that Titan is an electric services company in the state of Ohio, and thus had an AEPS obligation for 2013. Staff reviewed the Company's AEPS report and GATS account record to verify compliance equating to .02 MWh for solar and .34 MWh for non-solar, which rounded to the nearest whole number, yields a zero AEPS compliance obligation for the Company for 2013. Staff also recommended that, for future compliance years, Titan 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.

- (9) On April 15, 2015, Titan filed its 2014 AEPS report in Case No. 15-689-EL-ACP, in which it proposes to use its 2014 actual jurisdictional sales of 38,170 MWHs to determine its baseline in accordance with SB 310. Using this baseline, Titan calculated its 2014 compliance obligations to be 46 solar MWHs and 908 non-solar MWHs. Further, Titan indicates that has obtained the necessary RECs and S-RECS to satisfy its 2014 compliance obligations. On April 23, 2015, Titan filed an amendment to its 2014 AEPS report deleting the 2014 payment amounts shown on its original filing.
- (10) On May 26, 2015, Staff filed its review and recommendations of the Company's AEPS report in Case No. 15-689-EL-ACP. Staff reviewed the Company's 2014 AEPS report and GATS account record to verify compliance, and confirm that Titan had transferred sufficient RECs and S-RECs to its GATS reserve subaccount to meets its AEPS compliance obligation for 2014. Staff also recommended that, for future compliance years, Titan 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.
- (11) Upon review of the Company's 2013 and 2014 AEPS reports and the records in these proceedings, we will grant Titan's request for waiver of Ohio Adm.Code 4901:1-40-03(B)(2)(b), adopt Staff's recommendations, and find that Titan has met its compliance obligations for 2013 and 2014. Further, the Company is directed to comply with Staff's recommendations for future compliance years.

It is, therefore,

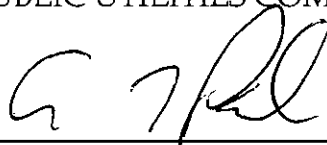
ORDERED, That Titan's request for waiver of Ohio Adm.Code 4901:1-40-03(B)(2)(b) in Case No. 14-285-EL-ACP be granted, and Titan's AEPS compliance obligations for 2013 and 2014 be based upon its actual sales for the respective compliance years. It is, further,

ORDERED, That the Company's 2013 and 2014 AEPS reports be accepted as filed, as Titan has met its AEPS compliance obligations for both years. It is, further,

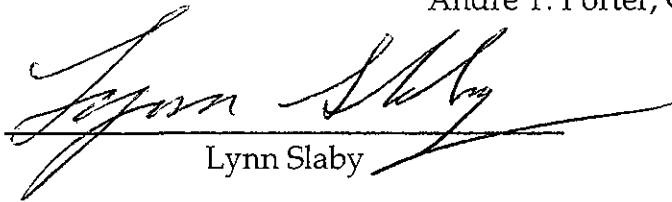
ORDERED, That Titan comply with Staff's recommendations adopted herein. It is, further,

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

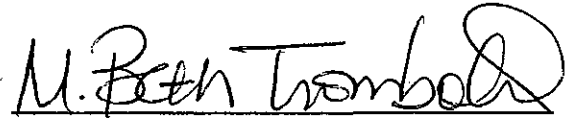
THE PUBLIC UTILITIES COMMISSION OF OHIO



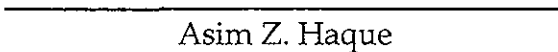
Andre T. Porter, Chairman




Lynn Slaby



M. Beth Trombold



Asim Z. Haque



Thomas W. Johnson

RMB/dah

Entered in the Journal

JUL 08 2015



Barcy F. McNeal
Secretary