

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the AEP Retail Energy)	
Partners LLC's Annual Alternative)	Case No. 13-920-EL-ACP
Energy Portfolio Status Report for 2012)	

In the Matter of the AEP Retail Energy)	
Partners LLC's Annual Alternative)	Case No. 14-586-EL-ACP
Energy Portfolio Status Report for 2013)	

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 **2012-2013** are as follows:

2012

- Renewable Energy Resources = 1.50% (includes solar requirement)
- Solar Energy Resources = 0.060%

2013

- Renewable Energy Resources = 2.00% (includes solar requirement)
- Solar Energy Resources = 0.090%

In addition, there is a requirement for compliance years 2012 and 2013 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.

II. Company Filing Summarized

A. Compliance Year 2012

For the 2012 compliance year, AEP Retail Energy Partners LLC (AEP Retail or Company) filed both a redacted (public) and unredacted (confidential) version of its annual alternative energy status report on April 15, 2013. In its status report, AEP Retail indicated that it had Ohio retail electric sales in 2010 and 2011, with its proposed baseline representing an average of the annual sales for that two year period. With its proposed baseline and the 2012 statutory benchmarks, the Company calculated its 2012 compliance obligations the details of which are included in the unredacted version of its status report. The Company asserted in its annual compliance status report that it fully satisfied its 2012 compliance requirements with the purchase of renewable energy credits (RECs) and solar RECs (S-RECs). The Company further stated that it retired the necessary RECs and S-RECs through its PJM EIS Generation Attribute Tracking System (GATS) reserve subaccount.

B. Compliance Year 2013

For the 2013 compliance year, AEP Retail filed both a redacted (public) and unredacted (confidential) version of its annual alternative energy status report on April 15, 2014. AEP Retail subsequently filed an amended public version of its report on May 6, 2014. In its amended compliance status report, AEP Retail computed its baseline as the average of its sales

for 2010, 2011, and 2012. With its proposed baseline of 1,582,599 megawatt-hours (MWHs) and the 2013 statutory benchmarks, AEP Retail computed its 2013 compliance obligations as follows:

- 712 Ohio Solar MWHs
- 712 Non-Ohio Solar MWHs
- 15,114 Ohio Non-Solar Renewable MWHs
- 15,114 Non-Ohio Non-Solar Renewable MWHs

AEP Retail asserted that it has obtained the following renewable energy credits (RECs) and solar RECs (S-RECs) needed for compliance based on the proposed baseline:

- 712 Ohio Solar MWHs
- 712 Non-Ohio Solar MWHs
- 15,114 Ohio Non-Solar Renewable MWHs
- 15,114 Non-Ohio Non-Solar Renewable MWHs¹

The Company asserted in its filing that it fully satisfied its 2013 compliance obligations.

III. Filed Comments

No persons filed comments in these proceedings.

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 AEP Retail was an electric services company in Ohio with retail electric sales in the state of Ohio during 2012 and 2013, and therefore the Company had an AEPS obligation for 2012 and 2013.
- (2) That the Company's proposed 2012 and 2013 baselines are reasonable, and that the Company accurately calculated its 2012 and 2013 compliance obligations.
- (3) That for compliance year 2012, the Company has transferred the required RECs and S-RECs, including the required in-state RECs and S-RECs, to its GATS reserve subaccount for 2012 Ohio compliance purposes.

¹ The Company's reserve subaccount data on GATS contains 15,110 Non-Ohio Non-Solar RECs. The remaining four RECs come from a previous year's overcompliance. Finding and Order at 6, 11-2453-EL-ACP, *In the Matter of AEP Retail Energy Partners LLC's Annual Alternative Energy Portfolio Status Report*.

- (4) That following a review of the Company's reserve subaccount data on GATS for compliance year 2012, Staff confirmed that the Company satisfied its non-solar obligation for 2012. 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, 2012.
- (5) That following a review of the Company's reserve subaccount data on GATS for compliance year 2012, Staff confirmed that the Company satisfied its solar obligation for 2012. 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, 2012.
- (6) That for compliance year 2013 the Company has transferred 30,224 RECs and 1,424 S-RECs, including the required in-state RECs and S-RECs, to its GATS reserve subaccount for 2013 Ohio compliance purposes.
- (7) That following a review of the Company's reserve subaccount data on GATS for compliance year 2013, Staff confirmed that the Company satisfied its non-solar obligation 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.
- (8) That following a review of the Company's reserve subaccount data on GATS for compliance year 2013, Staff confirmed that the Company satisfied its solar obligation 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 AEP Retail is found to have satisfied its 2012 and 2013 RPS 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. Mark C Bellamy on behalf of PUCO Staff