

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application for Certification	:	
as an Ohio Renewable Energy Resource Generating	:	Case No. 16-0783-EL-REN
Facility for the North Lake Energy, LLC Unit 17	:	

REVIEW AND RECOMMENDATION
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE HISTORY

On April 20, 2016, North Lake Energy, LLC (Applicant) filed an application for certification of a renewable energy resource facility. The facility, known as North Lake Energy, LLC – Unit 17 (Facility), is located at 3210 Watling Street MC-2-991, East Chicago, IN 46321. The Facility is owned by the Applicant.

According to the application, the Facility is a waste energy recovery (WER) system designed to use waste heat from an adjacent coke plant. The Facility consists of a 90 megawatt (MW) steam turbine generator fueled by waste exhaust heat from the adjacent coke plant, and associated equipment.¹ The application indicates that the Facility was placed in-service in May 1996.

On June 3, 2016, Staff sent the Applicant an initial set of questions related to the application. On June 7, 2016, an Attorney Examiner issued an entry that suspended the automatic approval process for this application. On June 15, 2016, the Applicant filed its responses to Staff's initial questions. On July 7, 2016, Staff sent the Applicant a second set of questions, and on July 12, 2016, the Applicant filed its answers.

STAFF REVIEW

The Staff's review of an application for certification of a renewable energy resource facility consists primarily, but not exclusively, of three items: (1) the deliverability of the facility's output to the state of Ohio, (2) the resource/ technology used at the facility, and (3) the facility's placed in-service date.

1) Deliverability

Qualified renewable facilities must be located in Ohio, or their output deliverable to Ohio, in order to be eligible for certification as a renewable energy resource facility.² The Ohio Administrative Code (Ohio Adm. Code) provides further guidance on this topic where it defines "deliverable into this state" as the following:

¹ While fueled primarily by waste exhaust heat, the Applicant indicated that a very small amount of natural gas is also used.

² R.C. 4928.64(B)(3)

That the electricity originates from a facility within a state contiguous to Ohio. It may also include electricity originating from other locations, pending a demonstration that the electricity could be physically delivered to the state.³

This Facility is located in Indiana. While the Facility is not directly connected to the grid, all of the electrical output is delivered to the adjacent steel mill which is interconnected to the grid and capable of exporting power. Therefore, Staff concludes that this Facility satisfies the deliverability requirement of the statute.

2) Resource/Technology

Staff reviewed whether the Facility constitutes a renewable energy resource. A renewable energy resource is defined by R.C. 4928.01(A)(37) to include a WER system placed in service by the statutorily-specified date. A WER system is defined by the statute as a facility that generates electricity through the conversion of energy from “exhaust heat from engines or manufacturing, industrial, commercial, or institutional sites, except for exhaust heat from a facility whose primary purpose is the generation of electricity.”⁴

Because the Facility generates electricity using exhaust heat from an adjacent industrial site’s process, Staff concludes that this Facility is a WER system and therefore represents a resource or technology that is eligible for certification as a renewable facility under the renewable portfolio standard.

3) Placed In-Service Date

To be a qualified renewable energy resource, the Facility would also need to satisfy the applicable placed in-service date requirement in R.C. 4928.64(A). The Facility must satisfy one of the statutory provisions pertaining to the placed in-service date, specifically:

- (1) a placed-in-service date on or after January 1, 1998;
- (2) an in-service date on or after January 1, 1980, if the facility is a run-of-the-river hydroelectric facility;
- (3) a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or
- (4) a mercantile customer-sited renewable energy resource that is committed for demand response, energy efficiency, or peak demand reduction programs.

Additionally, WER systems that potentially qualify under R.C. 4928.01(A)(37)(a), must be placed into service or retrofitted on or after September 10, 2012.⁵

The Applicant indicated in its application that it is not a mercantile customer. Additionally, the Facility does not qualify as a run-of-the-river facility. The application indicates that the original 75 MW system was placed in-service in May 1996. Therefore, Staff determined that the retrofit activity on the original 75 MW system did not create a renewable energy resource, as the facility was already a WER facility prior to the retrofits. As such, Staff then reviewed only the retrofit which added 15 MW for satisfaction of the retrofit requirements outlined in the statute.

³ Ohio Adm. Code 4901:1-40-01(I)

⁴ R.C. 4928.01(A)(38)

⁵ R.C. 4928.01(A)(37)(a)

The Facility began a retrofit process in 2011 to increase the nameplate capacity from 75 MW to 90 MW. The retrofit included a major overhaul of the high pressure turbine and controls. This major turbine overhaul was completed between April 29, 2012 and May 31, 2012, leading to the ability to create renewable energy at that time. Therefore, the retrofit activity for the 15 MW addition was conducted prior to September 10, 2012.

Staff concludes that the 15 MW addition to the facility does not satisfy the placed in-service requirement under R.C. 4928.01(A)(37)(a) and R.C. 4928.64(A).

4) Additional Considerations

- (a) For electric generating facilities, Commission rules require that facilities above 6 kilowatts measure their renewable output with a utility-grade meter.⁶ The facility meter described in the application satisfies this rule requirement.
- (b) A facility must be registered with either the Midwest Renewable Energy Tracking System or PJM Environmental Information Services' Generation Attribute Tracking System (GATS), the two attribute tracking systems currently recognized by the Commission. According to the application, and as confirmed by Staff, the Facility is currently registered with GATS and assigned the identification number NON87768.
- (c) The statute indicates that WER systems are not qualified renewable energy resources if they are or were included in an energy efficiency program of an electric distribution utility on or after January 1, 2012.⁷ The Applicant confirmed that the WER system has not been included in any electric distribution utility efficiency program.⁸

STAFF RECOMMENDATION

Because the Facility does not satisfy all of the applicable placed in-service date requirements, Staff recommends that the Commission deny the application for certification of the North Lake Energy, LLC – Unit 17.

⁶ Ohio Adm. Code 4901:1-40-04(D)(1)

⁷ R.C. 4928.01(A)(37)(a)

⁸ Applicant response to Staff's initial set of interrogatories (Question 2).

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

1/23/2017 11:14:22 AM

in

Case No(s). 16-0783-EL-REN

Summary: Staff Review and Recommendation electronically filed by Mr. Andrew S Conway on behalf of PUCO Staff