

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE COMMISSION'S
RENEWABLE PORTFOLIO STANDARD REPORT
TO THE GENERAL ASSEMBLY FOR THE 2015
COMPLIANCE YEAR.**

CASE NO. 17-442-EL-ACP

ENTRY

Entered in the Journal on May 17, 2017

I. SUMMARY

{¶ 1} The Commission submits the 2015 Renewable Portfolio Standard Report to the Ohio General Assembly pursuant to R.C. 4928.64(D).

II. APPLICABLE LAW

{¶ 2} R.C. Chapter 4928 contains Ohio's Renewable Portfolio Standard (RPS) which established specific compliance benchmarks for renewable energy resources, including specific solar requirements, for electric distribution utilities (EDUs) and competitive retail electric service (CRES) suppliers that take title to the power in retail transactions under Commission certification as power marketers or generating companies.

{¶ 3} R.C. 4928.64(D) requires the Commission to submit a report to the General Assembly describing the compliance of EDUs and CRES providers with R.C. 4928.64(B), using the data from their filings (ACP reports) and price data from tracking services for the 2015 compliance year, including the average annual cost of renewable energy credits (RECs) purchased by EDUs and CRES suppliers for the 2015 compliance year, and any strategy for compliance or for encouraging the use of renewable energy resources in supplying this state's electricity needs in a manner that considers available technology, costs, job creation, and economic impacts. The statute also requires the Commission to solicit and consider public comments on the report prior to its submission to the General Assembly. Ohio Adm.Code 4901:1-40-09 provides for a public comment period prior to the submission of the report to the General Assembly.

III. PROCEDURAL HISTORY

{¶ 4} On February 28, 2017, Staff filed a proposed draft of the 2015 RPS report (RPS Report) in this docket using aggregated data for the 2015 compliance year.

{¶ 5} By entry issued March 16, 2017, all interested persons were directed, pursuant to Ohio Adm.Code 4901:1-40-09, to file comments on the proposed report by March 24, 2017, with reply comments due by March 31, 2017.

{¶ 6} The only comments filed were by the Sierra Club Ohio Chapter (Sierra Club) on March 24, 2017. No reply comments were filed.

IV. DISCUSSION

{¶ 7} The Sierra Club proposes that, in future RPS reports, information be included regarding the total compliance cost over time, the total cost of annual compliance, and the total generation baseline that is used to calculate compliance requirements.

{¶ 8} First, Sierra Club recommends that the Commission present cost data by aggregating compliance cost data from year to year. Further, Sierra Club observes, the RPS report does not offer a comparison of the total cost of RECs and solar RECs (SRECs) per EDU or CRES supplier. Sierra Club suggests that the inclusion of such historical data will better inform the public on the trend of average REC prices in Ohio, and further the public's understanding of RPS compliance costs.

{¶ 9} Sierra Club also notes that, in 2015, all REC and SREC average costs fell, except those of the EDUs for non-solar RECs. Although CRES providers typically obtain RECs at lower costs than EDUs, Sierra Club contends, EDU costs have historically been consistent with the publicly reported prices for RECs in most years, presenting the question of whether all four Ohio EDUs incurred high REC costs in 2015, or whether it was restricted to one EDU. Sierra Club requests the Commission to conduct a public review of such data to explain the increased cost for non-solar EDU RECs, and asserts that, although the information was filed under seal, confidentiality is no longer necessary.

{¶ 10} Second, Sierra Club recommends that future RPS reports include the total costs of annual compliance, broken down by CRES providers and EDUs, for both RECs and SRECs. Sierra Club calculates that, while EDU obligations represent only 29 percent of total compliance obligations for 2015, they comprise a disproportionate amount (43 percent) of the total compliance cost. Sierra Club criticizes the RPS report for the lack of findings concerning this cost difference and recommendations for compliance strategies.

{¶ 11} Third, Sierra Club observes that the total generation baseline used to calculate compliance requirements is omitted from the RPS report. Although each EDU and CRES supplier has different baselines, Sierra Club contends that the aggregate amount of total generation in Ohio is known and should be reported for comparative purposes. Without this information, Sierra Club argues, the public must rely on sources such as the Energy Information Administration (EIA) to evaluate whether the standards are achieving the required percentages. Sierra Club recommends that in future reports, the Commission calculate the baseline for all affected electric suppliers using the three-year average and the most recent year to establish a range, and then analyze any variances with the actual results.

V. CONCLUSIONS

{¶ 12} We first note that the only comments filed in this proceeding were by Sierra Club, and that Sierra Club's comments do not take issue with the accuracy of any data included in Staff's draft RPS report, or contend that the draft report fails to meet the statutory requirements of R.C. 4928.64(D). Rather, Sierra Club requests that Staff consider including additional information and analysis in future RPS reports. The Commission notes that, while some of the requested information is publicly available for the EDUs, company-specific compliance price data is not publicly available. The Commission has determined that specific price data for renewable energy credits is confidential. *In re FirstEnergy*, Case No. 11-5201-EL-RDR, Opinion and Order (August 7, 2013) at 11-12; Second Entry on Rehearing (December 18, 2013) at 2-5. Further, the confidential data currently provided in the reports submitted pursuant to Ohio Adm.Code 4901:1-40-03(C) involves future sales and compliance

projections. The Commission nonetheless directs Staff to further consider Sierra Club's recommendations when drafting future RPS reports.

{¶ 13} Accordingly, the RPS Report for the 2015 compliance year should be issued in final form and electronically filed in this docket subsequent to the filing of this Entry. The report should also be submitted to the Ohio General Assembly in accordance with R.C. 101.68.

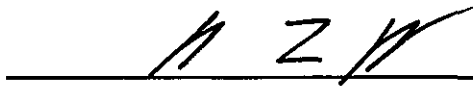
VI. ORDER

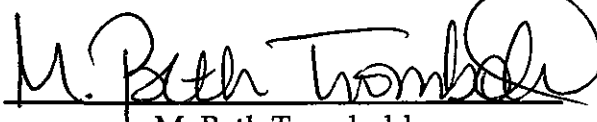
{¶ 14} It is, therefore,


{¶ 15} ORDERED, That the RPS Report for the 2015 compliance year be accepted and submitted to the Ohio General Assembly in accordance with R.C. 101.68. It is, further,

{¶ 16} ORDERED, That notice of this Entry be served upon all Ohio EDUs, certified generation suppliers and power marketers, the electric-energy listserve, and upon all parties of record.

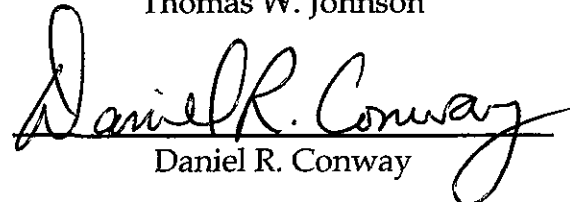
THE PUBLIC UTILITIES COMMISSION OF OHIO


Asim Z. Haque, Chairman


M. Beth Trombold

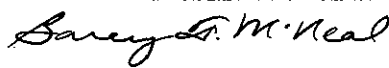

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Entered in the Journal **MAY 17 2017**


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