

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Switch)	
Energy, LLC 2015 Renewable Portfolio)	Case No. 16-0810-EL-ACP
Standard Status Report)	

Staff Findings and Recommendations

I. Statutory Background

Amended Substitute Senate Bill 221, of the 127th General Assembly (2008 Ohio Laws S221, effective July 31, 2008), established Ohio's renewable portfolio standard (RPS) applicable to electric distribution utilities and electric service companies. The RPS is addressed principally in Ohio Revised Code (R.C.) 4928.64, with relevant resource definitions also contained within R.C. 4928.01(A).

According to R.C. 4928.64(B)(2), the compliance obligations for **2015** are as follows:

- Renewable Energy Resources = **2.50%** (includes solar requirement)
- Solar Energy Resources = **0.12%**

The Public Utilities Commission of Ohio (PUCO or Commission) further developed rules to implement the Ohio RPS, contained within Ohio Administrative Code (Ohio Adm.Code) 4901:1-40.

Ohio Adm.Code 4901:1-40-05(A), states:

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.

Ohio Adm.Code 4901:1-40-05(C), states:

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.

The findings and recommendations in this document pertain to the company's compliance status. This document does not address such matters as cost recovery or status relative to the statutory 3% cost provision.

II. Company Filing Summarized

Switch Energy, LLC (Switch or Company) filed its RPS compliance status report for the 2015 compliance year on April 15, 2016. In its compliance filing, Switch proposed a baseline of 10,466 megawatt-hours (MWHs) which it asserted was an average of its actual sales for 2013 and 2014.¹ Applying the statutory benchmarks to its proposed baseline, the Company calculated its 2015 compliance obligations to be as follows:

- 13 Solar MWHs
- 249 Non-Solar MWHs

The Company indicated that it did not retire any renewable energy credits (RECs) and solar RECs (S-RECs) specific to 2015, but rather intended to apply its over-retirement of RECs and S-RECs from 2014 to its 2015 compliance obligations.

III. Filed Comments

No persons filed comments in this proceeding.

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) Switch was an electric services company in Ohio with retail electric sales in the state of Ohio during 2015, and therefore the Company had an RPS obligation for 2015.²

¹ The Company indicated it did not have any Ohio retail electric sales in 2012.

² Switch Energy was certified to provide retail generation, aggregation, power marketer, and power broker services in Ohio during 2015; see PUCO Case No. 13-0764-EL-CRS.

- (2) Staff noted an inconsistency in the Company's filing as pertains to the baseline determination. The text of the report indicates 2013 sales were 1,442 MWHs, while Exhibit A of the filing indicates 2013 sales of 1,707 MWHs. Staff sought clarification from the Company, with Company representatives indicating that 2013 sales should have been listed as 1,745 MWHs.³
- (3) Assuming the Company's corrected 2013 sales volume, Staff calculates a compliance baseline of 10,485 MWHs. With this revised baseline, Staff calculates the Company's 2015 compliance obligations to be 250 RECs and 13 S-RECs.
- (4) The Company has not transferred any RECs or S-RECs to its PJM EIS GATS reserve subaccount for 2015 Ohio compliance purposes.
- (5) The Company over-retired REC and S-RECs in earlier compliance years, with that excess totaling 468 RECs and 28 S-RECs.⁴ Applying that excess to the 2015 compliance obligations, the Company is left with a remaining excess balance of 218 RECs and 15 S-RECs.

V. Staff Recommendations

Following its review of the information submitted in this proceeding and other relevant data, Staff recommends the following:

- (1) Switch is found to have satisfied its 2015 RPS compliance obligations.
- (2) Switch should be directed to apply the remaining excess detailed in Finding 5 to a future compliance obligation, provided that such application does not conflict with Ohio Adm.Code 4901:1-40-04(D)(3).
- (3) 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.

³ Email from Company, dated November 30, 2016.

⁴ See PUCO Case No. 15-0698-EL-ACP.

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff