

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Major Energy	)	
Electric Services, LLC 2016 Renewable	)	Case No. 17-1068-EL-ACP
Portfolio Standard Status Report	)	

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**Staff Findings and Recommendations**

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**I. Statutory Background**

Amended Substitute Senate Bill 221, of the 127<sup>th</sup> 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 **2016** 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**

Major Energy Electric Services, LLC (MEES or Company) filed its RPS compliance status report for the 2016 compliance year on April 14, 2017. In its compliance filing, MEES proposed a baseline of 32 megawatt-hours (MWHs) which it indicated was its actual retail electric sales for 2016. Applying the statutory benchmarks to its proposed baseline, MEES calculated its 2016 compliance obligations to be as follows:

- 1 Solar MWHs
- 1 Non-Solar MWHs

Rather than retiring any renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2016 compliance obligations, the Company has proposed to pay an alternative compliance payment of \$349.75.

## **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) MEES was an electric services company in Ohio with retail electric sales in the state of Ohio during 2016, and therefore the Company had an RPS obligation for 2016.<sup>1</sup>
- (2) The baseline proposed by the Company is reasonable.

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<sup>1</sup> MEES was certified to provide retail generation, aggregation, power marketer, and power broker services in Ohio during 2016; see PUCO Case No. 15-1406-EL-CRS.

- (3) The Company has not transferred any S-RECs or RECs to its GATS reserve subaccount for 2016 Ohio compliance purposes.
- (4) With a baseline of 32 MWHs, the Company's compliance obligations equate to 0.76 non-solar MWHs<sup>2</sup> and 0.04 solar MWHs<sup>3</sup>. Pursuant to Commission rule<sup>4</sup>, compliance obligations are rounded to the next MWH in the event of an alternative compliance payment. Therefore, the obligations in this instance are 1 non-solar MWHs and 1 solar MWH.
- (5) Staff agrees with the Company's proposed alternative compliance payment of \$349.75.<sup>5</sup>

## V. Staff Recommendations

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

- (1) The Company is found not to have satisfied its 2016 renewable obligations, and therefore an alternative compliance payment is warranted for 2016.
- (2) The Company should be directed to remit payment to the Commission in the amount of \$349.75 consistent with the requirement set forth in Ohio Adm.Code 4901:1-40-08. Payment should not be made until such time as directed by the Commission.

The payment should be directed to the PUCO, payable to "Treasurer State of Ohio". A letter should also be attached to the check stating that it is a compliance payment required by R.C. 4928.64 for deposit to the credit of the Advanced Energy Fund, under the control of the Ohio Development Services Agency and created under R.C. 4928.61. The letter should also cite the Commission case ordering the payment. The address for the PUCO is as follows:

Public Utilities Commission of Ohio  
180 E. Broad Street  
Columbus, OH 43215

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<sup>2</sup> 32 MWHs \* 2.38% = 0.76 MWHs

<sup>3</sup> 32 MWHs \* 0.12% = 0.04 MWHs

<sup>4</sup> Ohio Adm.Code 4901:1-40-08

<sup>5</sup> (1 \* \$49.75) + (1 \* \$300) = \$349.75

- (3) The Company should be directed to submit an attestation in Case No. 17-1068-EL-ACP consistent with the requirements set forth in Ohio Adm.Code 4901:1-40-08(D).
- (4) 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 1<sup>st</sup> and April 15<sup>th</sup> so as to precede the filing of their Ohio annual compliance status report with the Commission.

**This foregoing document was electronically filed with the Public Utilities**

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