

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
HECATE ENERGY CHERRYDALE LLC FOR
CERTIFICATION AS AN ELIGIBLE OHIO
RENEWABLE ENERGY RESOURCE
GENERATING FACILITY.

CASE NO. 17-2074 -EL-REN

FINDING AND ORDER

Entered in the Journal on March 14, 2018

I. SUMMARY

{¶ 1} The Commission denies Hecate Energy Cherrydale LLC's application for certification as an eligible Ohio renewable energy resource generating facility.

II. DISCUSSION

A. *Procedural History*

{¶ 2} On October 3, 2017, Hecate Energy Cherrydale LLC (Hecate), filed the above-captioned application, pursuant to Ohio Adm.Code 4901:1-40-04(F), for certification as an eligible Ohio renewable energy resource generating facility as defined by R.C. 4928.01(A)(37). On October 5, 2017, Hecate filed an amended application. According to the amended application, Hecate owns a solar-powered electric generation facility in Cape Charles, Virginia with a capacity of 25.35 megawatts (MW). The facility is located within the geographic area of PJM Interconnection (PJM).

{¶ 3} On October 31, 2017, the attorney examiner issued an Entry suspending the automatic approval of Hecate's application pursuant to Ohio Adm.Code 4901:1-40-04(F)(2).

{¶ 4} On January 23, 2018, Staff filed its review and recommendation regarding Hecate's application, indicating that the facility does not satisfy the statutory requirements for certification as a renewable energy facility and recommending that the application be denied.

B. *Applicable Law*

{¶ 5} R.C. 4928.64 and 4928.645 contain the renewable energy resource requirements for electric utility and electric services companies providing electric retail generation in Ohio. R.C. 4928.01(A)(37) defines the types of renewable energy resource generating facilities that qualify in meeting the statutory mandates.

{¶ 6} Pursuant to R.C. 4928.64 and 4928.645, in order to qualify as a certified eligible Ohio renewable energy resource generating facility, a facility must demonstrate in its application that it has satisfied all of the following criteria:

- (a) The generation produced by the renewable energy resource generating facility can be shown to be deliverable into the state of Ohio, pursuant to R.C. 4928.64(B)(3)(b);
- (b) The resource to be utilized in the generating facility is recognized as a renewable energy resource, pursuant to R.C. 4928.64(A)(1) and 4928.01(A)(37), or a new technology that may be classified by the Commission as a renewable energy resource, pursuant to R.C. 4928.64(A)(2); and
- (c) The facility must satisfy the applicable placed-in-service date, delineated in R.C. 4928.64(A)(1).

{¶ 7} R.C. 4928.645(B)(2) provides that renewable energy resource generating facilities should be registered with an approved attribute tracking system for the facility's renewable energy credits to be used for compliance with Ohio's renewable energy portfolio standards.

{¶ 8} Ohio Adm.Code 4901:1-40-04(F) specifies the process for the filing of an application for certification of a facility as an eligible renewable energy resource generating

facility for the state of Ohio that satisfies the requirements of R.C. 4928.64 and 4928.645. Ohio Adm.Code 4901:1-40-04(F)(2) provides for automatic approval of an application for certification unless the Commission suspends the application within 60 days.

{¶ 9} Ohio Adm.Code 4901:1-40-01(I) provides that generation is deemed to be deliverable into the state of Ohio if the facility is connected to the electric grid within a state contiguous to Ohio. Electricity originating from other locations may also be deemed to be deliverable into the state of Ohio, based upon a demonstration that the electricity could be physically delivered to the state.

C. Staff Recommendation

{¶ 10} In its report, Staff recommends that Hecate's application be denied. Pursuant to R.C. 4928.64(B)(3), Hecate must demonstrate that the resource is deliverable into this state because its facility is located in Virginia. Staff explains that if a facility is not located within Ohio or a contiguous state, an applicant must present a power flow study by a regional transmission organization which demonstrates an impact on a transmission line in Ohio that is greater than five percent and an energy delivery value greater than one MW. *See In re Koda Energy LLC*, Case No. 09-555-EL-REN, Entry (March 23, 2011) at 4. According to the staff report, energy delivery values are calculated by multiplying the facility's capacity with the distribution factor analysis (DFAX) value of the transmission line in question. Impacts at these levels would establish that the electricity produced by the renewable generating facility would be deemed to have a significant impact, thereby satisfying the statutory criteria that the electricity is physically deliverable into Ohio.

{¶ 11} Staff notes that PJM conducted a DFAX analysis to determine the Hecate facility's impact on transmission buses within PJM. The DFAX analysis revealed that the facility's highest DFAX value was 3.82% (or 0.0382), which did not meet the greater than five percent transmission line impact requirement. Additionally, multiplying the DFAX value of 0.0382 with the facility's capacity of 25.35 MW yielded the facility's calculated

energy delivery value of 0.968402 MW. This also did not meet the greater than one MW energy delivery requirement. Consequently, Staff concludes that the energy from Hecate's facility is not physically deliverable to Ohio using Commission-approved methodology, thereby failing to satisfy the deliverability criterion. As such, Staff recommends denial of the application, even though Hecate's application satisfies the two other criteria to be certified as a renewable energy resource generating facility.

D. Commission Conclusion

{¶ 12} The Commission finds that Staff correctly determined that electricity generated from Hecate's facility is not physically deliverable into Ohio by utilizing Commission-approved methodology. Given that the application fails to demonstrate that the facility satisfies the requisite criteria to become certified as an eligible Ohio renewable energy resource generating facility, the Commission finds that the application should be denied.

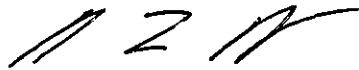
III. ORDER

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That Hecate's application for certification as an eligible Ohio renewable energy resource generating facility be denied. It is further,

{¶ 15} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

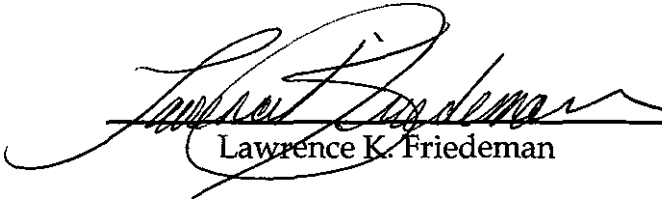


Asim Z. Haque, Chairman

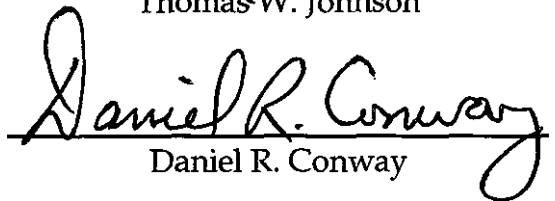
M. Beth Trombold



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Lawrence K. Friedeman



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AS/vrm

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MAR 14 2018



Barcy F. McNeal
Secretary