

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Capital)	
Energy, LLC 2017 Renewable)	Case No. 18-0644-EL-ACP
Portfolio 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 **2017** are as follows:

- Renewable Energy Resources = **3.50%** (includes solar requirement)
- Solar Energy Resources = **0.15%**

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

Capital Energy, LLC (Capital or Company) filed its RPS compliance status report for the 2017 compliance year on April 12, 2018. In its compliance filing, Capital proposed a baseline of 166,314 megawatt-hours (MWHs) which it characterized as an average of its Ohio retail electric sales for 2014, 2015, and 2016. Applying the statutory benchmarks to its proposed baseline, Capital calculated its 2017 compliance obligations to be as follows:

- 249 Solar MWHs
- 5,572 Non-Solar¹ MWHs

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2017 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount for Ohio compliance purposes.

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) Capital was an electric services company in Ohio with retail electric sales in the state of Ohio during 2017, and therefore the Company had an RPS obligation for 2017.²

¹ Staff uses "non-solar" in this context to refer to the total renewable requirement net of the specific solar carve-out. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

- (2) The baseline proposed by the Company is reasonable, and given the proposed baseline and the 2017 statutory benchmarks, Capital accurately calculated its RPS compliance obligations.
- (3) In its 2016 RPS compliance status report, Capital calculated its baseline, in accordance with R.C. 4928.643(B), based on its total sales in the 2016 compliance year.³ In its 2017 RPS compliance status report, the Company opted to calculate its baseline, in accordance with R.C. 4928.643(A), using the average of its annual sales in the preceding three calendar years. As the Company, in calculating its baseline, has opted to switch from using the total sales during the current compliance year to using the average of the annual sales in the preceding three calendar years, R.C. 4928.643(C) requires the Company to use the baseline methodology described in R.C. 4928.643(A) for at least three consecutive compliance years before again using the baseline methodology permitted under division R.C. 4928.643(B). This finding does not impact the Company's compliance baseline in this proceeding, but rather would have implications beginning with the Company's compliance status report for the 2018 compliance year.
- (4) The Company has transferred 249 S-RECs and 5,572 RECs to its GATS reserve subaccount for 2017 Ohio compliance purposes.
- (5) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its non-solar obligation for 2017. The RECs that the Company transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated no later than December 31, 2017.
- (6) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its solar obligation for 2017. The S-RECs that the Company transferred to its GATS reserve subaccount were sourced from solar generating facilities certified by the Commission and were appropriately associated with electricity generated no later than December 31, 2017.

² Capital was certified to provide aggregation, power marketer, and power broker services in Ohio during 2017; see PUCO Case No. 11-5899-EL-CRS.

³ PUCO Case No. 17-0960-EL-ACP.

V. Staff Recommendations

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

- (1) Capital is found to have satisfied its 2017 RPS compliance obligations.
- (2) 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.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

12/13/2018 8:32:46 AM

in

Case No(s). 18-0644-EL-ACP

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