

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Report of Duke Energy)	
Ohio, Inc., Concerning its Advanced)	
and Renewable Energy Baseline and)	Case No. 19-573-EL-ACP
Benchmarks and Ten Year Compliance)	
Plan.)	

**DUKE ENERGY OHIO, INC.'S
2018 ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT AND TEN YEAR
ADVANCED ENERGY AND RENEWABLE ENERGY BENCHMARK COMPLIANCE
PLAN**

I. INTRODUCTION

Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) is an electric distribution utility as that term is defined within Ohio Revised Code Section 4928.01(A)(6), and is therefore subject to the advanced energy and renewable requirements contained in Revised Code 4928.64.

Consistent with the rules enacted by the Public Utilities Commission of Ohio (Commission), including Ohio Administrative Code (O.A.C.) Section 4901:1-40-05, Duke Energy Ohio hereby submits this initial report in which it identifies its energy baseline and renewable energy credit (REC) and solar renewable energy credit (SREC) benchmarks and its compliance with year 2018 advanced and renewable mandates. Duke Energy Ohio also provides herein its plan for compliance with future annual advanced and renewable mandates as required by O.A.C. 4901:1-40-03(C).

II. DUKE ENERGY OHIO'S BASELINE CALCULATION

Ohio Rev. Code Section 4928.64(B) provides that the baseline for a utility's compliance with the alternative energy resource requirements may be based upon the total kilowatt hours sold to the applicable consumers, in the applicable compliance year, except that the Commission may reduce a utility's baseline to adjust for new economic growth in the utility's territory. The Company, in this application, is demonstrating compliance with its baseline and benchmarks on an unadjusted basis.

2018 Full Service Sales (MWh)	4,195,899	
	%	MWh
2018 Non-Solar Requirement	4.32%	181,263
2018 Solar Requirement	0.18%	7,553
2018 Total Requirement	4.50%	188,816

III. DUKE ENERGY OHIO'S DEMONSTRATION OF COMPLIANCE WITH THE 2018 RENEWABLE ENERGY BENCHMARKS

A. NON-SOLAR

1. Duke Energy Ohio met its non-solar renewable energy requirements through non-solar renewable energy credits.

As set forth above, and shown in Appendix A, the 2018 benchmark for non-solar renewable energy which Duke Energy Ohio was required to meet was 181,263 RECs. (1 REC: 1MWh)

B. SOLAR

1. Duke Energy Ohio met its solar renewable energy requirements through solar renewable energy credits.

As set forth above, and shown in Appendix A, the 2018 benchmark for Ohio-sited sources of solar energy which Duke Energy Ohio was required to meet was 7,553 RECs.

IV. DUKE ENERGY OHIO'S PLAN FOR COMPLIANCE WITH FUTURE ADVANCED AND RENEWABLE ENERGY BENCHMARKS.

The Commission has enacted a requirement that each electric utility and electric service company file a plan for compliance with future advanced and renewable energy benchmarks. Rule 4901:1-40-03(C) directs utilities and service companies to include the following:

1. A baseline for the current and future calendar years;
 - a. Please see Appendix B
2. Supply portfolio projection, including both generation fleet and power purchases;
 - a. N/A
3. A description and methodology used to evaluate compliance options; and
 - a. At the present time, the Company achieves annual compliance through REC purchase transactions that have been relatively short-term in nature. However, the Company plans to employ any and all reasonable methods to assure ongoing compliance, and these tactics may be adjusted, as necessary. The Company believes that maintaining flexibility in its choice of compliance strategies is necessary to provide the greatest certainty of compliance, and to assure that the most cost-effective methods are implemented for the benefit of customers.
4. A discussion of any perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing such impediments.

Any impediments to achieving compliance in the near term are currently modest because the REC markets are well-supplied. Over the longer term, the bigger concern is with the uncertainty of future obligations, given the Company's continually-shifting load obligation (which, in turn, maintains the Company's bias towards short-term REC purchase contracts). In addition, uncertainty remains on the future of Ohio House Bill 114 and its impact on future compliance requirements.

V. CONCLUSION

Duke Energy Ohio respectfully requests that the Commission approve its evaluation of the baseline for 2018 and find that Duke Energy Ohio has met its advanced and renewable compliance requirements for 2018 and that it has complied with all its reporting requirements related to such compliance.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Elizabeth H. Watts

Deputy General Counsel

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**Compliance Plan Status Report for Compliance Year 2018
Summary Sheet**

	Sales Unadjusted (MWHs)	Proposed Adjustments (MWHs)	Sales Adjusted (MWHs)	Source of Sales Volume Data
2015	0	0	0	(A)
2016	0	0	0	(B)
2017	0	0	0	(C)
Baseline for 2018 Compliance Obligation (MWHs)			4,195,899	(D) = AvgABC
(Note: If using 2018 sales as your baseline, insert that figure in cell I14 and indicate in cell K16 if 2018 sales are adjusted or not.				Not Adjusted
4.50%				
2018 Statutory Compliance Obligation				
2018 Non-Solar Renewable Benchmark			4.32%	(E)
2018 Solar Renewable Benchmark			0.18%	(F)
Per ORC, 4928.64(B)(2)				
2018 Compliance Obligation				
Non-Solar RECs Needed for Compliance			181,263	(G) = (D) * (E)
Solar RECs Needed for Compliance			7,553	(H) = (D) * (F)
Carry-Over from Previous Year(s), if applicable				
Non-Solar (RECs)			0	(I)
Solar (S-RECs)			0	(J)
Total 2018 Compliance Obligations				
Non-Solar RECs Needed for Compliance			181,263	(K) = (G) + (I)
Solar RECs Needed for Compliance			7,553	(L) = (H) + (J)
2018 Retirements (Per GATS and/or MRETS Data)				
Non-Solar (RECs)			181,263	(M)
Solar (S-RECs)			7,553	(N)
Under Compliance in 2018, if applicable				
Non-Solar (RECs)			0	(O) = (K) - (M)
Solar (S-RECs)			0	(P) = (L) - (N)
2018 Alternative Compliance Payments				
Non-Solar, per REC (Refer to Case 18-0730-EL-ACP)			\$51.31	(Q)
Solar, per S-REC See 4928.64(C)(2)(a)			\$250.00	(R)
2018 Payments, if applicable				
Non-Solar Total			\$0.00	(S) = (O) * (Q)
Solar Total			\$0.00	(T) = (P) * (R)
TOTAL			\$0.00	(U) = (S) + (T)

This compliance worksheet was developed by Staff for internal review purposes. However, it may be useful for your company in preparation of its RPS annual compliance status report for the 2018 compliance year. Your company is not required to include this form in its filing, but that is an option. If using this form, your company should insert data in the blue shaded boxes (as applicable). The remaining cells should auto-calculate. However, you should still independently verify the accuracy of the calculations. If the Company is proposing to pay an alternative compliance payment, please refer to OAC 4901:1-40-08 regarding the rounding of obligations. Questions concerning this worksheet can be addressed to Stuart.Siegfried@puco.ohio.gov

**Duke Energy Ohio, Inc.
Case No. 19-387-EL-ACP**

APPENDIX B DUKE ENERGY OHIO TEN YEAR BASELINE AND BENCHMARK FORECAST

<u>Year</u>	<u>Year</u>	<u>RENEWABLE ENERGY BASELINE FORECAST</u>	<u>Non-Solar Requirement (%)</u>	<u>Non-Solar Requirement (MWH)</u>	<u>Solar Requirement (%)</u>	<u>Solar Requirement (MWH)</u>
0	2018	4,195,899	4.32%	181,263	0.18%	7,553
1	2019	4,522,470	5.28%	238,786	0.22%	9,949
2	2020	4,521,066	6.24%	282,115	0.26%	11,755
3	2021	4,500,807	7.20%	324,058	0.30%	13,502
4	2022	4,502,066	8.16%	367,369	0.34%	15,307
5	2023	4,513,245	9.12%	411,608	0.38%	17,150
6	2024	4,531,615	10.08%	456,787	0.42%	19,033
7	2025	4,555,530	11.04%	502,931	0.46%	20,955
8	2026	4,574,489	12.00%	548,939	0.50%	22,872
9	2027	4,599,760	12.00%	551,971	0.50%	22,999
10	2028	4,615,553	12.00%	553,866	0.50%	23,078

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Case No(s). 19-0573-EL-ACP

Summary: Report Duke Energy Ohio, Inc.'s 2018 Alternative Energy Portfolio Status Report and Ten Year Advanced Energy and Renewable Energy Benchmark Compliance Plan electronically filed by Mrs. Debbie L Gates on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco O. Mr. and Watts, Elizabeth H