THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE RENEWABLE PORTFOLIO STANDARD COMPLIANCE STATUS REPORT FOR 2017 OF SOUTH BAY ENERGY CORP.	**CASE NO. 18-423-EL-ACP**

FINDING AND ORDER

Entered in the Journal on September 26, 2019

I. SUMMARY

{¶ 1} The Commission finds South Bay Energy Corp. has not satisfied its 2017 renewable portfolio standard (RPS) compliance obligations and that, therefore, an alternative compliance payment is warranted. The Commission directs South Bay Energy Corp. to remit to the Commission a payment, required under R.C. 4928.64, in the amount of $350.48.

II. DISCUSSION

{¶ 2} South Bay Energy Corp. (SBE or Company) is an electric services company as defined in R.C. 4928.01(A)(9) and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.64(B)(2) establishes benchmarks for electric services companies to acquire a portion of their electricity supply for retail customers in Ohio from renewable energy resources. R.C. 4928.645 provides that an electric utility or electric services company may use renewable energy credits (RECs) and solar energy credits (SRECs) to meet its respective renewable energy and solar benchmarks. Ohio Adm.Code 4901:1-40-01(BB) defines a REC as the environmental attributes associated with one megawatt hour (MWH) of electricity generated by a renewable energy resource, except for electricity generated by facilities as described in Ohio Adm.Code 4901:1-40-04(E).

{¶ 4} Ohio Adm.Code 4901:1-40-05(A) requires each electric services company to annually file by April 15 a renewable portfolio standard compliance status report (RPS report), unless otherwise ordered by the Commission. The RPS report must analyze all activities the company undertook in the previous year in order to demonstrate how

pertinent alternative energy portfolio benchmarks have been met. Staff then conducts an annual compliance review of the company's filing and the records of the applicable attribute tracking system to ensure that RECs were sourced from generating facilities certified by the Commission and were appropriately associated with electricity generated for the compliance period.

{¶ 5} On March 27, 2018, SBE filed its 2017 RPS report. SBE proposed a baseline of 47 MWH, which it asserted was its actual Ohio retail electric sales for 2017. Applying the statutory benchmarks to its proposed baseline, SBE calculated its 2017 compliance obligations to include no Solar MWH and two Non-Solar MWHs. Rather than retiring any RECs and SRECs to satisfy its 2017 compliance obligations, SBE has proposed to pay an alternative compliance payment in the amount of $100.48.

{¶ 6} On February 20, 2019, Staff filed its Review and Recommendations for SBE's RPS report. Staff reports that SBE is an electric services company in the state of Ohio, and thus had an RPS obligation for 2017. Staff notes that the baseline proposed by SBE is reasonable and that SBE calculated its compliance payment by multiplying two RECs by the 2017 non-solar alternative compliance payment of $50.24 REC. Staff observes that, pursuant to Ohio Adm.Code 4901:1-40-08, compliance obligations should be rounded up to the next MWH in the event that an alternative compliance payment is submitted for compliance. Staff concludes that an alternative compliance payment of $350.48 is necessary to address SBE's 2017 alternative compliance needs, because SBE did not retire any RECs or SRECs to address its 2017 RPS compliance obligations.

{¶ 7} Therefore, Staff recommends that SBE be directed to remit payment of $350.48, consistent with the requirement set forth in Ohio Adm.Code 4901:1-40-08. Staff additionally recommends that certain procedures be followed regarding making and documenting the payment.

{¶ 8} Upon review of SBE's 2017 RPS report and the records of these proceedings, we adopt Staff's recommendations. We find that SBE's 2017 proposed compliance baseline is reasonable. We further find that SBE did not meet its 2017 compliance obligation, and therefore must make a $350.48 alternative compliance payment. The payment should be directed to the Public Utilities Commission of Ohio (PUCO), payable to "Treasurer State of Ohio." A letter should also be attached to the payment 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 Case No. 18-423-EL-ACP, under which the Commission has ordered the payment. The address for the PUCO is as follows: Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, OH 43215.

{¶ 9} SBE is directed to comply with Staff's recommendations for future compliance years.

III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That, SBE shall, within thirty days, remit an alternative compliance payment of $350.48 in accordance with the directives of Paragraph 7. It is, further,

{¶ 12} ORDERED, That SBE comply with Staff's recommendations for future compliance years. It is, further,

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

COMMISSIONERS:
Approving:
Sam Randazzo, Chairman
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

JML/mef

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Case No(s). 18-0423-EL-ACP

Summary: Finding & Order that the Commission finds South Bay Energy Corp. has not satisfied its 2017
renewable portfolio standard (RPS) compliance obligations and that, therefore, an alternative compliance payment is warranted. The Commission directs South Bay Energy Corp. to remit to the Commission a payment, required under R.C. 4928.64, in the amount of $350.48. electronically filed by Docketing Staff on behalf of Docketing