

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Inspire Energy)
Holdings, LLC 2017 Renewable) Case No. 18-0643-EL-ACP
Portfolio Standard Status Report)

In the Matter of the Inspire Energy)
Holdings, LLC 2018 Renewable) Case No. 19-0857-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** and **2018** are as follows:

| Compliance Year | Total Renewable Requirement | Solar Requirement |
|------------------------|------------------------------------|--------------------------|
| 2017 | 3.5% | 0.15% |
| 2018 | 4.5% | 0.18% |

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 Filings Summarized

2017 Compliance Year

Inspire Energy Holdings, LLC (IEH or Company) filed its RPS compliance status report for the 2017 compliance year on April 12, 2018. In its compliance filing, IEH proposed a baseline of 240 megawatt-hours (MWHs), which it indicated was the average of its Ohio retail electric sales for 2014, 2015, and 2016.¹ Applying the statutory benchmarks to its proposed baseline, IEH calculated its 2017 compliance obligations to be as follows:

- 0 Solar MWHs
- 8 Non-Solar² MWHs

Rather than retiring the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2017 compliance obligations, the Company has proposed to remit an alternative compliance payment in the amount of \$401.92.³

¹ The Company indicated zero sales for 2014 and 2015, and sales of 240 MWHs for 2016.

² 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.

³ $((0 * \$250) + (8 * \$50.24)) = \$401.92$

2018 Compliance Year

IEH filed its RPS compliance status report for the 2018 compliance year on April 12, 2019. In its compliance filing, IEH proposed a baseline of 1,965 MWHs, which it indicated was the average of its Ohio retail electric sales for 2015, 2016, and 2017.⁴ Applying the statutory benchmarks to its proposed baseline, IEH calculated its 2018 compliance obligations to be as follows:

- 4 Solar MWHs
- 85 Non-Solar MWHs

The Company indicated that it had obtained the necessary RECs and S-RECs to satisfy its 2018 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its PJM EIS Generation Attribute Tracking System (GATS) reserve subaccount for Ohio compliance purposes.

III. Filed Comments

No persons filed comments in these proceedings.

IV. Staff Findings

Following its review of the Company's annual status reports, other relevant compliance materials, and any timely comments submitted in these proceedings, Staff makes the following findings:

- (1) IEH was an electric services company in Ohio with retail electric sales in the state of Ohio during 2017 and 2018, and therefore the Company had an RPS obligation for both 2017 and 2018.⁵
- (2) The baselines proposed by the Company are reasonable, and given the proposed baseline and the applicable statutory benchmarks, IEH accurately calculated its RPS compliance obligations for 2017 and 2018.
- (3) To satisfy its 2017 RPS obligations, the Company proposed an alternative compliance payment of \$401.92. In the event of an alternative compliance payment, Commission rules require that the level of noncompliance be rounded

⁴ The Company indicated zero sales for 2015, with sales of 240 MWHs and 3,690 MWHs for 2016 and 2017 respectively.

⁵ IEH was certified to provide retail generation and power marketer services in Ohio during 2017 and 2018; see PUCO Case No. 15-0540-EL-CRS.

up to the next megawatt-hour.⁶ When employing this rounding requirement, Staff calculates an alternative compliance payment of \$702.16 using the Company's proposed baseline.⁷

- (4) The Company has transferred 4 S-RECs and 85 RECs to its GATS reserve subaccount for Ohio 2018 compliance purposes. Following a review of the GATS reserve subaccount data, Staff confirmed that the Company satisfied its RPS obligations for 2018. The S-RECs and RECs that the Company retired were sourced from generating facilities certified by the Commission and were of appropriate vintages.

V. Staff Recommendations

Following its review of the information submitted in these proceedings and other relevant data, Staff recommends that IEH is found to have satisfied its 2018 RPS compliance obligations.

For its 2017 compliance obligation, the Company should be directed to remit payment to the Commission in the amount of \$702.16 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, 4th Floor Finance
Columbus, OH 43215

The Company should further be directed to file an attestation in Case No. 18-0643-EL-ACP consistent with the requirements set forth in Ohio Adm.Code 4901:1-40-08(D). This filing should be completed within 30 (thirty) days of the Commission issuing its decision in this case.

⁶ Ohio Adm.Code 4901:1-40-08

⁷ $((1 * \$250) + (9 * \$50.24)) = \$702.16$

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Case No(s). 18-0643-EL-ACP, 19-0857-EL-ACP

Summary: Staff Review and Recommendation for the 2017 and 2018 RPS Compliance Years electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff