

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio Power)	Case No. 15-0332-EL-ACP
Company to Adjust its 2014-2018 Baselines for)	Case No. 16-0746-EL-ACP
Compliance with Section 4928.64, Revised Code)	Case No. 17-0935-EL-ACP
	Case No. 18-0610-EL-ACP
	Case No. 19-0814-EL-ACP

Findings and Recommendations of the PUCO Staff

I. Background

Senate Bill 221, with an effective date of 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 sections 4928.64 and 4928.65, Ohio Revised Code (ORC), with relevant resource definitions contained within 4928.01(A), ORC.

For new economic growth in a utility's certified territory, the commission may reduce a utility's baseline for compliance with the RPS pursuant to statute.¹ For compliance years 2010-2011, Ohio Power Company (the Company) requested a reduced baseline.

The procedure for applying for a reduced baseline is detailed in Rule 4901:1-40-03(B)(3), OAC:

An electric utility or electric services company may file an application requesting a reduced baseline to reflect new economic growth in its service territory or service area. Any such application shall include a justification indicating why timely compliance based on the unadjusted baseline is not feasible, a schedule for achieving compliance based on its unadjusted baseline, quantification of a new change in the rate of economic growth, and a methodology for measuring economic activity, including objective measurement parameters and quantification methodologies.

The Company did not file an application in accordance with the above rule but rather relied on testimony filed in the Company's ESP 1 proceeding (Case No. 08-917-EL-SSO) to argue for a reduced baseline. While PUCO staff (Staff) and the Company disagreed on the reliance of the

¹ 4928.644, Revised Code

testimony filed in the Company's ESP 1 proceeding to fulfill the requirements of the above rule, Staff and the Company supported waiving the rule to the extent that the rule applies and is not otherwise fulfilled. Staff and the Company also agreed on the principle of excluding the sales of customers for which the Company has an economic development arrangement. In case nos. 10-0486-EL-ACP and 10-0487-EL-ACP the Commission approved the adjusted baseline for the length of the Company's ESP I, which covers compliance years 2009-2011.

In case no. 14-0559-EL-ACP the Company requested an adjusted baseline for compliance years 2012-2013. In this case, the Commission approved the adjusted baselines for 2012-2013 and ordered the company to, "with respect to any similar baseline adjustment requests for later compliance years, AEP Ohio should ensure that its application is filed consistent with Ohio Adm.Code 4901:l-40-03(B)(3) and seek a waiver to the extent necessary."

II. Applications for adjusted baselines compliance years 2014-2018

The Company has filed applications requesting adjusted RPS baselines for compliance years 2014-2018. For compliance year 2014 the application was filed February 19, 2015.. For compliance year 2015 the application was filed April 14, 2016. For compliance year 2016 the application was filed April 7, 2017. For compliance year 2017 the application was filed April 13, 2018. For compliance year 2018 the application was filed April 12, 2019. The company asserts the Commission approved the adjusted baseline in the ESP 1 Opinion and Order issued March 18, 2009 and seeks continued approval for compliance years 2014-2018. In each of the cases, the company requested a wavier for rule Ohio Adm.Code 4901:l-40-03(B)(3) to the extent the baseline adjustment application does not satisfy the rule.

The Company states that the Commission has approved its EE/PDR Action plan for 2012-2014 which includes an adjustment in the EE/PDR baseline. As the company sees no substantive or logical distinction between the EE/PDR baseline and the RPS baseline, it argues the Commission should approve the requested reduction of its RPS baseline.

The Company also claims that since economic development is beneficial for the State of Ohio, reducing the RPS baseline for the portion of its load of customers receiving discounts through the Company's Economic Development Rider (EDR) is also beneficial for the State of Ohio and the public.

Staff believes that reducing the RPS baseline for the portion of the load of customers receiving discounts through the Company's EDR is permitted by 4928.644, ORC.

III. Filed Comments

No persons filed comments in these proceedings.

IV. Staff Findings

Following its review of the application for an adjusted RPS baseline, Staff makes the following findings:

- 1) That the Company is an electric distribution utility in Ohio with retail electric sales in the state of Ohio, and therefore the Company had an RPS compliance obligation for 2014-2018.
- 2) For compliance year 2014 the application was filed February 19, 2015. For compliance year 2015 the application was filed April 14, 2016. For compliance year 2016 the application was filed April 7, 2017. For compliance year 2017 the application was filed April 13, 2018. For compliance year 2018 the application was filed April 12, 2019.
- 3) The Company did request a waiver of Rule 4901:1-40-03(B)(3), OAC. to the extent that the applications do not fully satisfy the requirements of Rule OAC 4901:1-40-03(B)(3), OAC.
- 4) That the Company's proposed baselines for 2014-2018 includes adjustments for economic development customers receiving discounts through the Company's EDR.
- 5) That the Company, "believes that its Application in this case substantiates the proposed baseline adjustment and reconciles the proposal with the controlling statutes, Commission's rules and prior rulings."
- 6) That Staff disagrees with the Company's assertion that its application fulfills the requirements of Rule 4901:1-40-03(B)(3), OAC.

V. Staff Recommendations

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

- 1) That the following requirements of Rule 4901:1-40-03(B)(3), OAC be waived:
 - A justification indicating why timely compliance based on the unadjusted baseline is not feasible
 - A schedule for achieving compliance based on its unadjusted baseline
 - Quantification of a new change in the rate of economic growth
 - A methodology for measuring economic activity, including objective measurement parameters and quantification methodologies

- 2) That the Company be allowed to adjust its 2014-2018 baselines for economic development customers receiving discounts through the Company's EDR.

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Summary: Staff Review and Recommendation electronically filed by Mark C Bellamy on behalf of PUCO Staff