

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of The Application of Winnebago     )  
Wind Farm for Certification as an Eligible Ohio     )  
Renewable Energy Resource Generating Facility.     )

Case No. 21-0742-EL-REN

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**MOTION TO INTERVENE OF  
CARBON SOLUTIONS GROUP, LLC**

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In accordance with R.C. 4903.221 and Ohio Admin. Code 4901-1-11, Carbon Solutions Group, LLC (CSG) requests issuance of an entry granting intervention in this proceeding.

This motion should be granted for the reasons explained below.

Respectfully submitted,

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## **MEMORANDUM IN SUPPORT**

R.C. 4903.221 confers a right to intervene to any person who may be "adversely affected" by a Commission proceeding. In considering a request to intervene, the Commission must consider the nature of the intervenor's interest, the extent that interest is represented by existing parties, the intervenor's potential contribution to a just and expeditious resolution of the issues, and whether intervention would unduly delay the proceeding. *See* R.C. 4903.221(B)(1-4). CSG meets all the criteria for intervention.

### **A. Nature of CSG's interest.**

CSG is a project development, environmental asset management and advisory firm. Services to clients include development of carbon and renewable energy projects, emissions mitigation and management, GHG Emissions Inventory, Green Building projects, as well as regulatory and protocol advisory with regard to carbon emissions and renewable fuels. CSG's clients include renewable energy developers and facilities located throughout Ohio and PJM. Renewable energy credits (RECs) play a key role in the development and financing of renewable generation resources. The purchase of a REC provides a direct financial benefit to the facility from which the REC originated. The REC market, like any market, is subject to the law of supply and demand. All other things being equal, where RECs are plentiful the price is low; when RECs become more scarce, the price increases. A scarcity of RECs sends a market signal to developers to build more renewable resources. Conversely, an oversupply of RECs (and the correspondingly lower price) signals that the demand for renewable resources is being met.

Ohio electric utilities may meet their RPS requirements by purchasing RECs, provided the REC "originate[s] from a facility that has been certified by the commission[.]" O.A.C.

4901:1-40-04(C). To become certified, an entity must file an application disclosing certain details about the facility. “The application shall include a determination of deliverability to the state in accordance with paragraph (F) of rule 4901:1-40-01 of the Administrative Code.” *Id.* at (D). Under O.A.C. 4901:1-40-01(F), “‘Deliverable into this state’ means that the electricity ... originates from a facility within a state contiguous to Ohio. It may also include electricity originating from other locations, pending a demonstration that the electricity is physically deliverable to the state.”

When Ohio electric utilities purchase RECs to meet their RPS requirements, the utilities support the facilities from which those RECs originated. RECs purchased from facilities located in Ohio directly support Ohio’s renewable energy economy. RECs purchased from out-of-state facilities also benefit Ohioans if—and only if—the electricity generated by these facilities is “deliverable into this state.” Absent unique circumstances, any generation within PJM is generally deliverable anywhere else within PJM.

With regard to the Application here, the facility seeking certification is in Iowa, and Iowa is not located within PJM. Staff’s deliverability determination presumably will be based on the methodology used in Case No. 05-0555- EL-REN, which relies on power flow studies to determine a facility’s impact on a transmission line in Ohio. Whatever merit this methodology had in the past no longer holds today. If granted intervention, CSG is prepared to show that, like any modelling technique, the output of a power flow study is heavily influenced by the inputs. By massaging the inputs, an applicant can produce a study showing that renewable energy generated just about anywhere is “deliverable into this state.” These flawed power flow studies render the “deliverability” requirement meaningless.

The Application does not disclose any information about deliverability of the output of the

facility into Ohio. Regardless of whether electricity from this facility could be “deliverable” into PJM through physical interconnections with Midwest Interconnection (MISO), there is no indication that the facility intends to actually deliver electricity into Ohio. Whether electricity could be physically delivered to Ohio does not answer the question of whether electricity will be delivered into Ohio. Hypothetical deliverability is not a substitute for actual deliverability within the meaning of R.C. 4928.64.

The concept of “deliverability” under R.C. 4928.64 has both a physical and financial dimension.

The laws of physics compel electrons to follow a path of least resistance. But wholesale electricity markets function under a construct in which market participants pretend that electricity flows along a “contract path.” The contract path of electricity is basically an accounting of who puts electricity onto the grid and who is taking it off. All generation within PJM is “deliverable” anywhere else in PJM, physically as well as financially.

Staff’s historical focus on whether energy from a facility is “physically deliverable” into Ohio ignores the contract path of electricity within PJM. Load centers within PJM do not contract for renewable resources generated outside the PJM region because of line losses, transmission costs, and a host of other factors. Yet the facility described in the Applications would generate RECs tradeable in Ohio. That does not make sense. At bottom, a REC is a financial instrument created to reward a desired activity, *i.e.*, developing and operating renewable generation facilities that supply electricity to Ohioans. It is appropriate to reward entities that undertake the desired activity. It is not appropriate to reward entities that produce renewable energy generated and used within MISO or outside PJM. The REC revenue generated by the facility in this Application will be used to support renewable energy projects in Iowa, not

Ohio.

In short, CSG's interest is in preserving the value of RECs to renewable generators located in Ohio and PJM. This is an important interest for which intervention should be granted. The extent that CSG's interest is represented by other parties.

The Applicant (Winnebago Wind Farm) is the only other party. Other entities may share CSG's interest in this proceeding, but no other entities have sought intervention.

**B. CSG's contribution to a just and expeditious resolution.**

CSG's participation in the REN Applications will contribute to a just and expeditious resolution of the issue of whether the output of these facilities is "deliverable into this state," as well as the appropriate methodology for making this determination.

**C. Granting intervention will not unduly delay the proceedings.**

CSG is seeking intervention within the 20-day deadline under O.A.C. 4901:1-40-04(D)(1). Granting intervention will not delay the case.

For the reasons discussed above, the Commission should grant intervention and convene a prehearing conference to discuss a case schedule.

Dated: July 9, 2021

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Motion to Intervene and Memorandum in Support was served by electronic mail this 9th day of July, 2021 to the following:

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Summary: Motion to Intervene electronically filed by Mr. Lucas A Fykes on behalf of Carbon Solutions Group, LLC