Ohio | Public Utilities Commission

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Energy Efficiency and Alternative Energy Portfolio Standard Rules Workshop

Today's workshop initiates the PUCO's five-year review of Ohio's alternative energy portfolio standard and energy efficiency programs. The purpose of the workshop in case numbers 13-651-EL-ORD and 13-652-EL-ORD is to allow stakeholders to provide feedback and propose revisions to existing rules before the PUCO staff issues draft rule amendments later this year.

What topics will be addressed at the workshop?
The workshop will include consideration of all existing rule language in Ohio Administrative Code chapters 4901:1-39 and 4901:1-40, including possible rule revisions resulting from the enactment of Ohio Senate Bill 315.

Does this workshop replace the PUCO's formal comment process?
No. This workshop is not a substitute for the Commission's formal comment process. Instead, it serves to inform the PUCO staff about stakeholder views. Once the staff has an opportunity to consider the input received at the workshop, it will issue proposed rule amendments. These draft rules will then be subject to a formal written comment and reply comment period. All stakeholders, whether they choose to attend the workshop or not, should file formal comments with the Commission once the draft rules have been issued.

Questions and additional information
Below is a list of questions and subject areas that the PUCO staff is currently exploring with regard to the rules. Stakeholders should not limit their feedback to these topics. Please discuss all energy efficiency and alternative energy rules as they affect your organization. Written handouts are encouraged.

- Among other issues, SB 315 allows utilities to incorporate combined heat and power and waste energy recovery systems (placed into service or retrofitted on or after Sept. 10, 2012) into their energy efficiency programs. The law requires the PUCO to estimate energy efficiency savings for these technologies. The PUCO staff is interested in learning from stakeholders how they would propose structuring energy efficiency savings methodologies for combined heat and power and waste energy recovery systems.

- Do you have any concerns with revising the automatic Renewable Energy Resource Generating Facility (REN) Certification process to 30 days (down from the current 60-day process)? Do you have any other suggested modifications to the REN certification process?

- Staff welcomes feedback on potential modifications concerning the reporting requirement in Ohio Administrative Code (OAC) 4901:1-40-03(C) and the annual compliance report filing requirement in 4901:1-40-05.

- Staff is interested in hearing from stakeholders if the two attribute tracking systems (GATS and M-RETS) currently recognized by the Commission are adequate, or if additional existing systems should also be recognized? All facilities certified to date are using GATS, and all companies have used GATS to demonstrate compliance. Is there perceived value in continuing to recognize M-RETS?

- In the context of confidentiality vs. program transparency, staff is interested in learning your thoughts on promoting improved program transparency while also remaining sensitive to concerns regarding the disclosure of confidential information. What data do you think need protected, and is there a time after which that information is no longer sensitive? What items currently not disclosed should be made publicly available?

- SB 315 requires the PUCO to include average annual renewable energy credit (REC) costs in its reports to the Ohio General Assembly. To compile this data, including a requirement that companies include cost data on GATS when transferring RECs/solar RECs to their reserve sub-account for compliance demonstration may be a potential option. Such information would not be available in public reports, but staff could access it through its regulatory account. Staff believes this could be an efficient process by which to collect the cost data annually while simultaneously maintaining confidentiality. Staff is interested in your thoughts on this potential approach. If you are not supportive of this approach, please provide alternative methods for collecting this cost data (i.e., modify rule so the cost data is included as a component of annual compliance filings). Staff understands that M-RETS does not currently collect cost data, so any company using M-RETS to demonstrate its compliance (i.e., retire RECs/S-RECs) would presumably need an alternative methodology.

- SB 315, specifically Ohio Revised Code (ORC) 4928.01(A)(38)(b), includes certain facilities at state institutions of higher education as renewable energy resources. Staff solicits suggestions as to the output from such facilities that should be recognized as "renewable" for purposes of REC creation – all electricity, only electricity stemming from the use of recovered heat, steam production, etc.? If recognizing steam production, what mathematical conversion factor should be employed to convert the steam to MWHs for purposes of REC creation?

- SB 315, specifically ORC 4928.01(A)(34)(h) and (i) includes several additional categories within the definition of advanced energy resources. Staff welcomes comments on the placed in-service date, if any, that should be applied to any facilities seeking qualification under (h) or (i), particularly in light of the placed in-service language in ORC 4928.64(A)(1).

- There continue to be differing interpretations as to the statutory language in ORC 4928.64(A)(1) that discusses mercantile alternative resources and their need to integrate. Staff is interested in suggested rule revisions on this topic that would clarify the implementation of this section of the statute.

- The rules currently permit companies to file an application requesting a reduced baseline to reflect new economic growth. Staff welcomes any comments on this current rule – OAC 4901:1-40-03(B)(3) – particularly as it relates to what constitutes "economic growth" and for what

duration it should be considered "new." Any rule modification would need to remain consistent with ORC 4928.64(B).

- Staff welcomes discussion on amending OAC 4901:1-40-03(B)(2)(b) to explicitly require the use of actual sales data. The use of projected sales, as detailed in this chapter, was intended to facilitate a company's compliance planning in that it could quantify its compliance requirements earlier in the year. However, a number of companies have sought waiver for this requirement, instead preferring to use actual sales data. Would it make more sense to revise the rule rather than continuing to grant waivers?

- Staff is interested in feedback concerning the definition of "double-counting" in OAC 4901:1-40-01. Specifically, Staff is interested in your thoughts on the perceived need for language to emphasize that certain marketing claims may result in the "consumption" of RECs, in which case those RECs could not subsequently be sold and relied upon by the Buyer for compliance purposes.