

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy )  
Portfolio Status Report for 2013 of Direct ) Case No. 14-590-EL-ACP  
Energy Services, LLC. )

FINDING AND ORDER

The Commission finds:

- (1) Direct Energy Services, LLC (Direct Energy) 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.
- (2) 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. Half of the renewable benchmark must be met with resources located within Ohio (in-state renewable benchmark), including a portion from solar energy resources (solar benchmark), half of which must be met with resources located within Ohio (in-state solar benchmark).<sup>1</sup> The specific renewable compliance obligations for 2013 are 2.00 percent (which includes the solar requirement) and 0.09 percent for solar. R.C. 4928.645 (formerly R.C. 4928.65 prior to the enactment of 2014 Sub.S.B. No. 310), 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).
- (3) Ohio Adm.Code 4901:1-40-05(A) requires each electric services company to annually file by April 15 an annual alternative energy portfolio status report (AEPS report),

---

<sup>1</sup> The Commission notes that, for future reports, Sub.S.B. No. 310 of the 130th General Assembly, which became effective September 12, 2014, has amended R.C. 4928.64 and 4928.65 to, inter alia, eliminate the in-state renewable benchmarks and advanced energy component, freeze renewable energy benchmarks for 2015 and 2016, and allow an alternative sales baseline calculation for determining compliance.

unless otherwise ordered by the Commission. The AEPS 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 with regard to the benchmarks. Ohio Adm.Code 4901:1-40-02(A) provides that any entity that does not serve Ohio retail electric customers shall not be required to comply with the AEPS rules.

- (4) On April 15, 2014, Direct Energy filed its 2013 AEPS report, in which it reports retail sales of generation during 2011 and 2012, and consequently does not have three years of historical retail load from which to calculate the 2013 baseline. Direct Energy proposes as its baseline 263,176 MWh, which is the average of its actual retail sales in Ohio during calendar years 2011 and 2012.
- (5) On December 2, 2014, Staff filed its review and recommendations for Direct Energy's AEPS report. Staff finds that Direct Energys proposed baseline is reasonable and that Direct Energy accurately calculated its AEPS compliance obligations. Staff also determined, among other things, that Direct Energy satisfied its total solar and non-solar obligation, as well as the specific minimum in-state solar and non-solar requirement, for 2013. Finally, Staff states the Direct Energy has transferred RECs and SRECs, which were sourced from generating facilities certified by the Commission and appropriately associated with electricity generated between August 1, 2008, and December 31, 2013, to its Generation Attribute Tracking System (GATS) reserve subaccount for Ohio compliance purposes.
- (6) Upon review of Direct Energy's AEPS report, as well as Staff's findings and recommendations, the Commission finds that Direct Energy's AEPS compliance obligations for 2013 be based upon its 2011 and 2012 actual sales, and that Direct Energy has met its compliance obligations for 2013. The Commission also directs that, for any future compliance years, Direct Energy should initiate the transfer of the appropriate RECs and SRECs to its GATS reserve subaccount between March 1 and April 15, consistent with Staff's recommendations.

It is, therefore,

ORDERED, That Direct Energy's proposal of 263,176 MWh as its 2013 baseline, which is the average of its actual retail sales in Ohio during calendar years 2011 and 2012, be accepted. It is, further,

ORDERED, That Direct Energy's AEPS report for 2013 be accepted as filed. It is, further,

ORDERED, That Direct Energy is found to have satisfied its 2013 AEPS compliance obligations. It is, further,

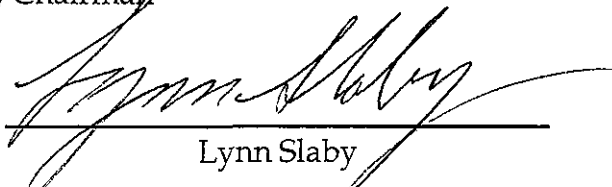
ORDERED, That Direct Energy abide by the adopted Staff recommendations. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Thomas W. Johnson, Chairman

  
Steven D. Lesser

  
Lynn Slaby


  
M. Beth Trombold

  
Asim Z. Haque

JML/RMB/sc

Entered in the Journal

**APR 02 2015**

  
Barcy F. McNeal  
Secretary