

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Direct Energy	)	
Business, LLC 2014 Renewable Portfolio	)	Case No. 15-0727-EL-ACP
Standard Status Report	)	

In the Matter of the Direct Energy	)	
Business, LLC 2015 Renewable Portfolio	)	Case No. 16-0761-EL-ACP
Standard Status Report	)	

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**Staff Findings and Recommendations**

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**I. Statutory Background**

Amended Substitute Senate Bill 221, of the 127<sup>th</sup> 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 **2014** and **2015** are as follows:

Compliance Year	Renewable Resources (including solar)	Solar Resources
2014	2.5%	0.12%
2015	2.5%	0.12%

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**

### **2014**

Direct Energy Business, LLC (DEB or Company) filed its RPS compliance status report for the 2014 compliance year on April 15, 2015. In its compliance filing, DEB proposed a baseline of 1,511,818 megawatt-hours (MWHs) which it indicated represents an average of its annual sales for 2011, 2012, and 2013. Applying the statutory benchmarks to its proposed baseline, DEB calculated its 2014 compliance obligations to be as follows:

- 1,814 Solar MWHs
- 35,981 Non-Solar MWHs

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2014 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) reserve subaccount for Ohio compliance purposes.

### **2015**

DEB filed its RPS compliance status report for the 2015 compliance year on April 12, 2016. In its compliance filing, DEB proposed a baseline of 3,937,236 MWHs which it indicated represents an average of its annual sales for 2012, 2013, and 2014. Applying the statutory benchmarks to its proposed baseline, DEB calculated its 2015 compliance obligations to be as follows:

- 4,725 Solar MWHs
- 93,706 Non-Solar MWHs

The Company indicated that it had obtained the necessary RECs and S-RECs to satisfy its 2015 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its 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 annual status report and any timely comments submitted in these proceedings, Staff makes the following findings:

- (1) DEB was an electric services company in Ohio with retail electric sales in the state of Ohio during 2014 and 2015, and therefore the Company had an RPS obligation for 2014 and 2015.<sup>1</sup>
- (2) The baselines proposed by DEB are reasonable, and given the proposed baselines and the statutory benchmarks, DEB accurately calculated its 2014 and 2015 RPS compliance obligations.
- (3) The Company transferred 35,981 RECs and 1,814 S-RECs to its GATS reserve subaccount for 2014 Ohio compliance purposes. These RECs and S-RECs were all sourced from renewable facilities certified by the Commission. These retirements were sufficient to address the Company's 2014 compliance obligation.
- (4) The Company transferred 93,706 RECs and 4,725 S-RECs to its GATS reserve subaccount for 2015 Ohio compliance purposes. These RECs and S-RECs were all sourced from renewable facilities certified by the Commission. These retirements were sufficient to address the Company's 2015 compliance obligation.

### **V. Staff Recommendations**

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

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<sup>1</sup> DEB was certified to provide power marketer services in Ohio during 2014 and 2015; see PUCO Case No. 00-1758-EL-CRS

- (1) DEB is found to have satisfied its 2014 and 2015 RPS compliance obligations.
- (2) For future compliance years in which the Company is utilizing GATS to demonstrate its Ohio compliance efforts, the Company initiates the transfer of the appropriate RECs and S-RECs to its GATS reserve subaccount between March 1<sup>st</sup> and April 15<sup>th</sup> so as to precede the filing of their Ohio annual compliance status report with the Commission.

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Summary: Staff Review and Recommendation for the 2014 and 2015 RPS Compliance Years  
electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff