

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Direct Energy)	
Business Marketing, LLC 2014)	Case No. 15-0728-EL-ACP
Renewable Portfolio Standard Status Report)	

In the Matter of the Direct Energy)	
Business Marketing, LLC 2015)	Case No. 16-0762-EL-ACP
Renewable Portfolio Standard Status Report)	

In the Matter of the Direct Energy)	
Business Marketing, LLC 2016)	Case No. 17-0958-EL-ACP
Renewable Portfolio Standard Status Report)	

Staff Findings and Recommendations

I. Statutory Background

Amended Substitute Senate Bill 221, of the 127th 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**, **2015**, and **2016** are as follows:

- Renewable Energy Resources = **2.50%** (includes solar requirement)
- Solar Energy Resources = **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 Marketing, LLC (DEBM or Company) filed its RPS compliance status report for the 2014 compliance year on April 15, 2015. The Company subsequently filed a revised compliance report on September 21, 2015. In its revised compliance filing, DEBM proposed a baseline of 560,522 megawatt-hours (MWHs) which it indicated was its actual retail electric sales for 2014. Applying the statutory benchmarks to its proposed baseline, DEBM calculated its 2014 compliance obligations to be as follows:

- 673 Solar MWHs
- 13,340 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 2014 Ohio compliance purposes.

2015

DEBM filed its RPS compliance status report for the 2015 compliance year on April 12, 2016. In its compliance filing, DEBM proposed a baseline of 747,050 MWHs which it indicated was its

actual retail electric sales for 2015. Applying the statutory benchmarks to its proposed baseline, DEBM calculated its 2015 compliance obligations to be as follows:

- 896 Solar MWHs
- 17,780 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 2015 Ohio compliance purposes.

2016

DEBM filed its RPS compliance status report for the 2016 compliance year on April 13, 2017. In its compliance filing, DEBM proposed a baseline of 715,157 MWHs which it indicated was its actual retail electric sales for 2016. Applying the statutory benchmarks to its proposed baseline, DEBM calculated its 2016 compliance obligations to be as follows:

- 858 Solar MWHs
- 17,021 Non-Solar MWHs

The Company indicated that it had obtained the necessary RECs and S-RECs to satisfy its 2016 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its GATS reserve subaccount for 2016 Ohio compliance purposes.

III. Filed Comments

No persons filed comments in these proceedings.

IV. Staff Findings

Following its review of the annual status reports and any timely comments submitted in these proceedings, Staff makes the following findings:

- (1) DEBM was an electric services company in Ohio with retail electric sales in the state of Ohio during 2014, 2015, and 2016, and therefore the Company had an RPS obligation for 2014, 2015, and 2016.¹

¹ DEBM is certified to provide retail generation and power marketer services in Ohio; see PUCO Case No. 13-1278-EL-CRS.

- (2) At the end of 2013, Direct Energy purchased the electricity portion of Hess Corporation. All of the electric customers were transferred from Hess Corporation to DEBM during 2014.²
- (3) The 2014 baseline proposed by the Company is reasonable, and given the proposed baseline and the applicable statutory benchmarks, DEBM accurately calculated its 2014 RPS compliance obligations.
- (4) The Company transferred 673 S-RECs and 13,340 RECs to its GATS reserve subaccount for 2014 Ohio compliance purposes.³ 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 obligations.
- (5) The 2015 baseline proposed by the Company is reasonable, and given the proposed baseline and the applicable statutory benchmarks, DEBM accurately calculated its 2015 RPS compliance obligations.
- (6) The Company transferred 896 S-RECs and 17,780 RECs to its GATS reserve subaccount for 2015 Ohio compliance purposes.⁴ 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 obligations.
- (7) The 2016 baseline proposed by the Company is reasonable, and given the proposed baseline and the applicable statutory benchmarks, DEBM accurately calculated its 2016 RPS compliance obligations.
- (8) The Company transferred 858 S-RECs and 17,021 RECs to its GATS reserve subaccount for 2016 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 2016 compliance obligations.

² See PUCO Case No. 15-0728-EL-ACP.

³ The Company's GATS retirement account shows additional S-RECs and RECs having been retired for 2014, with those additional S-RECs and RECs going towards the 2014 Ohio RPS obligations of Hess Corporation.

⁴ The Company's GATS retirement account shows additional S-RECs and RECs having been retired for 2015, with those additional S-RECs and RECs going towards the 2015 Ohio RPS obligations of Hess Corporation.

V. Staff Recommendations

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

- (1) DEBM is found to have satisfied its 2014, 2015, and 2016 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 1st and April 15th 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, 2015, and 2016 RPS Compliance Years electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff