

**In the Matter of the Hess Energy Marketing, LLC Annual Alternative Energy Portfolio Status Report for 2013** )

## Findings and Recommendations of the PUCO Staff

4901:1-40-05(C), OAC:

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 Filing Summarized**

Hess Energy Marketing, LLC (HEM or Company) filed its AEPS compliance status report for the 2013 compliance year on April 15, 2014. Staff determined that the initial filing was inconsistent with respect to the Company's sales history and 2013 compliance obligation, thus Staff requested that the Company file a revised status report to clarify these items. HEM filed its revised 2013 compliance status report on January 8, 2015.<sup>1</sup> In its revised filing, HEM indicated that it had no Ohio retail electricity sales during the period of 2010 - 2012, the three years preceding the 2013 compliance year, nor did it conduct any sales during 2013. HEM thus concluded that it did not need to retire renewable energy credits (RECs) or solar RECs (S-RECs) for 2013.

## **III. Filed Comments**

No persons filed comments in this proceeding.

## **IV. Staff Findings**

Following its review of the annual status report and any timely comments submitted in this proceeding, Staff makes the following findings:

- (1) That the Company is an electric services company in the state of Ohio.
- (2) That the Company initially filed its 2013 AEPS status report on April 14, 2014. The Company subsequently filed a revised compliance status report on January 8, 2015.

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<sup>1</sup> On June 18, 2014, the Company filed notice in Case 13-1278-EL-CRS of its name change from Hess Energy Marketing, LLC to Direct Energy Business Marketing, LLC. Staff acknowledges this change but refers to the Company throughout this report as Hess Energy Marketing, LLC as that applied during the 2013 compliance year.

- (3) That the Company's initial compliance status report contained inconsistent information with respect to its Ohio retail electric sales during 2013. Further, the Company's CRES annual report indicated that it had 2013 Ohio retail electric sales of 47,480.1 megawatt-hours (MWHs).
- (4) That during subsequent communications with Company representatives, they confirmed that the Company had zero Ohio retail electric sales during 2013. HEM filed its revised compliance status report to clarify this point.
- (5) That OAC Section 4901:1-40-02, Purpose and Scope, indicates the following:

Parties affected by these alternative energy portfolio standard rules include all Ohio electric utilities and all electric services companies serving retail electric customers in Ohio. Any entities that do not serve Ohio retail electric customers shall not be required to comply with the terms of the alternative energy portfolio standard.
- (6) That HEM did not serve Ohio retail electric customers in 2013 and therefore did not have an AEPS compliance obligation in 2013.

## **V. Staff Recommendations**

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

- (1) That the Company's revised filing in this proceeding be accepted, with no further actions required.
- (2) That 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 electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff