

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Alternative Energy )  
Portfolio Status Report for 2013 of Direct ) Case No. 14-655-EL-ACP  
Energy Business Marketing, LLC f/k/a )  
Hess Energy Marketing, LLC. )

FINDING AND ORDER

The Commission finds:

- (1) Direct Energy Business Marketing, LLC f/k/a Hess Energy Marketing, LLC (DEBM) 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).

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<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.

- (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), 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, as amended on January 8, 2015, DEBM filed its 2013 AEPS report, in which it reports that it had no Ohio retail electricity sales during 2010-2012, the three years preceding the 2013 compliance year, nor did it conduct any sales during 2013. Accordingly, DEBM asserts that it did not need to acquire any RECs or SRECs for 2013.
- (5) On February 18, 2015, Staff filed its review and recommendations for DEBM's AEPS report. Staff verified that DEBM had no Ohio retail electric sales in 2013 and thus did not have an AEPS compliance requirement in 2013. Staff recommends that DEBM's filing be accepted, with no further actions required, and that for any future compliance years, DEBM 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.
- (6) Upon review of DEBM's AEPS report, as well as Staff's findings and recommendations, the Commission finds that DEBM's filing should be accepted, with no further actions required. The Commission also directs that, for any future compliance years, DEBM 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.

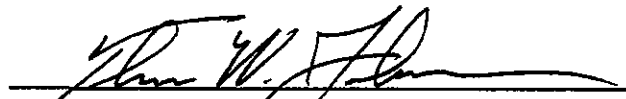
It is, therefore,


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

ORDERED, That DEBM 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.

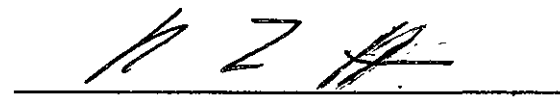
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Thomas W. Johnson, Chairman

  
Steven D. Lesser

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Lynn Slaby

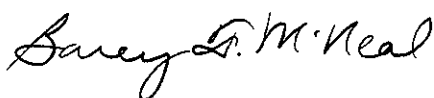
  
M. Beth Trombold

  
Asim Z. Haque

JML/RMB/sc

Entered in the Journal

**APR 08 2015**



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Barcy F. McNeal  
Secretary