BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Hess	)	
Corporation 2014 Renewable	)	Case No. 15-1636-EL-ACP
Portfolio Standard Status Report	)	
In the Matter of the Hess	)	
Corporation 2015 Renewable	)	Case No. 16-0764-EL-ACP
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** and **2015** 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

Hess Corporation (Hess or Company) filed its RPS compliance status report for the 2014 compliance year on September 21, 2015. In its compliance filing, Hess proposed a baseline of 82,845 megawatt-hours (MWHs) which it indicated was an average of its annual retail electric sales for 2012 and 2013.[1]   Applying the statutory benchmarks to its proposed baseline, Hess calculated its 2014 compliance obligations to be as follows:

- 99 Solar MWHs
- 1,972 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 Attribute Tracking System (GATS) reserve subaccount for Ohio compliance purposes.

2015

Hess filed its RPS compliance status report for the 2015 compliance year on April 12, 2016. In its compliance filing, Hess proposed a baseline of 93,223 MWHs which it indicated was an average of its annual retail electric sales for 2012, 2013, and 2014. Applying the statutory benchmarks to its proposed baseline, Hess calculated its 2015 compliance obligations to be as follows:

- 112 Solar MWHs

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[1] The Company indicated it did not have any Ohio retail electric sales in 2011.

- 2,219 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 reports and any timely comments submitted in these proceedings, Staff makes the following findings:

(1) Hess 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.[2,3]

(2) The baselines proposed by the Company are reasonable, and given the proposed baselines and the applicable statutory benchmarks, Hess accurately calculated its 2014 and 2015 RPS compliance obligations.

(3) The Company transferred 99 S-RECs and 1,972 RECs to its GATS reserve subaccount for 2014 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 2014 compliance obligation.

(4) The Company transferred 112 S-RECs and 2,219 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

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[2] Hess was certified to provide retail generation and power marketer services in Ohio in 2014 and 2015; see PUCO Case No. 10-0458-EL-CRS.

[3] On December 3, 2015, Hess filed notice to abandon its Ohio CRES license. In its notice, Hess indicated that its former electric customers were being served by Direct Energy Business Marketing or another CRES provider; See PUCO Case No. 15-2032-EL-ABN.

[4] For 2014 and 2015, the Company's RECs and S-RECs were retired in the Direct Energy Business Marketing GATS reserve subaccount.

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 that Hess is found to have satisfied its 2014 and 2015 RPS compliance obligations.

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Case No(s). 15-1636-EL-ACP, 16-0764-EL-ACP

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