

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Direct Energy)	
Services, LLC 2018 Renewable)	Case No. 19-0735-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 **2018** are as follows:

- Renewable Energy Resources = **4.50%** (includes solar requirement)
- Solar Energy Resources = **0.18%**

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 Filing Summarized

Direct Energy Services, LLC (DES or Company) filed its RPS compliance status report for the 2018 compliance year on April 12, 2019. In its compliance filing, DES proposed a baseline of 880,332 megawatt-hours (MWHs) which it indicated was its Ohio retail electric sales for 2018. Applying the statutory benchmarks to its proposed baseline, DES calculated its 2018 compliance obligations to be as follows:

- 1,585 Solar MWHs
- 38,030 Non-Solar¹ MWHs²

The Company indicated that it had obtained the necessary renewable energy credits (RECs) and solar RECs (S-RECs) to satisfy its 2018 compliance obligations. The Company further indicated that it had transferred RECs and S-RECs to its PJM EIS Generation Attributes Tracking System (GATS) and Midwest Renewable Energy Tracking System (M-RETS) reserve subaccounts for Ohio compliance purposes.

III. Filed Comments

No persons filed comments in this proceeding.

IV. Staff Findings

Following its review of the Company's annual status report, other relevant compliance materials, and any timely comments submitted in this proceeding, Staff makes the following findings:

¹ Staff uses "non-solar" in this context to refer to the total renewable requirement net of the specific solar carve-out. Staff acknowledges that there is not a specific "non-solar" requirement in the applicable statute.

² The Company transposed these numbers on page 2 of its compliance filing, but they are presented accurately on the Company's compliance summary worksheet.

- (1) DES was an electric services company in Ohio with retail electric sales in the state of Ohio during 2018, and therefore the Company had an RPS obligation for 2018.³
- (2) The baseline proposed by the Company is reasonable, and given the proposed baseline and the 2018 statutory benchmarks, DES accurately calculated its RPS compliance obligations.
- (3) The Company has transferred 38,030 RECs to its GATS reserve subaccount for 2018 Ohio compliance purposes. In addition, the Company retired 1,585 S-RECs via M-RETS.
- (4) Following a review of the Company's reserve subaccount data on GATS, Staff confirmed that the Company satisfied its non-solar obligation for 2018. The RECs that the Company transferred to its GATS reserve subaccount were sourced from generating facilities certified by the Commission and were of appropriate vintages.
- (5) Following a review of the Company's retirement subaccount data on M-RETS, Staff confirmed that the Company satisfied its solar obligation for 2018. The S-RECs that the Company transferred to its M-RETS retirement subaccount were sourced from solar generating facilities certified by the Commission and were of appropriate vintages.

V. Staff Recommendations

Following its review of the information submitted in this proceeding and other relevant data, Staff recommends that DES be found to have satisfied its 2018 RPS compliance obligations.

³ DES was certified to provide power marketer services in Ohio during 2018; see PUCO Case No. 00-1936-EL-CRS.

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Summary: Staff Review and Recommendation electronically filed by Mr. Stuart M Siegfried on behalf of PUCO Staff