

**COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER ALTERNATIVE ENERGY RESOURCES REPORT FOR
CALENDAR YEAR 2013**

SmartEnergy Holdings, LLC, (hereinafter "Smart"), in accordance with Sections 4928.64 and 4928.65, Revised Code and Commission Rules 4901:11-40-03 and 4901:1-40-05, hereby submits this Annual Alternative Energy Report ("AER") detailing compliance with Ohio Alternative Energy Portfolio Standards ("OH AEPS").

- I. Determination that an Alternative Energy Resource Report is Required
 - a. During Calendar year 2013, Smart states that it conducted retail sales of generation to customers who utilized the generation in a load center located within the state of Ohio.
- II. Determination of the sales baseline for 2013
 - a. during the past three calendar years, Smart made retail sales of generation in the amounts shown below:
 - i. 2011- 0 MWh
 - ii. 2012- 0 MWh
 - iii. 2013- 1,264 MWh
- III. Determination of the number of solar and total Renewable Energy Credits (RECs) required and statement of the number of RECs Claimed.

Renewable Energy Credits Required And Obtained For 2013					
Types	No. of RECs Required(a)	No. of RECs obtained (b)	Registry (c)	No. of RECs sited in Ohio (d)	No. of RECs sited in Ohio Adjacent states
Solar	1	1	GATS	1	
Non-Solar	24	24	GATS	24	
Total	25	25	GATS	25	

- a. Column (a) above lists the unadjusted number of Solar and Total RECs Required for Smart in 2013. Smart states that it has obtained the number of Solar and Non Solar RECs listed in column (b) above for 2013.
 - b. Smart used the PJM GATS registry for the RECs detailed above. Please note that the GATS account holder is SmartEnergy Holdings, LLC.
 - c. Smart states that, of the RECs it has obtained for 2013, the number listed in column (d) represents the RECs with generation facilities sited within the state of Ohio.
- IV. Compliance
 - a. Smart states that it has obtained the required number of Solar RECs and Total RECs without adjustments permitted pursuant to Rule 4901:1-40-05(A)(3).

V. Ten Year Forecast

- a. In accordance with Rule 4901:1-40-03(0) Smart hereby provides a projection for the next 10 years for RECs and Solar RECs.

Year	Solar RECs	Non-Solar RECs	Total RECs
2014	9	173	182
2015	12	268	280
2016	16	379	395
2017	21	507	529
2018	32	663	695
2019	29	804	833
2020	40	956	996
2021	47	1122	1169
2022	54	1302	1357
2023	62	1498	1560

- b. Supply portfolio projection

Smart does not own any generation assets that can be utilized for Ohio compliance. Smart intends to purchase both Solar and Non-Solar RECs from generators who have been certified as renewable from PUCO, have joined an approved REC registry and will transfer RECs from the generator's account to the Smart account.

- c. Methodology used to evaluate compliance

Smart has used internal forecasting methods to forecast our retail sales over the next ten years, and multiplied the annual sales by the then-current Ohio Alternative Energy Portfolio Standards percentage.

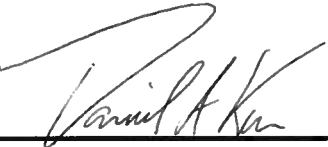
- d. Comments on any perceived impediment(s) to achieving compliance with the Solar and Non-Solar REC requirements, as well as any discussion addressing such impediments.

Smart does not have any comments at this time.

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CALENDAR YEAR 2013**

I, Daniel Kern, am a duly authorized representative of SmartEnergy Holdings, LLC, and state, to the best of my knowledge and ability, all the information contained in the foregoing Competitive Retail Electric Service Provider Alternative Energy Resources Report for Calendar Year 2013, including any exhibits and attachments, are true, accurate and complete.

X

A handwritten signature in black ink, appearing to read "Daniel A. Kern", is written over a horizontal line.

Daniel Kern
CEO