North Eastern States Inc. dba Entrust Energy (“Entrust Energy”)

Competitive Retail Electric Service (CRES) Provider Alternative Energy Resource Compliance Report for Calendar Year 2013

Sales Baseline for 2013

Entrust Energy did not have electric sales in Ohio during 2010, 2011, or 2012. The Baseline for 2013 Compliance Obligation therefore consists of a reasonable projection of its retail electric sales in the state for a full calendar year, per OAC Chapter 4901:1-40-03(B).

Entrust Energy conducted retail sales in Ohio during 9 months of 2013. Entrust Energy therefore represents that a reasonable projection of its retail electric sales in the state for a full calendar year is 1.25 times the actual sales number. The resulting number has been used as the Baseline for 2013 Compliance Obligation.

Calculation of Compliance Requirements

Entrust Energy has used the compliance worksheet developed by PUCO Staff to calculate the number of Renewable Energy Credits (RECs) required. The number of RECs obtained, solar and non-solar, in-state and out-of-state, and the resulting calculation of Alternative Compliance Payments are shown in the worksheet, attached as Exhibit 1 to this report.

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Plan for Compliance with Future Renewable Energy Benchmarks (2014-2024)

Ten Year Forecast of Required RECs

Entrust Energy’s forecast of required RECs is based on application of the % annual benchmarks for alternative energy resources generated from renewable and solar energy resources from OAC 4901: 1-40-02(A) to a forecast of Baseline Compliance Obligations.

The forecast of required RECs is as follows:

| Year: | Total RECs | Non-Solar RECs | Solar RECs |
| --- | --- | --- | --- |
| 2014 | 375 | 357 | 18 |
| 2015 | 551 | 528 | 24 |
| 2016 | 744 | 714 | 30 |
| 2017 | 955 | 917 | 38 |
| 2018 | 1185 | 1138 | 47 |
| 2019 | 1436 | 1378 | 57 |
| 2020 | 1709 | 1640 | 68 |
| 2021 | 2005 | 1925 | 80 |
| 2022 | 2327 | 2234 | 93 |
| 2023 | 2676 | 2569 | 107 |
| 2024 | 3054 | 2932 | 122 |

Plan for Future Compliance

Entrust Energy generally acquires RECs through REC broker markets. Entrust Energy does not own generation assets that could be used for Ohio RPS requirements.

Entrust Energy will continue to use REC broker markets to achieve compliance. Entrust Energy does not foresee a problem with this approach.

Entrust Energy would note that Ohio’s requirement that 50% of RECs be obtained from in-state sources could raise cost or compliance concerns if in-state REC resources do not grow with REC requirements, or if competitive problems arise in the market for in-state REC resources.