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Vorys, Sater, Seymour and Pease LLP
Legal Counsel

M. Howard Petricoff
Direct Dial (614) 464-5414
Direct Fax (614) 719-4904
Email mhp@vorys.com

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52 East Gay St.
PO Box 1008
Columbus, Ohio 43216-1008
614.464.6400 | www.vorys.com
Founded 1909

April 15, 2011

Ms. Betty McCauley, Secretary
Public Utilities Commission of Ohio
180 E. Broad St., 11th Floor
Columbus, Ohio 43215-3793

Re: In the Matter of the Alternative Energy Resources
Report for Calendar Year 2010 From Direct Energy
Business, LLC
Case No. 11-2469-ACP

Dear Ms. McCauley:

I am filing today an original and 12 copies of the redacted version of the Alternative Energy Resources Report for Calendar Year 2010 from Direct Energy Business, LLC. The unredacted version is being submitted under seal because it contains confidential and proprietary information. A motion for protective order has also been filed in this matter.

Thank you for your cooperation.

Sincerely,



M. Howard Petricoff
Attorneys for Direct Energy Business, LLC

MHP/jaw
Enclosure

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COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER

ALTERNATIVE ENERGY RESOURCES REPORT FOR CALENDAR YEAR 2010

Direct Energy Business, LLC (name of competitive retail energy service provider) (hereinafter "CRES") in accordance with Sections 4928.64 and 4928.65, Revised Code and Commission Rule 4901:1-40-03 hereby submits this Annual Report detailing compliance with the Ohio Alternative Energy Portfolio Standards.

I. Determination that an Alternative Energy Resource Report is Required (check one) .

- ☒ During calendar year 2010 the CRES states that it conducted retail sales of generation to customers who utilized the generation in a load center located within the state of Ohio.
- ☐ During calendar year 2010 the CRES states that it did not 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 or sales projection for 2010

- a. During the past three calendar years the CRES made retail sales of generation in the amounts shown below
- 2007 ____ MWh
- 2008 ____ MWh
- 2009 ____ MWh
- b. The average annual sales of the active years listed above (sum of the active years' MWh / no. of active years) ____ MWh (hereinafter Baseline Sales)
- c. If conditions exist that merit an adjustment to the Baseline Sales please list the adjusted Baseline Sales on this line No Adjustment and attach to this AER Report a full explanation of the reason(s) for the adjustment(s).
- d. If the CRES was not active during calendar years 2007, 2008 and 2009 but did make sales during calendar years 2010, please project the amount of retail electric generation sales anticipated for the whole of calendar year 2010 as would have been projected on the first day retail generation sales were made in Ohio.

N/A MWh

III. Determination of the number of Required Renewable Energy Credits (RECs)

- a. CRES has determined that by multiplying the Baseline Sales by 0.49%, the total number of Renewable Energy Credits due for 2010 is (line b times 0.49% rounded to the closest whole number)
- b. CRES has determined that by multiplying the Baseline Sales by 0.01% the number of RECs which must be made up of Solar RECs totals is (line b times 0.01% rounded to the closest whole number)
 - i. CRES states that it has applied for a waiver or postponement to obtain in-state Solar RECs in 2010.
- c. CRES states on the date of submission of this Report it had retired the following RECs and Solar RECS in an approved registry as noted below:
 - i. GATS - Total RECs of which are Solar RECs.
 - ii. M-RETS - Total RECs of which are Solar RECs.
 - iii. Other approved Registry Total RECs of which are Solar RECs.
- d. Attached is a screen print of the CRES registry account on or about the date of submission of this report.

IV. Ten Year Forecast

- a. Ten Year Forecast of Solar and Non Solar RECs

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

Year	Solar	Non-Solar	Total
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- b. Supply Portfolio projection

The CRES intends to purchase all necessary RECs, inclusive of Solar RECs, from suppliers who have received a renewable energy facility certificate from the Public Utilities Commission and are members of an approved REC registry.

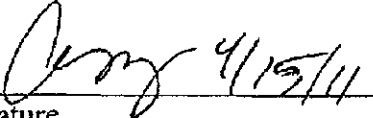
c. Methodology used to evaluate compliance

Since retail customers are able to choose as their service supplier any CRES supplier, governmental aggregator or utilize a utility standard service offer, the CRES has projected sales to the end of the current Electric Security Plan period for each of the utility service areas in which it conducts sales based on current projections available at the time of submission of this Report. Since the price to compare will change at the end of the Electric Security Plan, projecting the ability to maintain sales let alone increase sales is problematic at best. Thus, after the end of the Electric Security Plan the CRES has assumed the maintenance of the customer base which exists at the end of the plan.

d. Please attach any discussion of any perceived impediments to achieving compliance with the Solar and Non Solar REC requirements, as well as any suggestions for addressing such impediments.

REC market liquidity is the biggest potential impediment that CRES has identified in achieving compliance. A backlog of applications from renewable generators seeking renewable energy certification has hampered the development of an Ohio REC market. The current backlog of applications for certification needs to be cleared so that a market for in-state RECs that currently does not exist can be built.

I, Angela Gregory, am the duly authorized representative of Direct Energy Business, LLC. To the best of my knowledge all the information contained in the foregoing report including any exhibits and attachments are true, accurate and complete.


Signature