

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative)	Case No. 14-0623-EL-ACP
Energy Portfolio Status Report of North)	
American Power and Gas, LLC)	
)	Case No. 14-0624-EL-ACP
In the Matter of the Report of North)	
American Power and Gas, LLC)	
Concerning its Plan for Compliance)	
with Advanced and Renewable Energy)	
Benchmarks)	

**NORTH AMERICAN POWER AND GAS, LLC
ANNUAL ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT
AND
PLAN FOR COMPLIANCE WITH ADVANCED AND
RENEWABLE ENERGY BENCHMARKS**

I. Introduction

North American Power and Gas, LLC (“North American”) is a competitive retail electric service (“CRES”) provider, as defined in Ohio Revised Code (O.R.C.) § 495.28.01(A)(4), and an electric service company, as defined in O.R.C. § 4928.01(A)(9), having been issued Certificate No. 11-410(E)(2) by the Public Utilities Commission of Ohio (“Commission”). North American provides electric supply to residential, commercial, mercantile and industrial consumers throughout the state of Ohio.

Pursuant to O.R.C. § 4928.64 and Ohio Administrative Code (O.A.C.) Rule 4901:1-40-05, all Ohio electric service companies are required to file, by April 15th of each year, an annual alternative energy portfolio status report. In this report, electric service companies are required to analyze “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.”¹ To meet these requirements for 2013, North American submits the following report which (a) identifies its 2013 baseline; and (b) identifies its 2013 renewable energy and solar energy benchmarks and demonstrates compliance with those benchmarks. Finally, North American submits its plan for compliance with future annual advanced and renewable energy benchmarks, as required by O.A.C. Rule 4901:1-40-03(C).

II. Annual Alternative Energy Portfolio Status Report

For calendar year 2013, O.R.C. § 4928.64(B)(2) and O.A.C. Rule 4901:1-40-03(A)(2) require electric service companies to demonstrate that 2.0 percent of the retail electricity sold was derived from renewable energy resources. Of that 2.0 percent, one half of the renewable energy resources implemented by electric service companies must have been generated at facilities located in Ohio. Additionally, 0.09 percent of the electricity sold by electric service companies must have been generated by solar energy resources, which portion may also be counted toward the renewable energy resources target. The level of these benchmark requirements is determined by first establishing a baseline number of kilowatt hours and then applying the benchmark percentages to that baseline.

A. Baseline Determination

If an electric service company has been selling electricity in Ohio during the three preceding calendar years, the annual average of those three years is employed to determine the baseline. However, North American commenced sales in Ohio in 2012. Hence, its baseline for 2013 is established pursuant to O.A.C. Rule 4901:1-40-03 (B) (2) (a):

(a) if an electric services company has not been continuously supplying Ohio retail electric customers during the preceding three calendar years, the baseline shall be computed as an average of annual sales data for all calendar years during the preceding three years in which the electric service company was serving retail customers.

¹ O.A.C. Rule 4901:1-40-05(A).

North American did not begin serving customers until 2012. North American's sales for 2012 were 29,395 MWH. Accordingly, North American's baseline for 2013 is 29,395 MWH.

B. 2013 Renewable Energy and Solar Energy Benchmarks and Compliance

The Non-Ohio Renewable Benchmark and Non-Ohio Solar Benchmark were calculated based on that Baseline Sales level multiplied against the percentage Benchmarks set forth in Ohio Rev. Code § 4928.64. North American's Compliance Plan Status Report for 2013 is attached hereto as Attachment 1. Attachment 1 also shows the facility, location, and other details of the RECs and SRECs obtained for 2013 compliance. Note that prior to the filing of this Annual Alternative Energy Portfolio Status Report, North American transferred the applicable RECs and SRECs to its Generation Attributes Tracking System ("GATS") reserve subaccount for Ohio compliance purposes. A Motion for Protective Order regarding the proprietary trade secret material in Attachment 1 is being filed contemporaneously, with three unredacted copies of Attachment 1 under seal.

III. Plan for Compliance with Future Annual Advanced and Renewable Energy Benchmarks

A. Baseline for Future Years

As previously noted, North American began to provide electric supply to customers only in 2012. While North American continues to enter new service contracts with customers, these are typically short term or month to month and the number of CRES providers competing in Ohio EDU service territories is increasing. Based on its experience to date, North American cannot with any confidence project its baseline for the next ten years.

B. Supply Portfolio Projection, Including both Generation Fleet and Power Purchases

O.A.C. Rule 4901:1-40-03(C) requires each electric services company to file an annual plan for compliance with future annual advanced and renewable energy benchmarks, including solar, utilizing at least a ten-year planning horizon. Such plan must at a minimum include (i) a baseline for current and future calendar years; (ii) a supply portfolio projection, including both generation fleet and power purchases; (iii) a description of the methodology used by the company to evaluate its compliance options; and (iv) a discussion of perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing any such impediments.

North American neither owns nor has plans to construct or purchase electric generation assets. It is North American's plan to continue to supply power to its customers by purchasing power through market brokers, RFPs and third party contracts in some combination.

C. Description of Methodology Used to Evaluate Compliance Options

Because North American does not and will not own or control generation assets, it plans to continue to meet its alternative energy benchmarks by purchasing RECs and SRECs. North American maintains such RECs and SRECs in its GATS reserve subaccount and retires them as appropriate.

D. Uncertainties Regarding Achievement of Benchmarks

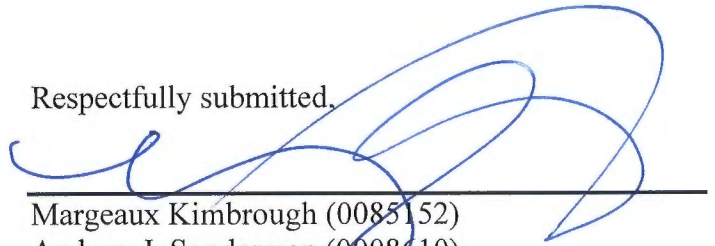
The Commission is aware of the relative scarcity of in-state SRECs. North American will do its best to manage this uncertainty. Specifically, Senate Bill No. 310, introduced by Senator Balderson on March 28, 2014, would freeze the renewable and solar energy benchmarks at the 2014 level required under current law, and freeze the amount of solar energy compliance

payments at the 2014-2015 level. North American, and all CRES providers, await further developments regarding this legislation.

IV. Conclusion

Based on the matters discussed herein and the Attachments submitted herewith, North American respectfully requests that this Commission find that North American has satisfied its compliance obligations with respect to the 2013 Renewable Energy and Solar Renewable Energy benchmarks applicable thereto.

Respectfully submitted,



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REDACTED ATTACHMENT 1

This Exhibit contains confidential, proprietary and trade secret information and the unredacted version is being submitted under seal with a Motion for Protective Order

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 14-0624-EL-ACP

Summary: Report of North American Power and Gas Concerning its Plan for Compliance with Advanced and Renewable Energy Benchmarks electronically filed by Ms. Margeaux Kimbrough on behalf of North American Power and Gas, LLC