



Vorys, Sater, Seymour and Pease LLP
Legal Counsel

52 East Gay St.
PO Box 1008
Columbus, Ohio 43216-1008

614.464.6400 | www.vorys.com

Founded 1909

Stephen M. Howard
Direct Dial (614) 464-5401
Direct Fax (614) 719-4772
Email smhoward@vorys.com

April 14, 2015

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 E. Broad St., 11th Floor
Columbus, OH 43215-3793

Re: Case No. 15-719-EL-ACP
Constellation Energy Services, Inc.
Public Version of 2014 Alternative Energy Annual Status Report

Dear Ms. McNeal:

Please find enclosed a copy of the public version of the Alternative Energy Annual Status Report for Calendar Year 2014 filed on behalf of Constellation Energy Services, Inc. (formerly Integrys Energy Services, Inc.). This report is redacted because it contains confidential and proprietary information. A motion for protective order is also being filed. Two (2) copies of the confidential version are being submitted under seal.

Thank you for your consideration.

Sincerely yours,

Stephen M. Howard
Attorney for Constellation Energy Services, Inc.

SMH/jaw
Enclosure

COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER
ALTERNATIVE ENERGY RESOURCES REPORT FOR CALENDAR YEAR 2014

Constellation Energy Services, Inc. (hereinafter "CRES") in accordance with Sections 4928.64, 4928.643 and 4928.65, Ohio Revised Code and Commission Rules 4901:1-40-03 and 4901:1-40-05 hereby submits this Annual Alternative Energy Report ("AER") detailing compliance with the Ohio Alternative Energy Portfolio Standards.

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

- ☒ During calendar year 2014 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 2014 the CRES states that it did not conduct retail sales of generation to customers who utilized the generation in a load center located within the state of Ohio. (If this block is checked proceed to the signature line)

II. Determination of the sales baseline for 2014

The CRES will mark the applicable options below in the determination of the sales baseline for 2014.

- a. The baseline is computed as an average of the three preceding calendar years (listed below) of the total annual number of kilowatt-hours of electricity sold to any and all retail electric consumers served by the CRES in Ohio, based upon the kilowatt-hours sales in the CRES' most recent quarterly market-monitoring reports or reporting forms. That average is 96,527 MWh.

2011	<u>77,079</u>	MWh
2012	<u>53,030</u>	MWh
2013	<u>159,471</u>	MWh

- b. The CRES has not been continuously supplying Ohio retail electric customers during the preceding three calendar years; therefore, the baseline shall be computed as an average of annual sales data for all calendar years during the preceding three years (listed below) in which the CRES was serving retail customers. That average of annual sales data for all such calendar years is _____.

2011	_____	MWh
2012	_____	MWh
2013	_____	MWh

Not applicable

- c. The CRES had no retail electric sales in Ohio during the preceding three calendar years; therefore, its initial baseline shall consist of a reasonable projection of its retail electric sales in Ohio for a full calendar year. That reasonable projection of its retail electric sales in Ohio for the full calendar year of 2014 is _____. Subsequent baselines shall consist of actual sales data.

Not applicable

- d. Beginning with compliance year 2014, a CRES may choose for its baseline the total kilowatt hours sold to any and all applicable retail consumers located in Ohio in 2014 who are served by the CRES. Such actual sales in 2014 was _____MWh.

We choose the average of the preceding three years, so not applicable.

- e. A CRES may file an application requesting a reduced baseline to reflect new economic growth in its service territory or service area. Any such application shall include a justification including why timely compliance based on the unadjusted baseline is not feasible, a schedule for achieving compliance based on its unadjusted baseline, quantification of a new change in the rate of economic growth, and a methodology for measuring economic activity, including objective measurement parameters and quantification methodologies.

Not applicable

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)
Solar	116	116	GATS
Non Solar	2,297	2,297	GATS
Total	2,413	2,413	

- a. Column (a) above lists the unadjusted number of Solar and Total RECs Required for the CRES in 2014. The determinations were calculated by multiplying the Baseline Sales by 12 hundredths of one per cent (.12%) for Solar RECs and 238 hundredths percent (2.38%) for non-Solar RECS. Total RECs include both Solar and Non Solar RECs. :
- b. The CRES states that it has obtained in accordance with the Commission's Rules the number of Solar and Non Solar RECs listed in column (b) above for 2014.
- c. The CRES used the PJM GATS/M-RETS registry for the RECs detailed above.
- d. The CRES states that of the RECs it has obtained for 2014 the number listed in column (c) represents the RECs with generation facilities sited within the state of Ohio.

- e. CRES states that it did not seek and did not receive a *force majeure* determination for Solar RECs.

IV. Compliance (check one)

- ☒ CRES 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).
- ☐ CRES states that it has obtained the required number of Solar RECs and Total RECs after adjustments permitted pursuant to Rule 4901:1-40-05(A)(3). The type adjustment, reason for the adjustment and merit for making the requested adjustment of the proposed adjustments are detailed in an exhibit attached to this Report.
- ☐ CRES states that it is not in compliance with number of Solar RECs or Total RECs required for 2014.

V. Ten Year Forecast

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

This response contains confidential and propriety information. This information has been submitted under seal and request for confidential treatment.

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 RECs	Non-solar RECs	Total RECs
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

- b. The Supply Portfolio projection is based upon:

CRES intends to procure through commercial arrangements outlined below, required renewable energy supply (including Solar and Non Solar) from qualified resources that meet the specifications contained in Rule 4901:1-40-04. CRES intends to purchase from suppliers who have received a renewable energy facility certificate from the Public Utilities Commission. In the event CRES purchases RECs, such purchases will come from suppliers that have joined an approved REC

registry and will by contract transfer RECs from the generator's account to CRES' account.

- Existing qualified renewable energy resources (operating facilities)
- Qualifying Renewable Energy Credit ("REC") transactions
- Wholesale contracted renewable electric generation
- Customer sited renewable electric generation

c. The Methodology used to evaluate compliance is based upon:

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. Also, as the generation market is one of great volatility and because customers are free to contract with any CRES supplier, governmental aggregator or utilize a utility standard service offer, the CRES has assumed a 0.5 % increase in sales based on traditional growth in the electric generation market from the actual 2014 sales.

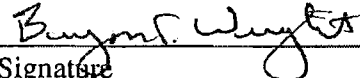
d. Optional comments on any perceived impediment(s) to achieving compliance with the Solar and Non Solar REC requirements, as well as any discussion addressing such impediments.

As long as the REC and S-REC market maintain sufficient liquidity, CRES does not foresee any impediments to achieving compliance.

COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER

ALTERNATIVE ENERGY RESOURCES REPORT FOR CALENDAR YEAR 2014

I, Bryan Wright, am the duly authorized representative of Constellation Energy Services, Inc. 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

Bryan Wright
Chief Financial Officer
Constellation Energy Services, Inc.

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 15-0719-EL-ACP

Summary: Report Public Version of 2014 Alternative Energy Annual Status Report
electronically filed by Mr. Stephen M Howard on behalf of Constellation Energy Services, Inc.