

# Confidential Release

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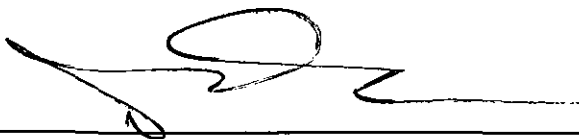
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**Document Description: Alternative Energy  
Annual Status Report for 2012**

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*Case # 13-0891-EL-ACP*

*Page Count: 6*

*Date Filed: Friday, April 12, 2013*

*Filed by: STEPHEN M. HOWARD*

*Behalf of: DIRECT ENERGY SERVICES LLC*

*Summary of document: ALTERNATIVE ENERGY ANNUAL  
STATUS REPORT FOR 2012*

RECEIVED-DOCKETING DIV  
2013 APR 12 PM 4:15  
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April 12, 2013

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

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Re: Case No. 13-891-EL-ACP  
Direct Energy Services, LLC  
Confidential Version

Dear Ms. McNeal:

Pursuant to Rule 4901-1-24(D) of the Ohio Administrative Code, I am submitting under seal three copies of the confidential version of the Alternative Energy Compliance Report for Calendar Year 2012 on behalf of Direct Energy Services, LLC. This confidential version contains proprietary and confidential information. A public version was filed earlier today along with a motion for protective order. Please maintain the confidentiality of this confidential version until such time as the attorney examiner can rule upon our motion for protective order.

Thank you for your consideration.

Sincerely yours,

Stephen M. Howard  
Attorneys for Direct Energy Services, LLC

SMH/smf

Enclosure

COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER  
ALTERNATIVE ENERGY ANNUAL STATUS REPORT FOR CALENDAR YEAR 2012

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

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

- ☒ During calendar year 2012 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 2012 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.

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2. Determination of the sales baseline for 2012

- a. During the past three calendar years the CRES made retail sales of generation in the amounts shown below:

2009 MWh	0
2010 MWh	0
2011 MWh	160,143.59

- b. The average annual sales of the active years listed above (sum of the active years' MWh / number of active years hereinafter "Baseline Sales")

160,143.59

- c. If conditions exist that merit an adjustment to the Baseline Sales please list the adjusted Baseline Sales and attach as an exhibit to this AER a full explanation of the reason(s) for the adjustment(s).

- d. If the CRES was not active during calendar years 2009, 2010 and 2011 but did make sales during calendar year 2012, please project the amount of retail electric generation sales anticipated for the whole of calendar year 2012 as would have been projected on the first day retail generation sales were made in Ohio.

3. 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 2012				
Types	(A) No. of RECs Required	(B) No. of RECs Obtained	(C) Registry	(D) No. of RECs Sited in OH
Solar	96	96	GATS	48
Non Solar	2,306	2,306	GATS	1,153
Total	2,402	2,402	GATS	1,201

- a. Column A above lists the unadjusted number of Solar and Total RECs Required for the CRES in 2012. The determinations were calculated by multiplying the:

<input checked="" type="checkbox"/>	Baseline Sales
<input type="checkbox"/>	Adjusted Baseline Sales
<input type="checkbox"/>	Projected Sales

by 6 hundredths of one per cent (.06%) for Solar RECs, by one and 44 hundredths percent (1.44%) for Non-Solar RECs, and one and a half percent (1.5%) for total 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 2012.

Approved registry being used by the CRES: PJM GATS

- c. The CRES states that of the RECs it has obtained for 2012 the number listed in column D represents the RECs with generation facilities sited within the state of Ohio.

CRES states that it has

<input type="checkbox"/>	Received a force majeure determination for solar RECs
<input type="checkbox"/>	Sought but has yet to receive a ruling on a force majeure determination for Solar RECs
<input checked="" type="checkbox"/>	Did not seek and did not receive a force majeure determination for solar RECs

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4. Compliance (check one)

<input checked="" type="checkbox"/>	CRES states that it has obtained the required number of Solar REC's and total REC's without adjustments permitted pursuant to Rule 4901:1-40-05(A)(3).
<input type="checkbox"/>	CRES states that it has obtained the required number of Solar REC's and total REC's after adjustments permitted pursuant to Rule 4901:1-40-05(A)(3).
<input type="checkbox"/>	CRES states that it is not in compliance with number of Solar REC's or total REC's required for 2012.

5. Ten Year Forecast

a. Ten Year Forecast of Solar and Non-Solar REC's

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

10 Year Forecast of Solar and Non-Solar REC's				
Year	Estimated Sales	Estimated Solar	Estimated Non-Solar	Estimated Total REC's
2013	660,101	237	5,023	5,259
2014	667,093	474	9,409	9,884
2015	674,084	846	18,905	19,752
2016	681,076	1,201	28,818	30,019
2017	687,656	1,483	35,592	37,075
2018	694,237	1,770	42,491	44,261
2019	686,011	2,063	49,511	51,574
2020	677,375	2,344	56,247	58,591
2021	667,915	2,606	62,552	65,158
2022	672,850	2,844	68,252	71,096

- b. **Supply Portfolio projection:** We procure both Solar and Non-Solar REC's for contracts that typically have terms of 1-3 years. By purchasing REC's in this fashion we have successfully been able to procure for our obligations since the inception of this program. We see no issues with procuring in the future under the current RPS regulatory and market conditions.
- c. **Methodology used to evaluate compliance:** We calculated the obligation for 2013 by combining our actual load in 2013 with the forecasted amount for the rest of the year. We then estimated future year's by assuming the only growth came from the total state's expected growth over the next ten years. This information was found in the Ohio Long Term Forecast of Energy Requirements 2011-2031.

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<http://www.puco.ohio.gov/emplibrary/files/util/UtilitiesDeptReports/OhioLTFEnergyReq2011-2030.pdf>

- 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:** While we do not see any immediate impediments to our future ability to comply under the existing standard, changes to the standard by law or by the commission that limit the supply of resources or expands the amount of resources required could create supply constraints that could impede Direct Energy's ability to achieve compliance. In addition, because the compliance is based on historical sales volumes, an event of decreasing sales creates a need to over-comply with the regulations. We would recommend allowing companies to switch to an obligation based upon the actual load in the given compliance year.

I, Angela Gregory, am the duly authorized representative of Direct Energy Services and state, to the best of my knowledge and ability, all the information contained in the foregoing Competitive Retail Electric Service Provider Alternative Energy Annual Status Report for Calendar Year 2012, including any exhibits and attachments, are true, accurate and complete. (201)

Ang  
Signature

Name Angela Gregory  
Title Upstream Compliance  
Company Direct Energy Services, LLC



Subaccount Name	Zone Name	GATS Load	RPS Load	Total Generation for Subaccount	Solar Renewable Energy Source	Renewable Energy Source	S2 Classi Renewable	Total Certificates Used for RPS
Default	DEOK	263,978	0	2,402	96	2,306	0	2,402
Reserve		0	0	0	0	0	0	0
Subaccount								
<b>Total</b>		<b>263,978</b>		<b>2,402</b>	<b>96</b>	<b>2,306</b>	<b>0</b>	<b>2,402</b>

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