

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Alternative Energy)	
Portfolio Status Report of North American)	Case No. 13-856-EL-ACP
Power and Gas, LLC)	
)	
In the Matter of the Report of North American)	
Power and Gas, LLC Concerning its Plan for)	Case No. 13-857-EL-ACP
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)(1) 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 15 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 2012, North American submits the following report which (a) identifies its 2012 baseline; and (b) identifies its 2012 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 2012, 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 1.5 percent of the retail electricity sold was derived from renewable energy resources. Of that 1.5 percent, one half of the renewable energy resources implemented by electric service companies must have been generated at facilities located in Ohio. Additionally, 0.06 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 2102 is established pursuant to O.A.C. Rule 4901:1-40-03 (B) (2) (a):

¹ O.A.C. Rule 4901:1-40-05(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.

North American's actual 2012 calendar year retail electric sales in Ohio were 29,395 mWH. Therefore, its baseline for 2012 is the same value.

B. 2012 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 2012 is attached hereto as Attachment 1. As shown in that Status Report, North American met each of the Benchmarks in 2012. Attachment 1 also shows the facility, location, and other details of the RECs and SRECs obtained for 2012 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 and has retired them as appropriate. 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

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, as it has successfully done for compliance year 2012. North American maintains such RECs and SRECs in its GATS reserve subaccount and retires them as appropriate.

D. Uncertainties Regarding Achievement of Benchmarks

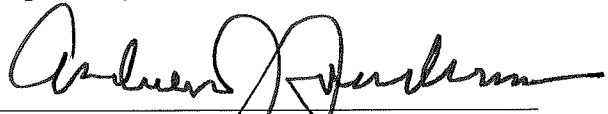
The Commission is aware of the relative scarcity of in-state SRECs. North American is doing its best to manage this uncertainty. North American notes that the status of the benchmarks themselves is under review. Specifically, Senate Bill No. 58, introduced by Senator Seitz in March, includes a review of the extent to which the renewable energy and solar energy benchmarks in currently effective Ohio Rev. Code § 4928.64(B) should be "frozen at a certain level, amended, or repealed", and, if amended, whether the benchmarks "should be reduced or increased". See S.B. 58, Section 1(B) (1)

(g)-(h). North American, and all CRES providers, anxiously await further developments in this regard.

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 2012 Renewable Energy and Solar Renewable Energy benchmarks applicable thereto.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrew J. Sonderman", written over a horizontal line.

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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

CRES Compliance Plan Status Report for Compliance Year 2012
Summary Sheet

		(A)	(B)	(C) = (A) - (B)	
		MWH Sales	Proposed	MWH Sales	
		Unadjusted*	Adjustments**	Adjusted	
2009		0	0	0	
2010		0	0	0	
2011		0	0	0	
Baseline for 2012 Compliance Obligation				29,395	(D)
1.50%					
2012 Statutory Compliance Obligation				1.44%	(E)
2012 Non-Solar Renewable Benchmark				0.06%	(F)
Per ORC, 4928.64(B)(2)					
2013 Compliance Obligation					
Non-Solar RECs Needed for Compliance				423	(G) = (D)*(E)
Minimum Required from Ohio Facilities				212	(H) = (G) * 0.5
Solar RECs Needed for Compliance				18	(I) = (D) * (F)
Minimum Required from Ohio Facilities				9	(J) = (I) * 0.5
Force Majeure Carry-Over (if applicable)					
Ohio Solar - MWHs				0	
Non-Ohio Solar - MWHs				0	
Under Compliance in 2013 (if applicable)					
Non-Solar MWHs					(K)
Solar MWHs					(L)
2012 Alternative Compliance Payments					
Non-Solar, per MWH				\$47.56	(M)
Solar, per MWH - per 4928.64(C)(2)(a)				\$350.00	(N)
2013 Payments (if applicable)					
Non-Solar Total				\$0.00	(O) = (K) * (M)
Solar Total				\$0.00	(P) = (L) * (N)
TOTAL				\$0.00	(Q) = (O) + (P)

* Should be based on data reported in EDU's three most recent forecast reports or reporting forms, per 4901.1-40-03(B)(1)

** For any proposed adjustments, provide the necessary information as detailed in 4901.1-40-03(B)(3)

1. OHIO NON-SOLAR Renewable Energy Credits

2. NON-OHIO NON-SOLAR Renewable Energy Credits

3. OHIO SOLAR Renewable Energy Credits

4. NON-OHIO SOLAR Renewable Energy Credits

TOTALS

BP Energy Company (NAPG) - My RPS Compliance - OH - Jan 2012-Dec 2012

Subaccount Name	Zone Name	GATS Load	RPS Load	Total Generation for Subaccount	Solar Renewable Energy Source	Renewable Energy Source	Renewable Energy Source	S2 Class II Renewable	Total Certificates Used for RPS
OH DPL 2012 RPS DAY	DAY	21,357	21,357	328	14	4	314	0	328
OH DUK 2012 RPS DEOK	DEOK	8,038	8,038	122	0	0	118	0	122
Reserve		0	0	0	0	0	0	0	0
Subaccount									
Total		29,395		450	18		432	0	450

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Load data in GATS might not match your actual RPS obligation
NEITHER THE GATS ADMINISTRATOR NOR PJM EIS NOR THE SYSTEM OPERATOR NOR THE PJM EIS GATS PROJECT MANAGER KNOWS OR ENDORSES THE CREDITWORTHINESS OR REPUTATION OF ANY GATS ACCOUNT HOLDER LISTED IN THIS DIRECTORY



BP Energy Company (NAPG) - Reserve Subaccount Details - OH - Jan 2012-Dec 2012

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Month/ Year	Unit ID	Facility Name	State Fuel Type Serial Numbers	Quantity State Certification Number
12/2011				
12/2011				
04/2012				
04/2012				
08/2012				
08/2012				
10/2012				
10/2012				
10/2012				
11/2012				
11/2012				

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Month/ Year	Unit ID	Facility Name	Certificate Serial Numbers	Solar Renewable Energy Source	Renewable Energy Source
12/2011				No	Yes
12/2011				No	Yes
04/2012				No	Yes
04/2012				No	Yes
08/2012				Yes	No
08/2012				Yes	No
10/2012				Yes	No
10/2012				Yes	No
10/2012				Yes	No
11/2012				Yes	No
11/2012				Yes	No
11/2012				Yes	No

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Month/ Year	Unit ID	Facility Name	Certificate Serial Numbers	RPS	RPS Retail LSE Price Subaccount	RPS Period	Deposit Date
<u>12/2011</u>							
<u>12/2011</u>							
<u>04/2012</u>							
<u>04/2012</u>							
<u>08/2012</u>							
<u>08/2012</u>							
<u>10/2012</u>							
<u>10/2012</u>							
<u>10/2012</u>							
<u>11/2012</u>							
<u>11/2012</u>							

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/10/2013 11:48:07 AM

in

Case No(s). 13-0856-EL-ACP, 13-0857-EL-ACP

Summary: Report North American Power and Gas, LLC Annual Alternative Energy Portfolio Status Report and Plan for Compliance with Advanced and Renewable Energy Benchmarks electronically filed by Mr. Andrew J Sonderman on behalf of North American Power and Gas, LLC