

COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER
ALTERNATIVE ENERGY ANNUAL STATUS REPORT FOR CALENDAR YEAR 2013

Direct Energy Business, LLC (hereinafter “DEB”) 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 2013 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 2013 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.

2. Determination of the sales baseline for 2013

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

2010 MWh	622,650
2011 MWh	833,819
2012 MWh	1,042,438

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

832,969

- 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).

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- d. If the CRES was not active during calendar years 2010, 2011, and 2012 but did make sales during calendar year 2013, please project the amount of retail electric generation sales anticipated for the whole of calendar year 2013 as would have been projected on the first day retail generation sales were made in Ohio.

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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	750	750	GATS	375
Non Solar	15,910	15,910	GATS	7,955
Total	16,660	16,660	GATS	8,330

- a. Column A above lists the unadjusted number of Solar and Total RECs Required for the CRES in 2013. 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 nine hundredths of one per cent (.09%) for Solar RECs, by one and ninety-one hundredths percent (1.91%) for Non-Solar RECs, and two percent (2.0%) 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 2013.

Approved registry being used by the CRES: PJM-GATS

- c. The CRES states that of the RECs it has obtained for 2013 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

4. Compliance (check one)

<input checked="" type="checkbox"/>	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).
<input type="checkbox"/>	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).
<input type="checkbox"/>	CRES states that it is not in compliance with number of Solar RECs or total RECs required for 2013.

5. 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.

10 Year Forecast of Solar and Non-Solar RECs				
Year	Estimated Sales	Estimated Solar	Estimated Non-Solar	Estimated Total RECs
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				

- b. **Supply Portfolio projection:** We procure both Solar and Non-Solar RECs for contracts [REDACTED]. By purchasing RECs 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 2014 by [REDACTED]

[REDACTED] We then estimated future year's by [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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, Bray Dohrwardt am the duly authorized representative of Direct Energy Business ^{LLC} 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 2013, including any exhibits and attachments, are true, accurate and complete.



Signature Bray Dohrwardt

Name Bray Dohrwardt

Title Vice President

Company Direct Energy Business, LLC

Compliance Plan Status Report for Compliance Year 2013
Summary Sheet

	Sales Unadjusted (MWHs)	Proposed Adjustments (MWHs)	Sales Adjusted (MWHs)	Source of Sales Volume Data	
2010	622,650	0	622,650		(A)
2011	833,819	0	833,819		(B)
2012	1,042,438	0	1,042,438		(C)
Baseline for 2013 Compliance Obligation			832,969		(D) = AvgABC
2.00%	2013 Statutory Compliance Obligation				
	2013 Non-Solar Renewable Benchmark		1.91%		(E)
	2013 Solar Renewable Benchmark		0.09%		(F)
	Per ORC, 4928.64(B)(2)				
	2013 Compliance Obligation				
	Non-Solar RECs Needed for Compliance		15,910		(G) = (D) * (E)
	Minimum Required from Ohio Facilities		7,955		(H) = (G) * 0.5
	Solar RECs Needed for Compliance		750		(I) = (D) * (F)
	Minimum Required from Ohio Facilities		375		(J) = (I) * 0.5
	Carry-Over from Previous Year(s), if applicable				
	Ohio Non-Solar - MWHs		0		(K)
	Other Non-Solar - MWHs		0		(L)
	Ohio Solar - MWHs		0		(M)
	Other Solar - MWHs		0		(N)
	Total 2013 Compliance Obligations				
	Non-Solar RECs Needed for Compliance		15,910		(O) = (G) + (K) + (L)
	Minimum Required from Ohio Facilities		7,955		(P) = (H) + (K)
	Solar RECs Needed for Compliance		750		(Q) = (I) + (M) + (N)
	Minimum Required from Ohio Facilities		375		(R) = (J) + (M)
	2013 Performance (Per GATS or MRETS Data)				
	Ohio Non-Solar - MWHs		7,955		(S)
	Other Non-Solar - MWHs		7,955		(T)
	Ohio Solar - MWHs		375		(U)
	Other Solar - MWHs		375		(V)
	Under Compliance in 2013, if applicable				
	Ohio Non-Solar - MWHs		0		(W) = (P) - (S)
	Other Non-Solar - MWHs		0		(X) = (O - P) - (T)
	Ohio Solar - MWHs		0		(Y) = (R) - (U)
	Other Solar - MWHs		0		(Z) = (Q - R) - (V)
	2013 Alternative Compliance Payments				
	Non-Solar, per MWH (Refer to Case 13-0995-EL-ACP)		\$48.56		(AA)
	Solar, per MWH - per 4928.64(C)(2)(a)		\$350.00		(BB)
	2013 Payments, if applicable				
	Non-Solar Total		\$0.00		(CC) = (W+X) * (AA)
	Solar Total		\$0.00		(DD) = (Y+Z) * (BB)
	TOTAL		\$0.00		(EE) = (CC) + (DD)

This compliance worksheet was developed by Staff for internal review purposes. However, it may be useful for your company in preparation of its AEPS annual compliance status report for the 2013 compliance year. Your company is not required to include this form in its filing, but that is an option. If using this form, your company should insert data in the blue shaded boxes (as applicable). The remaining cells should auto-calculate. However, you should still independently verify the accuracy of the calculations. Questions concerning this worksheet can be addressed to Stuart.Siegfried@puc.state.oh.us

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Summary: Report of Direct Energy Business, LLC of Alternative Energy Retail Annual Status Report for Calendar Year 2013 electronically filed by JOSEPH CLARK on behalf of Direct Energy Business, LLC