



BOUNDLESS ENERGY

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DELIVERED BY HAND

October 31, 2019

Mr. William F. Stephens, Director
Division of Public Utility Regulation
Virginia State Corporation Commission
1300 E. Main Street, 4th Floor
Richmond, VA 23218

In re: Renewable Portfolio Standard (RPS) Goals

Dear Mr. Stephens:

Pursuant to Va. Code § 56-585.2 H, Appalachian Power Company ("APCo" or the "Company") is providing the information regarding its efforts to meet RPS goals and related activities.

The Company received Commission approval of its proposed RPS Plan in Case No. PUE-2008-00003, demonstrating that it has a reasonable expectation to meet the voluntary RPS goals set forth in Va. Code § 56-585.2 D. As indicated in prior filings to the Commission, the Company met the RPS Goal I and II requirements (4 percent renewable output as a percentage of 2007 base year sales in 2010, an average of 4 percent of total electric energy sold in the base year in 2011 through 2015, and in calendar year 2016, 7 percent of total electric energy sold in the base year) for 2010 through 2017. The Company is on track to achieve RPS Goal III. Attachment 1 to this letter provides documentation of the Company's compliance with the RPS Goal III in 2018. As in prior years, the Company met the goal through a combination of purchased power wind sources and company-owned hydro generation.

In addition, Attachment 2 to this letter sets forth information that complies with § 56-585.2 H and identifies:

- a) A list of all states where the purchased or owned renewable energy was generated specifying the number of megawatt hours or renewable energy certificates originating from each state;
- b) A list of decades in which the purchased or owned renewable energy generating units were placed in service, specifying the number of megawatt hours or renewable energy certificates originating from those units; and
- c) A list of fuel types used to generate the purchase or owned renewable energy, specifying the number of megawatt hours or renewable energy certificates originating from each fuel type.

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This information is provided on an APCo total company basis and a Virginia retail jurisdictional basis as applicable.

Following your review of this information, please do not hesitate to call me at (804) 698-5540 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "W. Castle".

William K. Castle
Director, Regulatory Services VA/TN

Attachments

cc: Greg L. Abbott
David R. Eichenlaub
John A. Stevens

Attachment 1: Appalachian Power Company Compliance with RPS Goal - 2018

Reflective of Current Hydro Generation and Known, Approved APCo Wind Contracts...

- o Camp Grove (75 MW Nameplate; 2008 in-svc)
- o Fowler Ridge I (100 MW nameplate; 2009)
- o Bluff Point (120 MW nameplate; 2018)

To Achieve Renewable Resource Requirements under House Bill No. 1994
 --which amends Sections 56-585 of the Code of Virginia which had established 'voluntary' renewable goals--

RPS 2007 Base Year Data

VA GWh Sales to Jurisdictional Retail Customers	15,586	Notes 1 & 2
VA Primary Energy Sales Attributed to Nuclear	1,133	Note 3
VA GWh Jurisdictional Retail Sales excluding VA Share of Nuclear	14,453	

Portfolio Standard Goals as Described In 56-585.2	Year	Cumulative Wind Energy GWh (Note 4)	(Double) Credit for Wind	Credits for Run of River Hydro (Note 4 & 5)	APCo VA Retail Jurisdiction Energy Allocation Factor (2018)	VA Share of Credits Created	Renewable Energy Credits Required to Meet Goal (Note 6)	VA Share of Credits Added To/ (Depleted From) Bank	VA Share of Banked Credits Balance
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7% Requirement (GWh)	Year	A	B= 2 x A	C	D	E = D x (B+C)	I	J = H - I	K
	2018	783	1,567	1,189	46.34%	1,276	1,012	265	1,032 1,297

- Note 1 - APCo Virginia Jurisdictional Energy Sales to Residential, Commercial and Industrial customers. Excludes Wholesale sales, losses and Other Ultimate Customers .
- Note 2 - No reduction in VA retail sales for nuclear energy received from APCo affiliate I&M, as allowed by the statute.
- Note 3 - Average of 2004, 2005 and 2006 Primary Energy delivered to APCo VA retail jurisdiction from AEP Affiliate I&M attributed to DC Cook Nuclear Plant multiplied by 2007 Virginia Jurisdictional Retail allocation percentage.
- Note 4 - APCo wind and Hydro GWh represent the amount purchased or generated by APCo during 2018. Some or all of the associated Renewable Energy Credits (RECs) may have been sold and replaced with purchases of VA compliant RECs.
- Note 5 - APCo Hydro Generation includes owned run of river facilities, Summersville PPA and Smith Mountain "free water" calculation .
- Note 6 - Equals Goal % for respective year multiplied by 2007 VA GWh sales to jurisdictional retail customers. Example: for 2018 = 0.07 X 14,453 = 1,012.
- Note 7 - This is the cumulative amount of banked VA credits from years 2010 through 2017.

Determination of Meeting Voluntary Renewable Goals - 2018

- | | | |
|---|--------|-----|
| 1. VA Share of Credits Created | 1,276 | GWh |
| 2. VA GWh Jurisdictional Retail Sales excluding VA Share of Nuclear | 14,453 | GWh |
| 3. Renewable Output as a percentage of 2007 Base Year Sales | 8.83% | |
| 4. Banked Credits Used to Meet 7% Goal | - | GWh |

**Attachment 2: Appalachian Power Company Report to the Commission Pursuant to
Code of Virginia 56-585.2 H for the Year 2018**

H. Each investor-owned incumbent electric utility shall report to the Commission annually by November 1 identifying:

1. The utility's efforts, if any, to meet the RPS Goals, specifically identifying:

A. A list of all states where the purchased or owned renewable energy was generated, specifying the number of megawatt hours (MWh) or renewable energy certificates (RECs) originating from each state;

Purchased RECs are the GATS inventory balance as reported to the Commission by the Company in PUR-2019-00056

<u>Originating State of Generation</u>	<u>MWh (1MWh = 1 REC) VA Retail Jurisdiction¹</u>	<u>Owned / Purchased</u>
North Carolina	-	Purchased RECs
Pennsylvania	809,904	Purchased RECs
Maryland	27,504	Purchased RECs
West Virginia	119,193	Purchased RECs
Virginia	84,034	Purchased RECs
Kentucky	122,535	Purchased RECs
New Jersey	2,006	Purchased RECs
Virginia	307,323	Owned Generation
West Virginia	208,638	Owned Generation and Purchased
Total	1,681,137	

B. A list of the decades in which the purchased or owned renewable energy generating units were placed in service, specifying the number of MWh or RECs originating from those units; and

C. A list of fuel types used to generate the purchased or owned renewable energy, specifying the number of MWh or RECs originating from each fuel type:

<u>Renewable Generator</u>	<u>Beginning Decade Placed into Service</u>	<u>Fuel Type</u>	<u>2018 MWh Generated</u>	<u>2018 MWh Generated APCo</u>
			<u>APCo Total Company</u>	<u>VA Jurisdiction</u>
Camp Grove Purchase	2000	Wind	193,068	89,459
Fowler Ridge Purchase	2000	Wind	219,415	101,667
Bluff Point Purchase	2010	Wind	370,974	171,892
Buck	1910	Water	37,376	17,318
Byllesby	1910	Water	53,416	24,751
Claytor	1930	Water	304,469	141,077
Leesville	1960	Water	83,760	38,811
London	1930	Water	80,662	37,375
Marmet	1930	Water	69,938	32,406
Niagara	1900	Water	7,858	3,641
Ruesens	1900	Water	-	-
Summersville Purchase	2000	Water	289,377	134,084
Smith Mountain	1960	Water	195,745	90,699 ³
Winfield	1930	Water	66,470	30,799
Total			1,972,528	913,979

2. The utility's overall generation of renewable energy; and

APCo Owned Renewable Generation MWh:	899,694 ^{2 5}
APCo Purchased Renewable Generation MWh:	<u>1,874,675⁴</u>
Total APCo Renewable Generation MWh:	2,774,369 ⁴

3. Advances in renewable generation technology that affect activities described in subdivisions 1 and 2

None at this time.

Notes:

- Amount of MWh or RECs may not match amount of Virginia RPS credits because wind RECs count double for RPS compliance
- This is a total Company APCo amount, other volumes in this report are on an APCo VA retail basis
- Total "run of river" Smith Mountain generation
- This is a total Company APCo amount, includes renewable wind energy purchases from Grand Ridge and Beech Ridge wind farms (512,464 MWh) that are not included in the Company's Virginia RPS plan
- This is the amount of MWh generated by the renewable energy facilities, some or all of the RECs associated with this generation may have been sold and replaced by market REC Purchases