



**APPALACHIAN
POWER**

A unit of American Electric Power

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DELIVERED BY HAND

October 31, 2014

Mr. William F. Stephens, Director
Division of Energy 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% renewable output as a percentage of 2007 base year sales) for 2010 through 2012. Attachment 1 to this letter provides documentation of the Company's compliance with the RPS goal in 2013. As in prior years, the Company met the goal through a combination of purchased power wind sources and company-owned hydro generation. For 2013, the total renewable energy level also included a bank of prior years' renewable energy.

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.

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,



William K. Castle
Director, Regulatory Services VA/TN

Cc: Cody D. Walker

Enclosure

Attachment 1: Appalachian Power Company Compliance with RPS Goal - 2013

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)

**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 (2013)	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
4% Requirement (GWh)		A	B= 2 x A	C	D	E = D x (B+C)	I	J = H - I	K
	2013	421	843	1,065	45.28%	864	578	286	608 894

(Note 7)

- 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 2013. Some or all of the associated Renewable Energy Credits (RECs) may have been sold and replaced with purchases of VA compliant RECs from the market.
- Note 5 - APCo Hydro Generation includes owned run of river facilities, Summersville PPA and Smith Mountain "free water".
- Note 6 - Equals Goal % for respective year multiplied by 2007 VA GWh sales to jurisdictional retail customers. Example: for 2012 = 0.04 X 14,453 = 578
- Note 7 - This is the cumulative amount of banked VA credits from years 2010 through 2012

Determination of Meeting Voluntary Renewable Goals - 2013

1. VA Share of Credits Created	864	GWh
2. VA GWh Jurisdictional Retail Sales excluding VA Share of Nuclear	14,453	GWh
<u>3. Renewable Output as a percentage of 2007 Base Year Sales</u>	<u>5.98%</u>	

Attachment 2: Appalachian Power Company Report to the Commission Pursuant to Code of Virginia 56-585.2 H for the Year 2013

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;

Shown below is the GATS inventory balance as of 6/12/2014 as reported to the Commission by the Company in PUE-2014-00007, for vintage 2013 RECs:

<u>Originating State of Generation</u>	<u>MWh (1MWh = 1 REC)</u>	<u>VA Retail Jurisdiction</u> ¹	<u>Owned / Purchased</u>
Indiana		4	Retained Wind RECs not sold at this time
Illinois		3	Retained Wind RECs not sold at this time
Maryland	485,388		Purchased RECs
Pennsylvania	40,212		Purchased RECs
West Virginia	32,100		Purchased RECs
Virginia	247,529		Owned Generation
West Virginia	<u>44,471</u>		Owned Generation and Purchased
Total	849,707		

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>2013 MWh</u>	
			<u>Generated</u>	<u>Generated APCo</u>
			<u>APCo Total Company</u>	<u>VA Jurisdiction</u>
Camp Grove Purchase	2000	Wind	178,254	80,718
Fowler Ridge Purchase	2000	Wind	243,185	110,121
Buck	1910	Water	14,878	6,737
Byllesby	1910	Water	3,374	1,528
Claytor	1930	Water	325,241	147,278
Leesville	1960	Water	70,778	32,050
London	1930	Water	95,980	43,462
Marmet	1930	Water	90,227	40,857
Niagara	1900	Water	10,265	4,648
Ruesens	1900	Water	-	-
Summersville Purchase	2000	Water	227,808	103,158
Smith Mountain	1960	Water	132,101	59,819 ³
Winfield	1930	Water	94,784	42,921
Market REC Purchases	Various	Water	<u>557,700</u>	<u>557,700</u>
Total			2,044,575	1,230,997

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

APCo Owned Renewable Generation MWh:	837,628 ^{2,5}
APCo Purchased Renewable Generation MWh:	<u>1,294,170</u> ⁴
Total APCo Renewable Generation MWh:	2,131,798 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 (417,115 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