ALTERNATIVE ENERGY CREDIT COMPLIANCE SUMMIT

Pennsylvania Public Utility Commission June 17, 2010 Harrisburg, PA

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QUARTERLY ADJUSTMENT

Act 129 Requirement

Act 129 - Quarterly Adjustment

- Act 129 of 2008 expanded the definition of qualifying Tier I alternative energy sources in the Alternative Energy Portfolio Standards Act (AEPS).
- The expanded Tier I resources include specific low impact hydropower and biomass energy.
- The Commission was directed to, increase at least quarterly, the percentage share of Tier I resources to reflect the new Tier I resources.

Quarterly Adjustment

- In its Final Order adopted at public meeting May 28, 2009, the Commission established:
 - Procedures to increase the AEPS Act non-solar PV
 Tier I percentage requirement on a quarterly basis.
 - Additional reporting requirements and procedures for the electric distribution companies (EDC) and the electric generation suppliers (EGS).
- The increased percentage share of Tier I resources was implemented for the compliance year beginning June 1, 2009, and for each subsequent compliance year.

Quarterly Adjustment

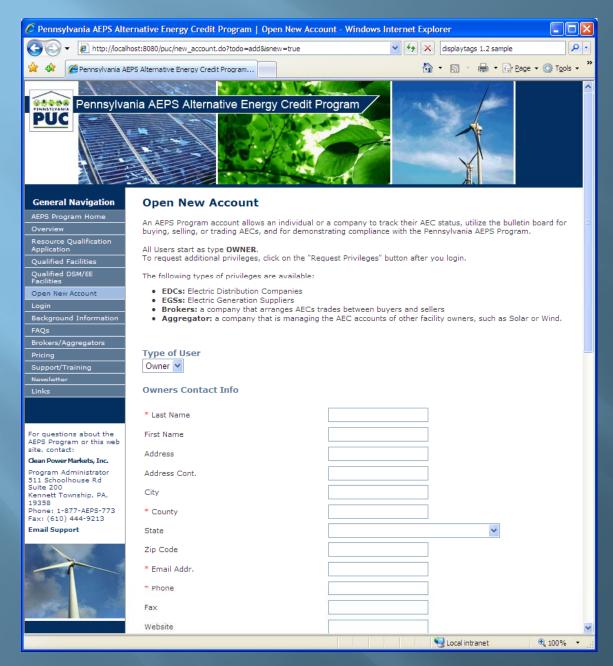
- Quarterly adjustments will be based on actual output of the newly qualified low-impact hydropower and biomass generation in relation to actual EDC and EGS sales.
- Each EDC's and EGS' quarterly non-solar PV Tier I requirements will be added together at the end of the compliance year to determine its total annual non-solar PV Tier I requirements.

Calculating Quarterly Adjustment

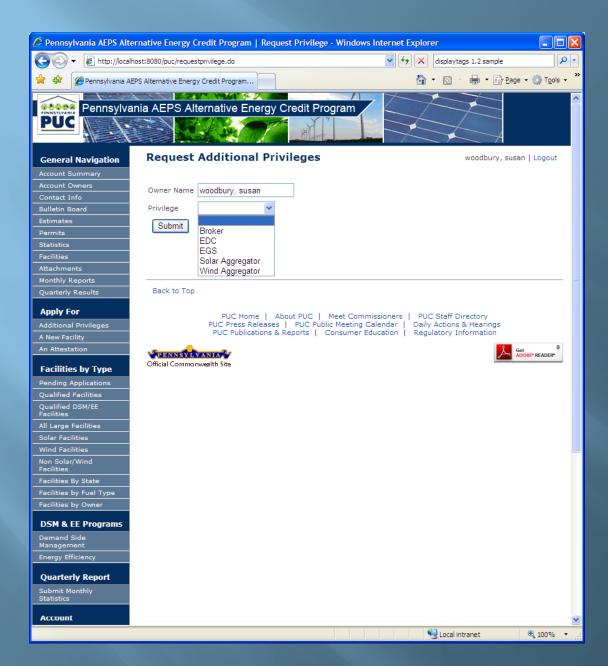
- Non-solar PV Tier I % = New Tier I MWh generation/EDC and EGS MWh retail sales
- New quarterly non-solar PV Tier I %
 requirement = non-solar PV Tier I % increase
 + annual non-solar PV Tier I %
- EDC and EGS quarterly non-solar PV Tier I requirement = EDC and EGS quarterly MWh x new quarterly non-solar PV Tier I %

Data Reporting

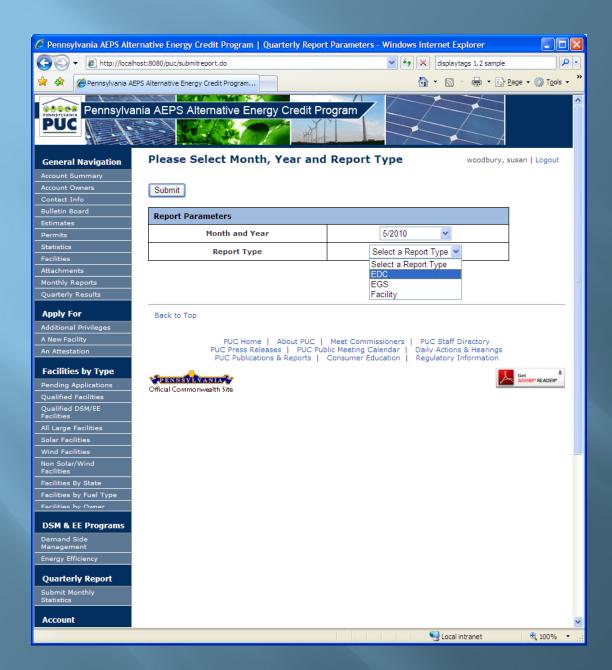
- Accurate EDC and EGS monthly sales data is integral to calculating the quarterly adjustment.
- EDCs and EGSs must submit accurate monthly data consistently and on a timely basis.
- Data is submitted on the PA AEPS website.



If you have not already done so, go to http://paaeps.com/ and click on open new account. Create a new Owner account



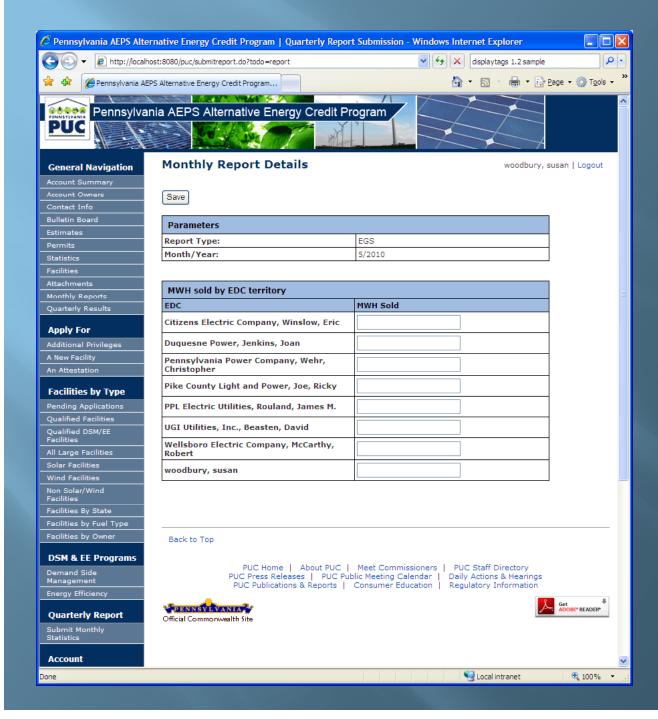
Login to your account and select Additional Privileges from the left Menu. Select the EDC or EGS privilege as appropriate.



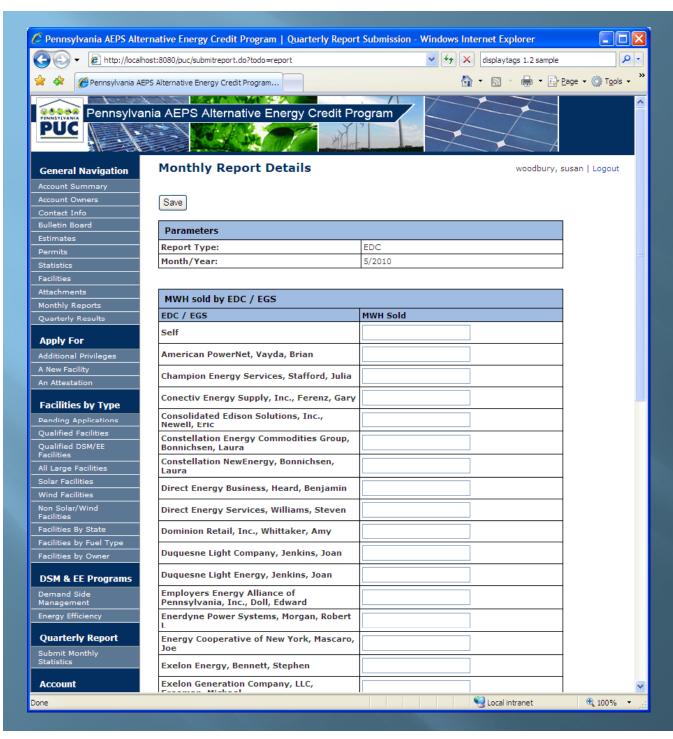
The Administrator will approve the privilege. Login to your account and select the Submit Monthly Statistics from the left hand menu. Select the appropriate report type and the month/year being reported.

Quarterly Reporting

- Quarterly Reports are due:
 - September 20th: June, July, August sales data
 - December 20th: Sept., Oct. and Nov. sales data
 - March 20th: Dec., Jan. and Feb. sales data
 - June 20th: March, April and May sales data



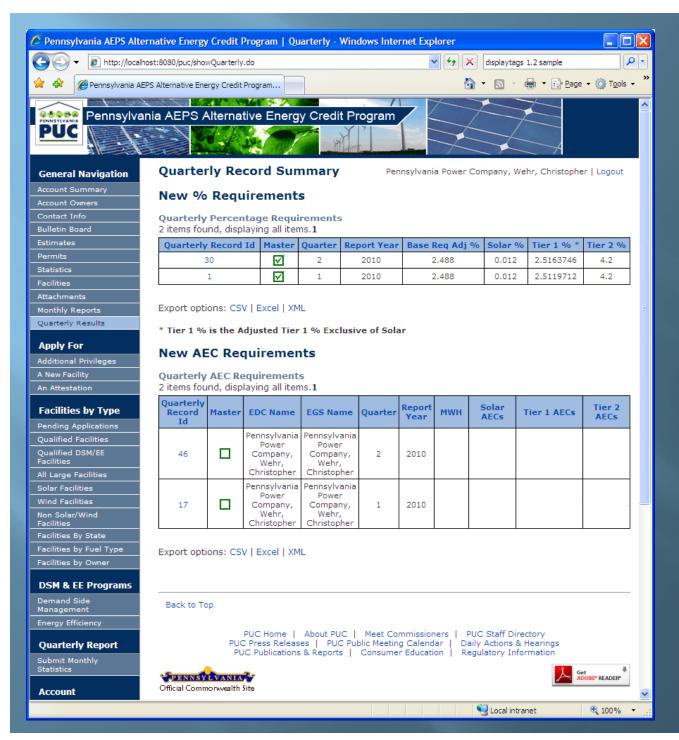
Fill in the MWH sold by/to the listed entities. This is an example of an EGS report. The list of EDCs appears on the left. If the EGS does not serve in the territory, the "MWH" Sold field remains empty.



This is an example of the EDC report. A list of EGSs that have been registered with the website appear on the right.

Should an EGS not be listed here, contact the Program Administrator. The Program Administrator will contact the EGS to open the account.

The "Self" box is for the EDC retail sales.



You can see the results of the quarterly reporting calculations by clicking on Quarterly Results tab on the left hand menu:

The values of MWH, Solar AECs, Tier 1 AECs, and Tier 2 AECs have been blanked from this example for privacy.