

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

**OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND
THE TOLEDO EDISON COMPANY**

**ALTERNATIVE ENERGY RESOURCE PLAN
2010 THROUGH 2020**

APRIL 15, 2010

CASE NO. 10-506-EL-ACP

I. INTRODUCTION

Pursuant to Section 4901:1-40, Ohio Administrative Code ("OAC"), Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("Toledo Edison") (collectively, the "Companies") submit their Alternative Energy Resource Plan for compliance with future annual advanced and renewable energy resource benchmarks for the period January 1, 2010 through December 31, 2020 (the "Plan"). This Plan is subject to change for a number of reasons, including but not limited to, the statutory requirements for renewable energy resource increase, the alternative energy resource market further develops, the statutory requirements for advanced energy resource take effect in a current calendar year, and as information is obtained regarding the Companies' baselines and benchmarks for any given year covered by this Plan.

II. ALTERNATIVE ENERGY RESOURCE PLAN

A. Baselines and Benchmarks for Alternative Energy Resource Compliance

Section 4901:1-40-03(B), OAC, provides that an electric utility's baseline for compliance with the alternative energy resource requirements shall be determined using the following methodology:

. . . the baseline shall be computed as an average of the three preceding calendar years of the total annual number of kilowatt-hours of electricity sold under its standard service offer to any and all retail electric customers whose electric load centers are served by that electric utility and are located within the electric utility's certified territory. The calculation of the baseline shall be based upon the average, annual, kilowatt-hour sales reported in that electric utility's three most recent forecast reports or reporting forms.

In compliance with Section 4901:1-40-03(B) set forth above, the Companies calculated their total annual number of kilowatt-hours of electricity sold to their respective retail electric customers under their standard service offer ("SSO") for each of calendar years 2007, 2008, and 2009 utilizing

their three most recent reporting forms (herein referred to respectively as, the “2007 Sales” “2008 Sales” and “2009 Sales”)¹. The Companies then averaged their respective 2007 Sales, 2008 Sales and 2009 Sales to compute their respective 2010 baselines (“2010 Baselines”). The Companies did not make any adjustments to the 2010 Baseline². See Appendix A.

The Companies’ baselines, for the purpose of this Plan, for 2011 forward are calculated using 2008 Sales and 2009 Sales (when applicable to formulate an average of the three preceding calendar years), and a projected amount of sales for calendar years 2010 forward (as reported in the Long Term Forecast Report filed on April 15, 2010³), in each case to formulate an average of the three preceding calendar years (“Projected Sales”). The Companies then averaged their respective Projected Sales to compute their respective 2011-2020 baselines (“2011-2020 Baselines”⁴). The Companies’ forecast years do not reflect any shopping that may occur, nor did the Companies make any adjustments to the 2011-2020 Baselines in this Plan. See Appendix A. The Companies then calculated their respective renewable energy resources and solar energy resources benchmarks in accordance with Amended Substitute Senate Bill 221 (“SB 221”). See Appendix A. The Companies do not have a statutory requirement for advanced energy resources in this ten year planning period.

¹ The actual kilowatt hours sold in each of 2007, 2008, and 2009 were reported on the SE -1 Reporting Forms.

² The 2010 Baselines include the 2009 solar energy resource compliance shortfall as ordered by the Commission on March 10, 2010, Finding and Order for Case No. 09-1922-EL-ACP, Paragraph 8.

³ See, Case No. 10-504-EL-POR.

⁴ The Companies baselines for calendar years 2011-2020 will be updated to reflect actual sales when such information becomes available, and shall be reported in the Companies’ applicable Annual Status Report and Compliance Review.

B. Supply Portfolio Projection

The Companies plan to supply the generation associated with the above baselines in accordance with standard service offer procurement plans ("SSO Procurement Plans")⁵. The amount projected to be delivered to the Companies' respective retail electric customers including distribution losses and unaccounted for energy is as reported in the Long Term Forecast Report filed April 15, 2010. See Appendix A. These quantities represent the energy that the suppliers of the SSO will be obligated to supply through applicable supplier master agreements associated with the SSO Procurement Plans.

C. Methodology Used to Evaluate Compliance Options

Given that the Companies do not own alternative energy resource facilities, the Companies' methodology or process for assessing compliance options was to evaluate a variety of potential options. Such options included purchasing renewable energy credits ("RECs"), purchasing a bundled energy and REC product, or building alternative energy resource facilities to generate RECs. The Companies are not in the business of generating electricity, renewable or otherwise, and currently do not foresee entering the energy generation business. Thus, the potential option of building an alternative energy resource facility was eliminated. The Companies also eliminated the option of procuring a bundled energy and RECs product, given that their current SSO Procurement Plan strategy for this ten year planning period⁶ is to procure a product for energy that does not include RECs.

The Companies have purchased and plan to continue to purchase RECs through a competitive request for proposal solicitation structure for the duration of this ten year plan ("RFP

⁵ The Companies' SSO Procurement Plans contemplate power purchases. The Companies do not own generation.

⁶ The Companies' SSO Procurement Plan strategy for this ten year planning period is consistent with the Companies' Commission approved Electric Security Plan, Case No. 08-935-BL-SSO.

REC Procurement Process"). The RFP REC Procurement Process is an efficient means of meeting the annual benchmarks as required by SB 221, and provides the Companies with market intelligence about potential suppliers and the availability of RECs from completed and planned renewable projects. The 2009 RFP REC Procurement Process was managed by Navigant Consulting, Inc. ("NCI"). The Companies plan to retain an independent consultant for the management of future RFP REC Procurement Processes. The Companies will also continue to explore the feasibility of entering into long term RECs contracts.

D. Impediments to Achieving Compliance

The most significant impediment to achieving compliance (particularly for solar renewable energy resources) is the limited availability of renewable energy resources. Such limited availability is exacerbated by the legislative requirement that fifty percent of the renewable energy resource requirement originate from facilities located within Ohio, and the regulatory requirement that renewable energy resource facilities be certified by the Public Utilities Commission of Ohio ("Commission"). As of July, 2009, NCI had identified less than 1 MW of solar energy resource installed in Ohio, with a portion of such amount already subscribed in long-term contracts or committed to reducing the owners' existing carbon footprint (thus, removed from the marketplace). Given the length of time it takes to bring a new facility (particularly solar) on line, this impediment is likely to continue for some time into the future.

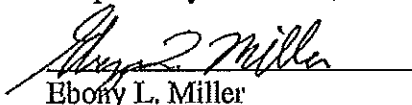
Moreover, in most cases, siting, easements, permits, interconnections, contracts, and site preparation will require twelve to eighteen months. As a result, unless facilities are well under construction at this time, there is little opportunity for new facilities to come online and produce sufficient RECs for some time. Such facilities will also require Commission certification. In short, although the supply of RECs are likely to increase as the market further develops, the demand will also increase as benchmark requirements increase over time making achieving compliance an

ongoing challenge. The Companies may also face an additional challenge in purchasing sufficient solar RECs in 2010 to not only cover the 2010 statutory benchmarks in a tight market, but to also cover the 2009 solar RECs shortfall in 2010. The Companies' only suggestion for addressing impediments to achieving compliance is for the Commission to remain flexible in the event regulatory relief is necessary as this new market develops.

III. CONCLUSION

The Companies' Plan is filed pursuant to and complies with Rule 4901:1-40, OAC. As stated above, the Plan is subject to change as statutory requirements for renewable energy resources increase, requirements for advanced energy resource commence, sufficient quantities of alternative energy resources become reasonably available in the marketplace and as more information becomes available about the Companies' requirements. The Companies' expect this Plan will be updated and refined over the ten-year planning horizon.

Respectfully submitted,



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Edison Company

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Renewable Energy Resource Baselines and Benchmarks

(Megawatt Hours/Year)

Planning baselines and benchmarks that are calculated using forecasted SSO Retail Electric Sales do not reflect any shopping that may occur. Associated compliance baselines and benchmarks will reflect actual SSO Retail Electric Sales.

Year	Delivery Retail Electric Sales Excluding Losses	Delivery Retail Electric Sales Including Losses	Company's Calendar-Month SSO Retail Electric Sales	Renewable Energy Resource Target %	Solar Energy Resource Target %	Alternative Energy Baselines	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark	Renewable Less Solar Benchmark	Revised Solar Energy Resource Benchmark	Supply Portfolio Projection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(5)*(7)	(9)=(6)*(7)	(10) = (8)-(9)	(11)	(12)
100% Assumed Standard Service Offer											
2007			21,354,813								
2008			21,040,189								
2009			19,043,752								
2010	23,218,000	24,975,000	23,218,000	0.50%	0.01%	20,479,586	102,398	2,043	100,350	2,857	24,975,000
2011	23,926,000	25,681,000	23,926,000	1.00%	0.03%	21,100,647	211,006	6,330	204,676		25,681,000
2012	24,444,000	26,205,000	24,444,000	1.50%	0.06%	22,062,584	330,939	13,238	317,701		26,205,000
2013	24,712,000	26,466,000	24,712,000	2.00%	0.09%	23,862,667	477,253	21,476	455,777		26,466,000
2014	24,793,000	26,543,000	24,793,000	2.50%	0.12%	24,360,667	608,017	29,233	579,784		26,543,000
2015	24,734,000	26,475,000	24,734,000	3.50%	0.15%	24,649,667	862,738	36,975	825,763		26,475,000
2016	24,640,000	26,370,000	24,640,000	4.50%	0.18%	24,746,333	1,113,585	44,543	1,069,042		26,370,000
2017	24,562,000	26,283,000	24,562,000	5.50%	0.22%	24,722,333	1,359,728	54,369	1,305,339		26,283,000
2018	24,447,000	26,159,000	24,447,000	6.50%	0.26%	24,645,333	1,601,947	64,078	1,537,869		26,159,000
2019	24,084,000	25,764,000	24,084,000	7.50%	0.30%	24,549,667	1,841,225	73,649	1,767,576		25,764,000
2020	23,693,000	25,340,000	23,693,000	8.50%	0.34%	24,364,333	2,070,968	82,839	1,988,129		25,340,000

Column (2) and (3) PUCO Case No. 10-504-EL-FOR PUCO FORM FEA-D1

Column (4) = 2007 through 2009 From PUCO Form(s) Form SE-1: Monthly Historical Electricity Data, Part A

= 2010 through 2020 From Column (2) Times Assumed Standard Service Offer Percent

Column (5) and (6) from OAC 4901:1-40-03 (A)

Column (7) Average of the three preceding calendar years of Column (4)

Column (8) and (9) from OAC 4901:1-40-03 (A) [Column (9) is not incremental to Column (8)]

Column (10) = Net renewable benchmark

Column (11) 2009 and 2010 Solar Energy Resource Benchmarks were revised based on Commission March 10, 2010 Finding and Order for Case No. 09-1922-EL-ACP

Column (12) = Column (3) times the Assumed Standard Service Offer Percent- SSO supplier is obligated to provide Standard Service Offer percent of delivery retail electric sales including distribution losses.

Appendix A

The Cleveland Electric Illuminating Company

Renewable Energy Resource Baselines and Benchmarks

(Megawatt Hours/Year)

Planning baselines and benchmarks that are calculated using forecasted SSO Retail Electric Sales do not reflect any shopping that may occur. Associated compliance baselines and benchmarks will reflect actual SSO Retail Electric Sales.

Year	Delivery Retail Electric Sales Excluding Losses	Delivery Retail Electric Sales Including Losses	Company's Calendar-Month SSO Retail Electric Sales	Renewable Energy Resource Target %	Solar Energy Resource Target %	Alternative Energy Baselines	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark	Renewable Less Solar Benchmark	Revised Solar Energy Resource Benchmark	Supply Portfolio Projection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(5)*(7)	(9)=(6)*(7)	(10)=(8)-(9)	(11)	(12)
100% Assumed Standard Service Offer											
2007			17,403,753								
2008			17,157,556								
2009			14,450,199								
2010	18,284,000	19,741,000	18,284,000	0.50%	0.01%	16,337,169	81,686	1,634	80,052	2,298	19,741,000
2011	18,215,000	19,650,000	18,215,000	1.00%	0.03%	16,630,585	166,306	4,989	161,317		19,650,000
2012	18,291,000	19,709,000	18,291,000	1.50%	0.06%	16,983,066	254,746	10,190	244,556		19,709,000
2013	18,556,000	19,984,000	18,556,000	2.00%	0.09%	18,263,333	365,267	16,437	348,830		19,984,000
2014	19,215,000	20,679,000	19,215,000	2.50%	0.12%	18,354,000	458,850	22,025	436,825		20,679,000
2015	19,347,000	20,816,000	19,347,000	3.50%	0.15%	18,687,333	654,057	28,031	626,026		20,816,000
2016	19,258,000	20,719,000	19,258,000	4.50%	0.18%	19,039,333	856,770	34,271	822,499		20,719,000
2017	19,188,000	20,643,000	19,188,000	5.50%	0.22%	19,273,333	1,060,033	42,401	1,017,632		20,643,000
2018	19,108,000	20,554,000	19,108,000	6.50%	0.26%	19,264,333	1,252,182	50,087	1,202,095		20,554,000
2019	18,843,000	20,266,000	18,843,000	7.50%	0.30%	19,184,667	1,438,850	57,554	1,381,296		20,266,000
2020	18,570,000	19,968,000	18,570,000	8.50%	0.34%	19,046,333	1,618,938	64,758	1,554,180		19,968,000

Column (2) and (3) PUCO Case No. 10-504-EL-FOR PUCO FORM FE4-D1

Column (4) = 2007 through 2009 From PUCO Form(s) Form SE-1: Monthly Historical Electricity Data, Part A

= 2010 through 2020 From Column (2) Times Assumed Standard Service Offer Percent

Column (5) and (6) from OAC 4901:1-40-03 (A)

Column (7) Average of the three preceding calendar years of Column (4)

Column (8) and (9) from OAC 4901:1-40-03 (A) [Column (9) is not incremental to Column (8)]

Column (10) = Net renewable benchmark

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Column (12) = Column (3) times the Assumed Standard Service Offer Percent- SSO supplier is obligated to provide Standard Service Offer percent of delivery retail electric sales including distribution losses.

The Toledo Edison Company

Renewable Energy Resource Baselines and Benchmarks

(Megawatt Hours/Year)

Planning baselines and benchmarks that are calculated using forecasted SSO Retail Electric Sales do not reflect any shopping that may occur. Associated compliance baselines and benchmarks will reflect actual SSO Retail Electric Sales.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(5)/(7)	(9)=(6)/(7)	(10)=(8)/(9)	(11)	(12)
Year	Delivery Retail Electric Sales Excluding Losses	Delivery Retail Electric Sales Including Losses	Company's Calendar-Month SSO Retail Electric Sales	Renewable Energy Resource Target %	Solar Energy Resource Target %	Alternative Energy Baselines	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark	Renewable Less Solar Benchmark	Revised Solar Energy Resource Benchmark	Supply Portfolio Projection
100% Assumed Standard Service Offer											
2007			9,228,709								
2008			9,006,924								
2009			7,815,831								
2010	9,983,000	10,577,000	9,983,000	0.50%	0.01%	8,683,821	43,419	868	42,551	1,220	10,577,000
2011	10,128,000	10,701,000	10,128,000	1.00%	0.03%	8,935,252	89,353	2,681	86,672		10,701,000
2012	10,237,000	10,784,000	10,237,000	1.50%	0.06%	9,308,944	139,634	5,585	134,049		10,784,000
2013	10,495,000	11,044,000	10,495,000	2.00%	0.09%	10,116,000	202,320	9,104	193,216		11,044,000
2014	10,649,000	11,196,000	10,649,000	2.50%	0.12%	10,286,667	257,157	12,344	244,823		11,196,000
2015	10,687,000	11,234,000	10,687,000	3.50%	0.15%	10,480,333	366,112	15,630	350,422		11,234,000
2016	10,666,000	11,209,000	10,666,000	4.50%	0.18%	10,610,333	477,465	18,099	458,366		11,209,000
2017	10,631,000	11,170,000	10,631,000	5.50%	0.22%	10,667,333	586,703	23,468	563,235		11,170,000
2018	10,571,000	11,103,000	10,571,000	6.50%	0.26%	10,661,333	692,987	27,719	665,268		11,103,000
2019	10,394,000	10,914,000	10,394,000	7.50%	0.30%	10,622,667	796,700	31,868	764,832		10,914,000
2020	10,210,000	10,715,000	10,210,000	8.50%	0.34%	10,532,000	895,220	35,809	859,411		10,715,000

Column (2) and (3) PUCO Case No. 10-504-EL-FOR PUCO FORM FE4-D1

Column (4) = 2007 through 2009 From PUCO Form(s) Form SE-1: Monthly Historical Electricity Data, Part A

= 2010 through 2020 From Column (2) Times Assumed Standard Service Offer Percent

Column (5) and (6) from OAC 4901:1-40-03 (A)

Column (7) Average of the three preceding calendar years of Column (4)

Column (8) and (9) from OAC 4901:1-40-03 (A) [Column (9) is not incremental to Column (8)]

Column (10) = Net renewable benchmark

Column (11) 2009 and 2010 Solar Energy Resource Benchmarks were revised based on Commission March 10, 2010 Finding and Order for Case No. 09-1922-EL-ACP

Column (12) = Column (3) times the Assumed Standard Service Offer Percent-SSO supplier is obligated to provide Standard Service Offer percent of delivery retail electric sales including distribution losses.

Appendix A

Total Ohio

Renewable Energy Resource Baselines and Benchmarks

Planning baselines and benchmarks that are calculated using forecasted SSO Retail Electric Sales do not reflect any shopping that may occur. Associated compliance baselines and benchmarks will reflect actual SSO Retail Electric Sales.											
Electric Sales.											
Year	Delivery Retail Electric Sales Excluding Losses	Delivery Retail Electric Sales Including Losses	Company's Calendar-Month SSO Retail Electric Sales	Renewable Energy Resource Target %	Solar Energy Resource Target %	Alternative Energy Baselines	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark	Renewable Less Solar Benchmark	Revised Solar Energy Resource Benchmark	Supply Portfolio Projection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(5)*(7)	(9)=(6)*(7)	(10)=(8)-(9)	(11)	(12)
100% Assumed Standard Service Offer											
2007	-	-	47,987,280								
2008	-	-	47,204,669								
2009	-	-	41,309,781								
2010	51,485,000	55,293,000	51,485,000	0.50%	0.01%	45,500,576	227,503	4,550	222,953	6,375	55,293,000
2011	52,269,000	56,032,000	52,269,000	1.00%	0.03%	46,666,484	456,665	14,000	452,665		56,032,000
2012	52,972,000	56,698,000	52,972,000	1.50%	0.06%	48,354,594	725,319	29,013	696,306		56,698,000
2013	53,763,000	57,494,000	53,763,000	2.00%	0.09%	52,242,000	1,044,840	47,017	997,823		57,494,000
2014	54,657,000	58,420,000	54,657,000	2.50%	0.12%	53,001,334	1,325,034	63,602	1,261,432		58,420,000
2015	54,768,000	58,525,000	54,768,000	3.50%	0.15%	53,797,333	1,882,907	80,696	1,802,211		58,525,000
2016	54,964,000	58,298,000	54,964,000	4.50%	0.18%	54,395,999	2,447,820	97,913	2,349,907		58,298,000
2017	54,381,000	58,096,000	54,381,000	5.50%	0.22%	54,662,999	3,006,464	120,258	2,886,206		58,096,000
2018	54,126,000	57,816,000	54,126,000	6.50%	0.26%	54,570,999	3,547,116	141,884	3,405,232		57,816,000
2019	53,321,000	56,944,000	53,321,000	7.50%	0.30%	54,357,001	4,076,775	163,071	3,913,704		56,944,000
2020	52,473,000	56,023,000	52,473,000	8.50%	0.34%	53,942,666	4,585,126	183,406	4,401,720		56,023,000

Column (2) and (3) PUCO Case No. 10-504-EL-FOR PUCO FORM FE4-D1

Column (4) = 2007 through 2009 From PUCO Form(s) Form SE-1; Monthly Historical Electricity Data, Part A

= 2010 through 2020 From Column (2) Times Assumed Standard Service Offer Percent

Column (5) and (6) from OAC 4901:1-40-03 (A)

Column (7) Average of the three preceding calendar years of Column (4)

Column (8) and (9) from OAC 4901:1-40-03 (A) [Column (9) is not incremental to Column (8)]

Column (10) = Net renewable benchmark

Column (11) 2009 and 2010 Solar Energy Resource Benchmarks were revised based on Commission March 10, 2010 Finding and Order for Case No. 09-1922-EL-ACP

Column (12) = Column (3) times the Assumed Standard Service Offer Percent- SSO supplier is obligated to provide Standard Service Offer percent of delivery retail electric sales including distribution losses.

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