

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

|  |   |                         |
|--|---|-------------------------|
| In the Matter of the Annual Alternative  | ) |                         |
| Energy Status Report of Ohio Edison      | ) |                         |
| Company, The Cleveland Electric          | ) | Case No. 11-2479-EL-ACP |
| Illuminating Company and The Toledo      | ) |                         |
| Edison Company                           | ) |                         |
|  | ) |                         |
| In the Matter of the Application of Ohio | ) |                         |
| Edison Company, The Cleveland Electric   | ) |                         |
| Illuminating Company and The Toledo      | ) |                         |
| Edison Company for a Force Majeure       | ) |                         |
| Determination for Their In-State Solar   | ) |                         |
| Resources Benchmark Pursuant to R.C. §   | ) |                         |
| 4928.64(C)(4)(a)                         | ) |                         |

**I.     INTRODUCTION**

Pursuant to Rule 4901:1-40-05 of the Ohio Administrative Code (“O.A.C.”), Ohio Edison Company (“Ohio Edison”), The Cleveland Electric Illuminating Company (“CEI”) and The Toledo Edison Company (“Toledo Edison”) (collectively, the “Companies”) submit their Annual Status Report (“Report”) for the period January 1, 2010 through December 31, 2010 (“Reporting Period”). This Report addresses the Companies’ 2010 baselines and benchmarks utilizing the methodology set forth in R.C. § 4928.64, and O.A.C. 4901:1-40 and the Companies’ compliance with the 2010 Renewable Energy Portfolio Standard Benchmarks (“2010 Benchmarks”) set forth in R.C. § 4928.64(B)(2) for the Reporting Period.<sup>1</sup> Further, pursuant to R.C. § 4928.64(C)(4)(a), the Companies also include in this filing an application for a force majeure determination from the Commission related to the Companies’ Ohio Solar Benchmark, the basis for which is explained in detail below.

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<sup>1</sup> The statute also contemplates the Companies meeting an advanced energy portfolio benchmark by the year 2025. However, the report for that benchmark is not due to be filed until 2025. O.A.C. 4901-1-40-05(A)(2).

The Companies made aggressive efforts to meet their 2010 Benchmarks. As a result, the Companies are pleased to inform the Commission that they are in compliance with their statutory Non-Solar 2010 Benchmarks. Further, the Companies complied with the benchmarks of R.C. § 4928.64(B)(3) by achieving exactly half of their 2010 Non-Solar Benchmarks from in-state facilities with the other half coming from facilities located in adjacent states. As demonstrated below and in Exhibit A to this Report, the Companies met their 2010 Non-Solar Benchmarks by obtaining Non-Solar Renewable Energy Credits ("RECs").

In addition, the Companies exceeded their performance from 2009 by obtaining all of the Solar Renewable Energy Credits ("SRECs") necessary to meet the 2010 Out-of-State Solar Benchmark, including any shortfall that carried over from 2009. The Companies were able to obtain 1,629 of the 3,206 SRECs ("Ohio SRECs") that they needed to meet the 2010 Ohio Solar Benchmark. However, despite their best efforts, the Companies fell short of meeting their 2010 Ohio Solar Benchmark by 1,577 Ohio SRECs. Accordingly, along with this Annual Status Report, the Companies are requesting a force majeure determination from the Commission for the 2010 Ohio Solar Benchmark pursuant to R.C. § 4928.64(C)(4)(a).<sup>2</sup>

## **II. ANNUAL STATUS REPORT**

O.A.C. 4901:1-40-05(A) requires that each electric utility file "an annual alternative energy portfolio status report analyzing all activities undertaken in the previous calendar year to demonstrate how the applicable alternative energy portfolio benchmarks and planning requirements have or will be met." O.A.C. 4901:1-40-05(A) also requires that the Commission

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<sup>2</sup> The Companies previously filed a force majeure application on January 24, 2011, in Case No. 11-0411-EL-ACP. Subsequent to that filing, the Companies were able to secure an additional 1,517 Ohio SRECs. The Companies withdrew the application on April 11, 2011, and hereby file a new request for a force majeure determination regarding their compliance with their Ohio Solar Benchmark.

Staff conduct an annual compliance review of the electric utility's compliance with benchmarks under the alternative energy portfolio standard.

**A. BASELINES**

O.A.C. 4901:1-40-03(B) 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 Rule 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")<sup>3</sup>. The Companies then averaged their respective 2007 Sales, 2008 Sales and 2009 Sales to compute their respective 2010 baselines ("2010 Baseline"). The Companies did not make any adjustments to their 2010 Baselines.

The Companies' respective 2010 Baselines, as defined in Section 4901:1-40-03(B)(2), and 2010 Benchmarks are shown on Exhibit A to this Report. The Companies' 2010 Baselines total 45,500,576 MWh based on the average of the Companies' total annual number of kilowatt-

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<sup>3</sup> The actual kilowatt hours sold in each of 2007, 2008, and 2009 were reported on the SE -1 Monthly Historical Electricity Data, Part A.

hours of electricity sold to their respective retail electric customers under their standard service offer for the prior three years (2007-09).<sup>4</sup>

## **B. BENCHMARKS**

The Companies then calculated their respective 2010 Benchmarks in accordance with R.C. § 4928.64(B)(2) and O.A.C. 4901:1-40-03(A) and as amended by the Commission in its March 10, 2010, Finding and Order, Case No. 09-1922-EL-ACP. By 2025, the Companies must provide twenty-five (25) percent of their electricity from alternative energy resources (both renewable and advanced). R.C. § 4928.64(B). Half of the twenty-five (25) percent must be supplied from renewable energy resources. R.C. § 4928.64(B)(2). The law further requires that at least one-half (.5) percent of the twenty-five (25) percent must be supplied from solar energy resources by 2025. *Id.* The law sets annual benchmarks for both renewable energy and solar energy. *Id.* For 2010, the Companies' benchmark was to supply 0.50% of their electricity supply from renewable energy resources and 0.010% of their electricity supply from solar energy resources. *Id.* The Commission's rules state that the Companies are to procure at least one half of the renewable and solar energy resources from facilities located in Ohio, and the remainder can come from out-of state facilities but they must be deliverable into Ohio. O.A.C. 4901:1-40-03(A)(2)(a).

The Companies' 2010 Benchmarks are based on the renewable benchmark equal to 0.50% of their 2010 Baselines. Exhibit A to this Report depicts each company's baseline; the number of RECs and SRECs (both Ohio and Out-of-State) each company needed to obtain to

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<sup>4</sup> Ohio Edison's 2010 Baseline is 20,479,586 MWh; CEI's 2010 Baseline is 16,337,169 MWh; Toledo Edison's 2010 Baseline is 8,683,821 MWh.

meet its 2010 Benchmark; and the number of RECs and SRECs (both Ohio and Out-of State) that each company actually obtained.

**1. 2010 Non-Solar Benchmarks**

The Companies were able to meet one hundred (100) percent of their 2010 Non-Solar Benchmarks. As discussed below, the Companies diligently and proactively procured RECs from existing renewable resources generated within Ohio and other states deliverable into Ohio to comply with the both the Ohio and Out-of-State 2010 Non-Solar Benchmarks. These RECs were obtained through requests for proposals (“RFPs”) conducted by the Companies.

**2. 2010 Ohio and Out-of State Solar Benchmarks**

Through the Companies’ aggressive efforts, they were also able to comply fully with their 2010 Out-of-State Solar Benchmark. However, while the Companies made good faith efforts to comply fully with their 2010 Ohio Solar Benchmark, as discussed below, they were unable to achieve one hundred (100) percent of the 2010 Ohio Solar Benchmark. The Companies were required to obtain 6,375 total SRECs.<sup>5</sup> At least half of the SRECs were to be generated in Ohio – the Ohio Solar Benchmark – with the other half generated either in Ohio or within a state deliverable to Ohio – the Out-of-State Solar Benchmark. The Companies have satisfied their Out-of-State Solar Benchmark. Despite the lack of sufficient solar renewable resources, the Companies were able to obtain 1,629 of the 3,206 Ohio SRECs, or 51% needed to comply with their Ohio Solar Benchmark. The Companies’ efforts to satisfy the Ohio Solar Benchmark, and the reasons they were unable to do so, are fully detailed below in their request for a force majeure determination.

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<sup>5</sup> This number includes the number of SRECs needed to satisfy the Companies’ 2010 benchmark (4,550) plus the amount by which the Companies fell short of their 2009 benchmarks (1,825).

### **III. REQUEST FOR FORCE MAJEURE DETERMINATION**

Pursuant to R.C. § 4928.64(C)(4)(a), the Companies hereby request that the Commission make a force majeure determination regarding compliance with their 2010 Ohio Solar Benchmark. The Companies have made aggressive efforts to meet the 2010 Ohio Solar Benchmark, but such efforts have been unsuccessful for reasons beyond their control and through no fault of their own. In granting the Companies' 2009 force majeure request in Case No. 09-1922-EL-ACP, the Commission noted that the Companies would be responsible "for meeting the statutory SER benchmarks through all means available."<sup>6</sup> The Companies took this instruction seriously, but they discovered that they could not meet the 2010 Ohio Solar Benchmark even after using all means available to them.

Although the Companies have pursued a variety of channels to procure SRECs, sufficient SRECs originating in Ohio simply have not been available for purchase by the Companies. For example, the Companies sponsored four RFPs,<sup>7</sup> solicited known suppliers for SRECs, contacted SREC brokers, and participated in a number of SREC auctions. The Companies also considered SREC banking and long-term contracts. Despite these efforts, the Companies could not obtain enough Ohio SRECs to satisfy their 2010 Ohio Solar Benchmark. Thus, the Companies request that the Commission act pursuant to R.C. § 4928.64(C)(4) and O.A.C. 4901:1-40-06 to reduce, because of force majeure, the Companies' 2010 Ohio Solar Benchmark to the level of Ohio SRECs they purchased towards their Ohio Solar Benchmark, namely 1,629 Ohio SRECs.

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<sup>6</sup> See Finding and Order, issued Mar. 10, 2010, in Case No. 09-1922-EL-ACP ("March 10th Order").

<sup>7</sup> One of the Companies' RFPs was conducted after the filing of their initial 2010 force majeure application in Case No. 11-0411-EL-ACP.

## **A. FORCE MAJEURE STANDARD**

Pursuant to R.C. § 4928.64(C)(4)(c), if the Commission determines that solar energy resources “are not reasonably available” to meet the Companies’ Ohio Solar Benchmark, the Commission shall modify that compliance obligation as appropriate. In order for the Commission to waive or defer the Ohio Solar Benchmark, it must determine that the Companies made “a good faith effort to acquire sufficient ... solar energy resources to so comply [with their Ohio Solar Benchmark], including, but not limited to, by banking or seeking renewable energy resource credits or by seeking the resources through long-term contracts.” R.C. § 4928.64(C)(4)(b). The Companies made such a good faith effort to acquire sufficient solar energy resources to comply with their 2010 Ohio Solar Benchmark. However, the supply of Ohio-based solar energy resources was insufficient to allow the Companies to satisfy their 2010 Ohio Solar Benchmark.

## **B. THE COMPANIES’ ATTEMPTS TO SATISFY THEIR OHIO SOLAR BENCHMARK**

### **1. Requests for Proposal**

As stipulated by the parties in Case No. 08-935-EL-SSO (“ESP 1”) and approved by the Commission, the Companies first attempted to satisfy their solar benchmarks through RFPs. In the ESP 1, the parties specifically stipulated that “[r]enewable energy resource requirements for the period January 1, 2009 through May 31, 2011 will be met using a separate RFP process to obtain Renewable Energy Credits.”<sup>8</sup> The Companies’ RFPs were independently managed by Navigant Consulting, Inc. (“NCI”). NCI possesses extensive experience with SREC RFPs and

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<sup>8</sup> ESP Stipulation at p. 10, Case No. 08-935-EL-SSO (Feb. 19, 2009).

was engaged to conduct two RFPs in 2009, one RFP in 2010, and one RFP in 2011. Each of these RFPs solicited 2010 or earlier vintage SRECs.

In their 2009 Annual Report, which is incorporated herein by reference, the Companies documented NCI's extensive efforts to secure RECs and SRECs in the two RFPs held in 2009. In addition, for the RFP held in 2010, NCI contacted more than two thousand clean energy/solar developers, marketers, owners, aggregators, and brokers. NCI blanketed Ohio and contiguous states with information regarding the Companies' RFP and conducted extensive outreach efforts. NCI, on behalf of the Companies, also personally contacted via telephone nearly five hundred parties known or expected to have solar facilities. On July 15, 2010, NCI hosted an RFP informational session through a webinar in which approximately 100 participants registered. As a result of the RFPs held in 2009 and 2010, the Companies received offers and procured 181 Ohio SRECs that were applied against the Companies' 2010 Ohio Solar Benchmark and 759 SRECs that were used to satisfy in part the Companies' Out-of-State Solar Benchmark. The Companies also procured 4,469 SRECs that will be used to help satisfy the Companies' benchmarks in 2011.

Despite the fact that the Companies had already filed a force majeure request in 2011, the Companies continued to make a good faith effort to procure Ohio SRECs that could be used to comply with their 2010 Ohio Solar Benchmark. Thus, the Companies' held an RFP in 2011, which resulted in the Companies obtaining eleven (11) Ohio SRECs to apply towards their 2010 Ohio Solar Benchmark.<sup>9</sup>

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<sup>9</sup> In this last RFP, only Ohio SRECs were solicited because the other three categories of renewable benchmarks for 2010 had been fulfilled.

Lastly, in the two 2009 RFPs, the Companies contracted to have delivered certain Ohio SRECs in 2011. Thus, in March 2011, the Companies received delivery of Ohio SRECs that were originally intended to be used to help satisfy the Companies' benchmarks in 2011. However, upon receipt of the Ohio SRECs' certificates, the Companies discovered that the Ohio SRECs could be used to satisfy its 2010 Ohio Solar Benchmark. This event allowed the Companies to procure 51% of their 2010 Ohio Solar Benchmark rather than the 3% originally contemplated in their initial force majeure application. The Companies continue to search for any Ohio SRECs, so that it can comply with its Ohio Solar Benchmarks now and into the future. Nevertheless, due to the lack of Ohio Solar Resources, the Companies believe that they have found all Ohio SRECs that can be used to comply with its 2010 Ohio Solar Benchmark and must seek force majeure relief from the Commission.

## **2. Auctions and Spot Purchases**

Following the 2010 RFP, while the Companies had contracted for enough RECs to meet their 2010 Non-Solar Benchmarks, the Companies still needed to find more SRECs. Thus, the Companies reached out to known SREC suppliers and brokers to negotiate bilateral agreements. The Companies also established accounts to participate in the following SREC auctions: PJM Envirotrade SREC auction platform ("SAGE"); the SREC Trade Platform ("SREC Trade"); and the Flett Exchange auction platform ("Flett"). The Companies communicated and interacted with these entities on a regular basis seeking to purchase SRECs as they became available to satisfy both their Out-of-State Solar Benchmark and Ohio Solar Benchmark. On December 7, 2010, the Companies procured the remaining SRECs necessary to fulfill their Out-of-State Solar Benchmark, but not the remaining Ohio SRECs to fulfill their Ohio Solar Benchmark.

### **3. Long-Term Contracts**

To satisfy their Ohio Solar Benchmark, the Companies also considered entering into long-term contracts with qualified suppliers. The Companies had discussions with, and received proposals, from two large SREC suppliers regarding long-term contracts for the purchase of SRECs. However, neither of these suppliers could commit to long-term contracts that would supply Ohio SRECs that the Companies could use to comply with their 2010 Solar Benchmarks. Rather, these long-term contract opportunities were to supply SRECs from 2011 and into the future. Nevertheless, the Companies were able to purchase forty-five (45) Ohio SRECs from one of these two companies to apply towards their 2010 Ohio Solar benchmarks under a one year bilateral agreement. Entering into a long-term contract with either of those suppliers would not have cured the Companies' 2010 Ohio Solar Benchmark shortfall.

Moreover, pursuant to the Stipulation in ESP 2 the Companies will conduct an RFP to purchase renewable energy credits using a long-term contract. The Companies' application for approval to conduct an RFP to purchase renewable energy credits using ten-year contracts is pending before the Commission in Case No. 10-2891-EL-ACP. In Staff's comments to the Companies' initial force majeure application, it requested information regarding how the Companies' 2010 Ohio Solar Benchmark shortfall could be incorporated into this RFP process. If the Companies' application is approved by the Commission and the RFP is successful, the Companies will enter into long-term contracts with the successful bidders for the purchase of SRECs.<sup>10</sup> These SRECs will be used towards meeting future compliance requirements, including any shortfall that the Commission incorporates into its 2011 Ohio Solar Benchmark as

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<sup>10</sup> Further, entering into long-term contracts outside of this process, could have been interpreted as being inconsistent with the ESP 2 Stipulation, especially if the Companies would have procured enough SRECs so that the long-term contract RFP contemplated in the ESP 2 would have been rendered moot.

a result of this proceeding, assuming the suppliers can generate enough Ohio SRECs in 2011 to meet that benchmark.

While the Companies will conduct an RFP and enter into a long-term contract or contracts, pursuant to the ESP 2, these long-term contracts will impact customers. As recent years have shown, the Companies' Standard Service Offer electricity sales continue to decline due to high levels of shopping and can fluctuate year-to-year. As of December 2010, approximately 70% of the Companies' distribution deliveries were based on generation provided by competitive suppliers last year, making it very difficult for the Companies to predict what their baseline will be over the long term. Indeed, a summary of the Electric Choice Sales Switch Rates for the quarter ending December 31, 2010, illustrates that, on average, the Companies have higher switch rates than any of the other Ohio utilities.<sup>11</sup> The more the Companies' customers shop, the less RECs the Companies need for purposes of complying with state law. Thus, the Companies' strategy in purchasing RECs through RFPs, spot markets and auctions has been both prudent and reasonable for the Companies' standard service customers from whom the Companies' recover their costs to comply with the state's alternative energy laws. In the future, if current shopping rates continue, the Companies' alternative energy benchmarks could either stay the same or decline. Thus, the Companies must carefully consider these factors when entering into any long-term contracts with suppliers so as to minimize customer costs and purchasing more RECs than needed for compliance.

#### **4. Construction of Solar Generation**

The Companies also considered the construction of solar generation facilities, but they ultimately did not move forward with that option for several reasons. First and foremost, the

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<sup>11</sup> See summary of switch rates attached as Exhibit B.

Companies are *distribution* utilities. They own no generation facilities. The Companies lack the expertise and technical know-how necessary to construct, maintain and operate solar generation facilities. Instead, the Companies have acted consistently with the goals of S.B. 221 and attempted to finance the construction of solar generation in Ohio through their RFP process, attempts to enter into long-term contracts, residential purchase program, participation in SREC auctions, and short-term SREC purchases.

Several commentators to the Companies' initial force majeure application have suggested that S.B. 221 requires the Companies to build solar facilities if they cannot comply with their benchmarks through other alternatives. This suggestion is contrary to the goals of S.B. 221 as well as its express language. S.B. 221's renewable benchmarks were primarily focused on promoting investment in *private* renewable generation by third parties. Thus, R.C. § 4928.64(C)(4)(b) references the acquisition of solar energy resources by an EDU through banking, credits or long-term contracts and makes no mention of construction of solar facilities.

#### **5. Residential REC Purchase Program**

The Companies also attempted to satisfy their solar benchmark through their Residential REC Purchase Program ("Residential Program"). The Companies worked with The Office of the Ohio Consumers' Council ("OCC") to devise and implement the Residential Program in the ESP 1, a program that the OCC ultimately agreed to when it entered into the stipulation in the ESP 1. Under this program, customers may install renewable energy resources, including solar resources. In their comments to the Companies' initial force majeure application, both the OCC and Solar Alliance criticize the annual re-setting of REC purchase prices under the program. However, the stipulation in the ESP 1, which the OCC signed, provides that residential customers are paid the market price of RECs so that they can take advantage of any increases in

those prices. Currently, the Companies only have eight customers under contract and have obtained 51 2010 Ohio SRECs from this program for their 2010 compliance, which was all possible Ohio SRECs that the residential program provided.<sup>12</sup> In 2010, the Companies procured all possible SRECs that the residential program provided.

### **C. SUFFICIENT SRECS DO NOT EXIST IN OHIO**

The Companies have actively and reasonably pursued all options of procuring Ohio SRECs, banked Ohio SRECs and long-term contracts through RFPs, contacts with suppliers, offers by brokers, and successful bids through the auction platforms. Yet, through no fault of their own, they have not been able to meet their Ohio Solar Benchmark. The Companies' aggressive efforts toward compliance demonstrate that an insufficient number of SRECs is available for the Companies to meet the 2010 Ohio Solar Benchmark.

Further, the Companies performed assessments of the Ohio market for the availability of qualified Ohio SRECs. Specifically, the Companies directed NCI, in connection with their RFPs in 2009 and 2010, to assess the availability of qualified Ohio SRECs. NCI concluded that the Ohio SREC market is constrained. In conjunction with their participation in the SREC Trade auction, SREC Trade informed the Companies that there were relatively few solar renewable resources in operation in Ohio. Similarly, the Companies' discussion with and market data they obtained from Flett evidenced a constrained market for Ohio SRECs, and that few suppliers were currently participating in SAGE. The Companies will continue to explore opportunities in the nascent Ohio SREC market to spur private investment in renewable resources consistent with the

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<sup>12</sup> These SRECs have not been delivered to the Companies and thus were not included in the total amount of SRECs the Companies have procured to comply with their Ohio Benchmark.

goals of S.B. 221. However, as demonstrated above, a 2010 force majeure determination is necessary.

#### IV. CONCLUSION

As demonstrated above, the Companies achieved full compliance with the 2010 renewable energy benchmark and Out-of-State Solar Benchmark in R.C. § 4928.64(B)(2). While the Companies were unable to fully meet the Ohio Solar Benchmark, their inability to do so was because of circumstances beyond their control despite their good faith efforts. Therefore, the Companies respectfully request that the Commission: (i) make a force majeure determination regarding their 2010 Ohio Solar Benchmark and (ii) reduce their 2010 Ohio Solar Benchmark to the level of SRECs that the Companies acquired in 2010.

Respectfully submitted,

/s/ Carrie M. Dunn

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# **EXHIBIT A**

# **EXHIBIT A 2010 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION**

| Line No.                   | Year                                  | Company's SSO<br>Retail Electric<br>Sales                                    | Baseline   | Renewable<br>Energy<br>Resource<br>Target % | Solar<br>Energy<br>Target % | Renewable<br>Energy<br>Resource<br>Benchmark | Solar Energy<br>Resource<br>Benchmark -<br>SRECS | Ohio<br>Renewable<br>Less Solar<br>Benchmark -<br>RECS | All Renewable<br>Less Solar<br>Benchmark -<br>RECS | OHIO Solar<br>Energy<br>Resource<br>Benchmark | All Solar<br>Energy<br>Resource<br>Benchmark |
|----------------------------|---------------------------------------|--|------------|---|-----------------------------|--|--|--|--|---|--|
| (1)                        | (2)                                   | (3)  | (4)        | (5)   | (6)                         | (7)=(4)*(5)                                  | (8)=(4)*(6)                                      | (9)=((7)-(8))/2  | (10)=(7)-(8)<br>(9)                                | (11)=(8)/2                                    | (12)=(8)-<br>(11)                            |
| <b>Ohio Edison Company</b> |                                       |  |            |   |                             |  |  |  |  |   |  |
| 1                          | 2007                                  | 21,354,818   |            |   |                             |  |  |  |  |   |  |
| 2                          | 2008                                  | 21,040,189   |            |   |                             |  |  |  |  |   |  |
| 3                          | 2009                                  | 19,043,752   |            |   |                             |  |  |  |  |   |  |
| 4                          | 2010                                  |  | 20,479,586 | 0.50%                                       | 0.01%                       | 102,398                                      | 2,048  | 50,175   | 50,175   | 1,024<br>412<br>1,436                         | 1,024<br>397<br>1,421                        |
| 2                          | 2009 Carry Forward                    |  |            |   |                             |  |  |  |  |   |  |
| 6                          | 2010 Revised Benchmark (if necessary) |  |            |   |                             |  |  |  |  |   |  |
| 7                          | 2010                                  | Ohio All Renewable (OH), Zone: OH<br><b>Compliance REC's retired in GATS</b> |            |   |                             |  |  |  |  |   |  |
|                            |                                       |  |            |   |                             |  |  | <b>50,175</b>  | <b>50,175</b>                                      | <b>730</b>                                    | <b>1,421</b>                                 |

Column (3) = 2007 through 2009 From PUCO Form(s) SE-1: Monthly Historical Electricity Data, Part A

Column (4) = simple average of preceding three years from Column (3)

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

Column (7) thru (12) = calculation of benchmarks

# **EXHIBIT A 2010 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION**

| Line No.   | Year                                  | Company's SSO<br>Retail Electric<br>Sales                                    | Baseline   | Renewable<br>Energy<br>Resource<br>Target % | Solar<br>Energy<br>Target % | Renewable<br>Energy<br>Resource<br>Benchmark | Solar Energy<br>Resource<br>Benchmark -<br>SRECS | Ohio<br>Renewable<br>Less Solar<br>Benchmark -<br>RECS | All Renewable<br>Less Solar<br>Benchmark -<br>RECS | OHIO Solar<br>Energy<br>Resource<br>Benchmark | All Solar<br>Energy<br>Resource<br>Benchmark |
|--|---------------------------------------|--|------------|---|-----------------------------|--|--|--|--|---|--|
| (1)  | (2)                                   | (3)  | (4)        | (5)   | (6)                         | (7)=(4)*(5)                                  | (8)=(4)*(6)                                      | (9)=(7)-(8)<br>(8)/2                                   | (10)=(7)-(8)<br>(9)                                | (11)=(8)/2                                    | (12)=(8)-<br>(11)                            |
| <b>The Cleveland Electric Illuminating Company</b> |                                       |  |            |   |                             |  |  |  |  |   |  |
| 1  | 2007                                  | 17,403,753   |            |   |                             |  |  |  |  |   |  |
| 2  | 2008                                  | 17,157,556   |            |   |                             |  |  |  |  |   |  |
| 3  | 2009                                  | 14,450,199   |            |   |                             |  |  |  |  |   |  |
| 4  | 2010                                  |  | 16,337,169 | 0.50%                                       | 0.01%                       | 81,686                                       | 1,634  | 40,026   | 40,026   | 817   | 817  |
| 2  | 2009 Carry Forward                    |  |            |   |                             |  |  |  |  | 339   | 325  |
| 6  | 2010 Revised Benchmark (if necessary) |  |            |   |                             |  |  |  |  | 1,156   | 1,142  |
| 7  | 2010                                  | Ohio All Renewable (OH), Zone: OH<br><b>Compliance REC's retired in GATS</b> |            |   |                             |  |  |  |  |   |  |
|  |                                       |  |            |   |                             |  |  | <b>40,026</b>  | <b>40,026</b>                                      | <b>587</b>                                    | <b>1,142</b>                                 |

Column (3) = 2007 through 2009 From PUCO Form(s) SE-1: Monthly Historical Electricity Data, Part A

Column (4) = simple average of preceding three years from Column (3)

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

Column (7) thru (12) = calculation of benchmarks

# **EXHIBIT A 2010 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION**

| Line No.                                      | Year                                  | Company's SSO<br>Retail Electric<br>Sales | Baseline  | Renewable<br>Energy<br>Resource<br>Target % | Solar<br>Energy<br>Target % | Renewable<br>Energy<br>Resource<br>Benchmark | Solar Energy<br>Resource<br>Benchmark -<br>SRECS | Ohio<br>Renewable<br>Less Solar<br>Benchmark -<br>RECS | All Renewable<br>Less Solar<br>Benchmark -<br>RECS | OHIO Solar<br>Energy<br>Resource<br>Benchmark | All Solar<br>Energy<br>Resource<br>Benchmark |
|---|---------------------------------------|---|-----------|---|-----------------------------|--|--|--|--|---|--|
| (1)   | (2)                                   | (3)                                       | (4)       | (5)   | (6)                         | (7)=(4)*(5)                                  | (8)=(4)*(6)                                      | (9)=(7)-(8)/2  | (10)=(7)-(8) -<br>(9)                              | (11)=(8)/2                                    | (12)=(8)-<br>(11)                            |
| <b>The Toledo Edison Company</b>              |                                       |   |           |   |                             |  |  |  |  |   |  |
| 1   | 2007                                  | 9,228,709                                 |           |   |                             |  |  |  |  |   |  |
| 2   | 2008                                  | 9,006,924                                 |           |   |                             |  |  |  |  |   |  |
| 3   | 2009                                  | 7,815,831                                 |           |   |                             |  |  |  |  |   |  |
| 4   | 2010                                  |   | 8,683,821 | 0.50%                                       | 0.01%                       | 43,419                                       | 868  | 21,276   | 21,275   | 434   | 434  |
| 2   | 2009 Carry Forward                    |   |           |   |                             |  |  |  |  | 180   | 172  |
| 6   | 2010 Revised Benchmark (if necessary) |   |           |   |                             |  |  |  |  | 614   | 606  |
| <b>2010 Ohio All Renewable (OH), Zone: OH</b> |                                       |   |           |   |                             |  |  |  |  |   |  |
| <b>Compliance REC's retired in GATS</b>       |                                       |   |           |   |                             |  |  |  |  |   |  |
| 7   |                                       |   |           |   |                             |  |  | <b>21,276</b>  | <b>21,275</b>                                      | <b>312</b>                                    | <b>606</b>                                   |

Column (3) = 2007 through 2009 From PUCO Form(s) SE-1: Monthly Historical Electricity Data, Part A

Column (4) = simple average of preceding three years from Column (3)

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

Column (7) thru (12) = calculation of benchmarks

# EXHIBIT A 2010 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION

| Line No. | Year                                  | Company's SSO<br>Retail Electric<br>Sales                                    | Baseline   | Renewable<br>Energy<br>Resource<br>Target % | Solar<br>Energy<br>Target % | Renewable<br>Energy<br>Resource<br>Benchmark | Solar Energy<br>Resource<br>Benchmark -<br>SRECS | Ohio<br>Renewable<br>Less Solar<br>Benchmark -<br>RECS | All Renewable<br>Less Solar<br>Benchmark -<br>RECS | OHIO Solar<br>Energy<br>Resource<br>Benchmark | All Solar<br>Energy<br>Resource<br>Benchmark |
|----------|---------------------------------------|--|------------|---|-----------------------------|--|--|--|--|---|--|
| (1)      | (2)                                   | (3)  | (4)        | (5)   | (6)                         | (7)=(4)*(5)                                  | (8)=(4)*(6)                                      | (9)=(7)-(8)/2  | (10)=(7)-(8)-(9)                                   | (11)=(8)/2                                    | (12)=(8)-(11)                                |
| 1        | 2007                                  | <b>Total Ohio</b>  |            |   |                             |  |  |  |  |   |  |
| 2        | 2008                                  | 47,987,280   |            |   |                             |  |  |  |  |   |  |
| 3        | 2009                                  | 47,204,669   |            |   |                             |  |  |  |  |   |  |
| 4        | 2010                                  | 41,309,782   |            |   |                             |  |  |  |  |   |  |
| 2        | 2009 Carry Forward                    |  | 45,500,576 | 0.50%                                       | 0.01%                       | 227,503                                      | 4,550  | 111,477  | 111,476  | 2,275   | 2,275  |
| 6        | 2010 Revised Benchmark (if necessary) |  |            |   |                             |  |  |  |  | 931   | 894  |
|          |                                       |  |            |   |                             |  |  |  |  | 3,206   | 3,169  |
| 7        | 2010                                  | Ohio All Renewable (OH), Zone: OH<br><b>Compliance REC's retired in GATS</b> |            |   |                             |  |  |  |  |   |  |
|          |                                       |  |            |   |                             |  |  | 111,477  | 111,476  | 1,629   | 3,169  |

Column (3) = 2007 through 2009 From PUCO Form(s) SE-1: Monthly Historical Electricity Data, Part A

Column (4) = simple average of preceding three years from Column (3)

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

Column (7) thru (12) = calculation of benchmarks

## **EXHIBIT B**

**Summary of Switch Rates from EDUs to CRES Providers in Terms of Sales  
For the Month Ending December 31, 2010  
(MWh)**

| Provider Name                           | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|---|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| Cleveland Electric Illuminating Company | CEI                    | 31-Dec            | 2010 | 137790               | 76393               | 248022              | 474617      |
| CRES Providers                          | CEI                    | 31-Dec            | 2010 | 355624               | 453132              | 217666              | 1042468     |
| Total Sales                             | CEI                    | 31-Dec            | 2010 | 493414               | 529525              | 465688              | 1517085     |
| EDU Share                               | CEI                    | 31-Dec            | 2010 | 27.93%               | 14.43%              | 53.26%              | 31.28%      |
| Electric Choice Sales Switch Rates      | CEI                    | 31-Dec            | 2010 | 72.07%               | 85.57%              | 46.74%              | 68.72%      |

| Provider Name                      | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|------------------------------------|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| Duke Energy Ohio                   | DUKE                   | 31-Dec            | 2010 | 466902               | 149952              | 48433               | 677497      |
| CRES Providers                     | DUKE                   | 31-Dec            | 2010 | 160952               | 469367              | 337559              | 1012790     |
| Total Sales                        | DUKE                   | 31-Dec            | 2010 | 627854               | 619319              | 385992              | 1690287     |
| EDU Share                          | DUKE                   | 31-Dec            | 2010 | 74.36%               | 24.21%              | 12.55%              | 40.08%      |
| Electric Choice Sales Switch Rates | DUKE                   | 31-Dec            | 2010 | 25.64%               | 75.79%              | 87.45%              | 59.92%      |

| Provider Name                      | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|------------------------------------|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| Columbus Southern Power Company    | CSP                    | 31-Dec            | 2010 | 616431               | 573843              | 380948              | 1555700     |
| CRES Providers                     | CSP                    | 31-Dec            | 2010 | 1                    | 97595               | 19366               | 116962      |
| Total Sales                        | CSP                    | 31-Dec            | 2010 | 616432               | 671438              | 380314              | 1672662     |
| EDU Share                          | CSP                    | 31-Dec            | 2010 | 100.000%             | 85.465%             | 94.908%             | 93.007%     |
| Electric Choice Sales Switch Rates | CSP                    | 31-Dec            | 2010 | 0.000%               | 14.535%             | 5.092%              | 6.993%      |

| Provider Name                      | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|------------------------------------|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| The Dayton Power and Light Company | DPL                    | 31-Dec            | 2010 | 331451               | 158847              | 51428               | 588724      |
| CRES Providers                     | DPL                    | 31-Dec            | 2010 | 65                   | 136504              | 235502              | 448572      |
| Total Sales                        | DPL                    | 31-Dec            | 2010 | 331516               | 295351              | 286930              | 1037296     |
| EDU Share                          | DPL                    | 31-Dec            | 2010 | 99.98%               | 53.78%              | 17.92%              | 56.76%      |
| Electric Choice Sales Switch Rates | DPL                    | 31-Dec            | 2010 | 0.02%                | 46.22%              | 82.08%              | 43.24%      |

Source: PUCO, Division of Market Monitoring & Assessment.

Note1: Total sales includes residential, commercial, industrial and other sales.

Note2: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio.

Appropriate calculations made for other purposes may be based on different data, and may yield different results.

\*Preliminary Data - will update upon receipt of additional CRES data

**Summary of Switch Rates from EDUs to CRES Providers in Terms of Sales  
For the Month Ending December 31, 2010  
(MWh)**

| Provider Name                      | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|------------------------------------|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| Ohio Edison Company                | OEC                    | 31-Dec            | 2010 | 347736               | 119728              | 173749              | 653628      |
| CRES Providers                     | OEC                    | 31-Dec            | 2010 | 477048               | 495207              | 357812              | 1342375     |
| Total Sales                        | OEC                    | 31-Dec            | 2010 | 824784               | 614935              | 531561              | 1996003     |
| EDU Share                          | OEC                    | 31-Dec            | 2010 | 42.16%               | 19.47%              | 32.69%              | 32.75%      |
| Electric Choice Sales Switch Rates | OEC                    | 31-Dec            | 2010 | 57.84%               | 80.53%              | 67.31%              | 67.25%      |

| Provider Name                      | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|------------------------------------|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| Ohio Power Company                 | OP                     | 31-Dec            | 2010 | 628585               | 485696              | 1116821             | 2238888     |
| CRES Providers                     | OP                     | 31-Dec            | 2010 | 0                    | 954                 | 0                   | 954         |
| Total Sales                        | OP                     | 31-Dec            | 2010 | 628585               | 486650              | 1116821             | 2239842     |
| EDU Share                          | OP                     | 31-Dec            | 2010 | 100.00%              | 99.80%              | 100.00%             | 99.96%      |
| Electric Choice Sales Switch Rates | OP                     | 31-Dec            | 2010 | 0.00%                | 0.20%               | 0.00%               | 0.04%       |

| Provider Name                      | EDU<br>Service<br>Area | Quarter<br>Ending | Year | Residential<br>Sales | Commercial<br>Sales | Industrial<br>Sales | Total Sales |
|------------------------------------|------------------------|-------------------|------|----------------------|---------------------|---------------------|-------------|
| Toledo Edison Company              | TE                     | 31-Dec            | 2010 | 102530               | 43700               | 115020              | 265504      |
| CRES Providers                     | TE                     | 31-Dec            | 2010 | 119121               | 203072              | 244991              | 569300      |
| Total Sales                        | TE                     | 31-Dec            | 2010 | 221651               | 246772              | 360011              | 834804      |
| EDU Share                          | TE                     | 31-Dec            | 2010 | 46.28%               | 17.71%              | 31.95%              | 31.80%      |
| Electric Choice Sales Switch Rates | TE                     | 31-Dec            | 2010 | 53.74%               | 82.29%              | 68.05%              | 68.20%      |

Source: PUCO, Division of Market Monitoring & Assessment.

Note1: Total sales includes residential, commercial, industrial and other sales.

Note2: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio.  
Appropriate calculations made for other purposes may be based on different data, and may yield different results.

\*Preliminary Data - will update upon receipt of additional CRES data

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Summary: Annual Report of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company Regarding Their Alternative Energy Status and Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for a Force Majeure Determination electronically filed by Ms. Carrie M Dunn on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company