

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF CHAMPION
 ENERGY SERVICES, LLC'S ANNUAL
 ALTERNATIVE ENERGY
 PORTFOLIO STATUS REPORT

Case No. 11-2199 ELACP

**CHAMPION ENERGY SERVICES, LLC'S ANNUAL
 ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT
 AND MOTION TO FILE REPORT INSTANTER
(PUBLIC VERSION)**

I. INTRODUCTION AND MOTION TO FILE REPORT INSTANTER

Champion Energy Services, LLC ("CES") is a Competitive Retail Electric Service ("CRES") provider, as defined in R.C. 4928.01(A)(4), and an electric services company as defined in R.C. 4928.01(A)(9). CES is wholly owned by Champion Energy Marketing, LLC. CES is currently authorized to conduct business within, and is in good standing within, the States of Ohio, Texas, Pennsylvania, Illinois, and New Jersey. CES currently provides electric supply to commercial and industrial consumers within the State of Ohio, under Certificate No. 09-166E.

Pursuant to R.C. 4928.64 and Rule 4901:1-40-05, all Ohio electric service companies are required to file an Annual Alternative Energy Portfolio Status Report. In this report, electric service companies are required to analyze "all activities undertaken the prior calendar year to demonstrate how the applicable alternative energy portfolio benchmarks and planning requirements have or will be met."¹ Beginning in 2010, the annual review is to include compliance with the most recent applicable renewable energy and solar energy resource benchmarks. To meet these requirements, CES submits the following report, which:

- Identifies its 2010 energy baseline;

¹Rule 4901:1-04-05(A)

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- Identifies its 2010 renewable energy and solar energy benchmarks and demonstrates its substantial compliance with those benchmarks;² and
- Outlines its renewable energy compliance strategy.

CES requests that the Commission grant it leave to file this report *instanter* despite the April 15 deadline, pursuant to R.C. 4901:1-40-03(C) and 05(A). The Commission may waive any non-statutory requirement in Chapter 4901:1-40 upon a motion filed by a party with a showing of good cause.³ The April 15 filing date for this report is a non-statutory requirement and good cause exists for waiving it here. CES is a new provider of retail electric service as of 2010, so it is filing this report for the first time and had administrative difficulties in compiling the report. However, CES' *instanter* filing will not harm or prejudice any potential parties, and CES will make every effort to make filings to the Commission in a timely manner going forward.

II. ANNUAL ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT

Pursuant to R.C. 4928.64(B)(2) and Rule 4901:1-40-03(A)(2), for the year 2010, electric service companies must demonstrate that 0.50% of the retail electricity they sold was derived from renewable energy resources. Of that 0.50%, half must have been generated by facilities located in Ohio. In addition, 0.01% of the 0.50% requirement must have been generated by solar energy resources. At least half of this 0.01% requirement must have been generated by facilities located within Ohio. The level of these benchmark requirements is determined by first calculating a baseline number of kilowatt hours and then applying the benchmark percentages to that baseline.

² Pursuant to R.C. 4928.64(C)(3), a CRES "need not comply with a [renewable and solar energy] benchmark... to the extent that it reasonably expected cost of that compliance exceeds its reasonably expected cost of that compliance exceeds its reasonably expected cost of otherwise producing or acquiring the requisite electricity by three percent or more."

³ Rule 4901:1-40-03(C) and 05(A).

A. Initial Baseline Calculation

Ordinarily, an electric service company's baseline is to be computed by averaging the number of kilowatt-hours sold during the three preceding calendar years. CES, however, had no electric sales in Ohio during the years 2007, 2008, and 2009. In such case, Rule 4901:1-40-03(B)(2)(b) provides that "the initial baseline shall consist of a reasonable projection of its retail electric sales in the state for a full calendar year." CES has projected its annual calendar year retail electric sales in Ohio to be [REDACTED]. In preparing this projection, CES took into consideration the estimated annual consumption of its customers currently under contract.

B. 2010 Renewable and Solar Energy Benchmarks

Using [REDACTED] as its 2010 baseline, CES' calculation of its benchmarks for electricity generated from renewable and solar energy resources for the year 2010 is as follows:

<u>2010 Baseline</u>	[REDACTED]
Total Renewable and Solar Requirement (0.50%)	[REDACTED]
Solar Requirement (0.01%)	[REDACTED]
2010 Renewable Requirement (Total less Solar)	[REDACTED]
2010 Renewable Requirement by Jurisdiction (Total Less Solar)	[REDACTED]
Ohio 50%	[REDACTED]
Out of State 50%	[REDACTED]
2010 Solar Requirement	[REDACTED]
Ohio 50%	[REDACTED]
Out of State 50%	[REDACTED]

C. CES' Demonstration of Compliance with 2010 Renewable Energy Benchmark

Pursuant to R.C. 4928.65, electric service companies may meet their renewable energy benchmarks through the use of renewable energy credits (RECs). CES has successfully met its renewable energy benchmarks using RECs.

1. In-State, Non-Solar, Renewable Energy Credits

CES obtained sufficient non-solar, in-state RECs to fully satisfy its 2010 REC obligations. CES evaluated its compliance options on an economic basis. We found that RECs were available for each tier at prices lower than the optional compliance payment.

2. Out-of-State, Non-Solar, Renewable Energy Credits

By means of economically sound purchasing, CES was able to obtain sufficient non-solar adjacent state RECs to fully satisfy its 2010 REC obligations.

3. Out-of-State and In-State Solar Renewable Energy Credits

Rule 4901:1-40-03(A)(2) requires that all electric utilities and affected electric services companies demonstrate that 0.01 percent of their retail electric sales are generated by solar energy resources by the end of 2010. CES obtained sufficient solar RECs (SRECs) to fully satisfy its 2010 SREC obligations.

III. PLAN FOR COMPLIANCE WITH FUTURE ANNUAL ADVANCES AND RENEWABLE ENERGY BENCHMARKS

A. Baseline for Current and Future Calendar Years

CES just began to provide electric supply to customers in 2010. CES continues to establish new customer contracts, and switching in Ohio is increasing. Therefore, CES is unable to forecast what its baseline will be for 2011 or for future calendar years with confidence. In compliance with Rule 4901:1-40-03(C), CES is submitting as Exhibit A its compliance plan using a ten-year planning horizon.

B. Supply Portfolio Projection, Including both Generation Fleet and Power Purchases

CES has no plan to construct or purchase any electric generation facilities. Therefore CES will continue to supply power to its customers by purchasing power through the wholesale market.

C. Description of Methodology Used to Evaluate Compliance Options

As noted above, CES does not own or anticipate owning any generation facilities. Therefore, CES will meet its alternative energy benchmarks through the purchasing of RECs and SRECs. See Exhibit A.

IV. CONCLUSION

CES requests that the Commission grant its motion to file instanter and find that CES has met its REC benchmark for the year 2010.

Dated: May 2, 2011

Respectfully submitted,



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Exhibit A

[REDACTED]