

**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. 12-1246-EL-ACP
Illuminating Company and The Toledo	)	
Edison Company	)	

**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, 2011 through December 31, 2011 (“Reporting Period”). This Report addresses the Companies’ 2011 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 2011 Renewable Energy Portfolio Standard Benchmarks (“2011 Benchmarks”) set forth in R.C. § 4928.64(B)(2) for the Reporting Period.<sup>1</sup>

The Companies made aggressive efforts to meet their 2011 Benchmarks. As a result, the Companies are pleased to inform the Commission that they are in compliance with their statutory Non-Solar and Solar 2011 Benchmarks. Further, the Companies complied with the benchmarks of R.C. § 4928.64(B)(3) by achieving exactly half of their 2011 Non-Solar and Solar Benchmarks from in-state facilities with the other half coming from facilities located in adjacent

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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).

states. As demonstrated below and in Exhibit A to this Report, the Companies met their 2011 Non-Solar and Solar Benchmarks by obtaining Non-Solar Renewable Energy Credits (“RECs”) and Solar Renewable Energy Credits (“SRECs”).

## **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 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 2008, 2009, and 2010 utilizing their three most recent reporting forms (herein referred to respectively as, the

“2008 Sales”, “2009 Sales” and “2010 Sales”)<sup>2</sup>. The Companies then averaged their respective 2008 Sales, 2009 Sales and 2010 Sales to compute their respective 2011 baselines (“2011 Baseline”). The Companies did not make any adjustments to their 2011 Baselines.

The Companies’ respective 2011 Baselines, as defined in Section 4901:1-40-03(B)(2), and 2011 Benchmarks are shown on Exhibit A to this Report. The Companies’ 2011 Baselines total 36,320,796 MWh based on the average of the Companies’ total annual number of kilowatt-hours of electricity sold to their respective retail electric customers under their standard service offer for the prior three years (2008-10).<sup>3</sup>

## **B. BENCHMARKS**

The Companies then calculated their respective 2011 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 2011, the Companies’ benchmark was to supply 1.00% of their electricity supply from renewable energy resources and 0.030% of their electricity supply from solar energy resources. *Id.* The Commission’s rules state that the Companies are to procure at least one half

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<sup>2</sup> The actual kilowatt hours sold in each of 2008, 2009, and 2010 were reported on the SE -1 Monthly Historical Electricity Data, Part A.

<sup>3</sup> Ohio Edison’s 2011 Baseline is 16,670,928 MWh; CEI’s 2011 Baseline is 12,863,239 MWh; Toledo Edison’s 2011 Baseline is 6,786,629 MWh.

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' 2011 Benchmarks are based on the renewable benchmark equal to 1.00% of their 2011 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 meet its 2011 Benchmark; and the number of RECs and SRECs (both Ohio and Out-of State) that each company actually obtained.

### **1. 2011 Non-Solar Benchmarks**

The Companies were able to meet one hundred (100) percent of their 2011 Non-Solar Benchmarks.<sup>4</sup> 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 both the Ohio and Out-of-State 2011 Non-Solar Benchmarks. These RECs were obtained through requests for proposals ("RFPs") conducted by the Companies.

### **2. 2011 Solar Benchmarks**

The Companies' were able to meet one hundred (100) percent of their 2011 Solar benchmarks, including carryover from 2009-2010. The Companies were required to obtain 7,026 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 –

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<sup>4</sup> The Companies used the 4,138 RECs that were inadvertently retired during the 2009 Compliance Year, which was approved by the Commission in Case No. 10-499-EL-ACP.

<sup>5</sup> This number includes the number of SRECs needed to satisfy the Companies' 2011 benchmark (5,449) plus the amount by which the Companies fell short of their 2009-2010 benchmarks (1,577).

the Out-of-State Solar Benchmark. These SRECs were obtained through requests for proposals (“RFPs”) conducted by the Companies, purchases made through the Residential REC Program and Spot Market Purchases.

#### IV. CONCLUSION

As demonstrated above, the Companies achieved full compliance with the 2011 renewable energy benchmark and Solar Benchmark in R.C. § 4928.64(B)(2).

Respectfully submitted,

/s/ Carrie M. Dunn

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# **EXHIBIT A 2011 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION**

Line No.	Year	Company's SSO Retail Electric Sales	Baseline	Renewable Energy Resource Target %	Solar Energy Target %	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark - SRECS	Ohio Renewable Less Solar Benchmark - RECS	All Renewable Less Solar Benchmark - RECS	OHIO Solar Energy Resource Benchmark	All Solar Energy Resource 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)
<b>Ohio Edison Company</b>											
1	2008	21,040,189									
2	2009	19,043,752									
3	2010	9,928,843									
4	2011		16,670,928	1.00%	0.03%	166,709	5,001	80,854	80,854	2,501	2,500
2	2009-2010 Carry Forward									706	-
6	2011 Revised Benchmark (if necessary)									3,207	2,500
7	<b>2011 Ohio All Renewable (OH), Zone: OH Compliance REC's retired in GATS</b>							<b>80,854</b>	<b>80,854</b>	<b>3,207</b>	<b>2,500</b>

Column (3) = 2008 through 2010 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

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Line No.	Year	Company's SSO Retail Electric Sales	Baseline	Renewable Energy Resource Target %	Solar Energy Target %	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark - SRECS	Ohio Renewable Less Solar Benchmark - RECS	All Renewable Less Solar Benchmark - RECS	OHIO Solar Energy Resource Benchmark	All Solar Energy Resource 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)
<b>The Cleveland Electric Illuminating Company</b>											
1	2008	17,157,556									
2	2009	14,450,199									
3	2010	6,981,963									
4	2011		12,863,239	1.00%	0.03%	128,632	3,859	62,387	62,386	1,930	1,929
2	2009-2010 Carry Forward									569	-
6	2011 Revised Benchmark (if necessary)									2,499	1,929
7	<b>2011 Ohio All Renewable (OH), Zone: OH Compliance REC's retired in GATS</b>							<b>62,387</b>	<b>62,386</b>	<b>2,499</b>	<b>1,929</b>

Column (3) = 2008 through 2010 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)

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# EXHIBIT A 2011 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION

Line No.	Year	Company's SSO Retail Electric Sales	Baseline	Renewable Energy Resource Target %	Solar Energy Target %	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark - SRECS	Ohio Renewable Less Solar Benchmark - RECS	All Renewable Less Solar Benchmark - RECS	OHIO Solar Energy Resource Benchmark	All Solar Energy Resource 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)
<b>The Toledo Edison Company</b>											
1	2008	9,006,924									
2	2009	7,815,831									
3	2010	3,537,132									
4	2011		6,786,629	1.00%	0.03%	67,866	2,036	32,915	32,915	1,018	1,018
2	2009-2010 Carry Forward									302	-
6	2011 Revised Benchmark (if necessary)									1,320	1,018
7	<b>2011 Ohio All Renewable (OH), Zone: OH Compliance REC's retired in GATS</b>							<b>32,915</b>	<b>32,915</b>	<b>1,320</b>	<b>1,018</b>

Column (3) = 2008 through 2010 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 2011 ALTERNATIVE ENERGY BENCHMARKS AND COMPLIANCE RECONCILIATION**

Line No.	Year	Company's SSO Retail Electric Sales	Baseline	Renewable Energy Resource Target %	Solar Energy Target %	Renewable Energy Resource Benchmark	Solar Energy Resource Benchmark - SRECS	Ohio Renewable Less Solar Benchmark - RECS	All Renewable Less Solar Benchmark - RECS	OHIO Solar Energy Resource Benchmark	All Solar Energy Resource 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)
		<b>Total Ohio</b>									
1	2008	47,204,669									
2	2009	41,309,781									
3	2010	20,447,939									
4	2011		36,320,796	1.00%	0.03%	363,207	10,896	176,156	176,155	5,449	5,447
2	2009-2010 Carry Forward									1,577	-
6	2011 Revised Benchmark (if necessary)									7,026	5,447
7	<b>2011 Ohio All Renewable (OH), Zone: OH</b>										
	<b>Compliance REC's retired in GATS</b>							176,156	176,155	7,026	5,447

Column (3) = 2008 through 2010 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

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