BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of The Dayton Power and Light Company's Ten Year Advanced Energy and Renewable Energy Benchmark Compliance Plan	)))	Case No. 13-872-EL-ACP

THE DAYTON POWER AND LIGHT COMPANY'S TEN YEAR ADVANCED ENERGY AND RENEWABLE ENERGY BENCHMARK COMPLIANCE PLAN

Pursuant to Section 4901:1-40-03(C) of the Ohio Administrative Code, The Dayton Power and Light Company hereby submits the attached Ten Year Advanced Energy and Renewable Energy Benchmark Compliance Plan.

Respectfully submitted,

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The Dayton Power and Light Company

Advanced Energy and Renewable Energy Benchmark

10 Year Compliance Plan

Dated: April 15, 2013

Pursuant to Ohio Administrative Code (OAC) Section 4901:1-40-03(C), the Dayton Power and Light Company (DP&L or the Company) hereby submits its ten year advanced energy and renewable energy benchmark compliance plan. DP&L is an electric distribution utility as defined by Ohio Revised Code (ORC) Section 4928.01(A)(6) and is therefore subject to the advanced energy and renewable benchmarks contained in ORC §4928.64. The purpose of this plan is to provide the Public Utilities Commission of Ohio (PUCO), as well as all interested parties, an understanding as to how the Company plans to achieve those benchmarks.

Baseline

ORC §4928.64(B) and OAC §4901:1-40-03(B) specify that the distribution utility's Advanced Energy and Renewable Energy Benchmarks must be based on sales made to standard offer retail customers in the last three years.

For the purpose of developing the benchmarks for the next 10 years, DP&L had to develop a forecast of standard offer sales. DP&L's forecast is based upon the Company's recorded standard offer sales through December 31, 2012. The Company has assumed those that were shopping as of that date will continue to shop.

The chart below shows DP&L's renewable energy and solar benchmarks, within and outside of Ohio, for the next ten years consistent with the methodology discussed above.

DP&L's Forecasted 10 Year Retail Sales and Renewable Requirements

	DP&L's Annual Baseline SB 221 Requirement*	SB 221 Compliance Requirement %		Renewable Requirement		Solar Requirement	
Year	MWh	Renewable Energy Resource	Solar Energy Resource	Total MWh	50% from Ohio MWh	Total MWh	50% from Ohio MWh
2012	9,916,408	1.50%	0.06%	142,796	71,398	5,950	2,975
2013	7,799,429	2.00%	0.09%	148,969	74,485	7,019	3,510
2014	6,445,865	2.50%	0.12%	153,412	76,706	7,735	3,868
2015	5,896,576	3.50%	0.15%	197,535	98,768	8,845	4,422
2016	5,896,576	4.50%	0.18%	254,732	127,366	10,614	5,307
2017	5,896,576	5.50%	0.22%	311,339	155,670	12,972	6,486
2018	5,896,576	6.50%	0.26%	367,946	183,973	15,331	7,666
2019	5,896,576	7.50%	0.30%	424,553	212,277	17,690	8,845
2020	5,896,576	8.50%	0.34%	481,161	240,580	20,048	10,024
2021	5,896,576	9.50%	0.38%	537,768	268,884	22,407	11,203
2022	5,896,576	10.50%	0.42%	594,375	297,187	24,766	12,383

Assumptions

* Baseline SB 221 Requirements are based on average MWh standard offer sales from the preceding three calendar years. Requirements beyond 2012 are forecasted assuming annual sales in year 2013 and later are recorded at 2012 levels, and are subject to change.

Compliance Plan

DP&L filed its initial renewable compliance plan in its Electric Security Plan (ESP) (Case No. 08-1094-EL-SSO) in October 2008. That plan was approved by Commission order dated June 24, 2009. That plan called for the purchase of Renewable Energy Credits (RECs) in the near-term combined with potential DP&L renewable generation and additional REC purchases in the mid- to longer-term. DP&L's annual 10 year compliance plans continued to support the original plan.

On October 5, 2012, DP&L filed an application seeking to implement an Electric Security Plan in PUCO Case Nos. 12-426-EL-SSO, et al. On page 3 of the application, DP&L proposes the following:

> *9. During the ESP period, DP&L will continue to meet the alternative energy requirements of Ohio Rev. Code §4928.64 for the SSO load in its service territory in the same way that it does currently, through purchase of Renewable Energy Credits*

("RECs") or through the use of the RECs generated by the Yankee solar generation facility. Renewable compliance costs will continue to be recovered through DP&L's Alternative Energy Rider much like it is today. This rider will be modified to be trued-up on a seasonal quarterly basis.

DP&L's Application for approval of its ESP is currently pending.

Ohio Non-Solar Renewable Benchmarks

Consistent with the 2009 plan and in the short-term, DP&L continues to expect to meet the Ohio Non-Solar Renewable Benchmarks through the purchase of RECs. Over the mid- to longer-term, DP&L plans to meet the Ohio Non-Solar Benchmark through a combination of REC purchases and potential biomass and/or biodiesel co-firing at DP&L operated generating facilities. In October 2009 in Case Nos. 09-891-EL-REN and 09-892-EL-REN, DP&L filed seeking PUCO renewable certification of its biomass and biodiesel co-firing plans at the Company's co-owned Killen Station. Those applications were approved by the Commission on April 6, 2010. Currently, due to lack of reliable biomass suppliers, DP&L has no definitive plans to deliver and burn biomass fuel. During the 10 year period, DP&L will continue to evaluate other fuel sources.

Non-Ohio Non-Solar Renewable Benchmarks

Consistent with DP&L's approved renewable plan and for the short-term, DP&L continues to expect to meet the Non-Ohio Non-Solar Renewable Benchmarks through the purchase of RECs. In the longer-term, DP&L may explore meeting its Non-Ohio Non-Solar Benchmarks through REC purchases and, where feasible, deliverable and economically beneficial, through the purchase of both electricity and associated RECs from renewable facilities located outside the state of Ohio.

Ohio Solar Renewable Benchmarks

DP&L plans to meet its Ohio Solar Benchmarks by purchasing RECs and by self generating at our 1.1MW Yankee Solar Generating Facility which became operational on March 24, 2010. Additionally, when determined to be economically beneficial, the Company may consider Power Purchase Agreements (PPAs) and potentially new construction. Because the Ohio Solar REC Benchmarks increase year-by-year and it is unclear how many solar projects may be constructed by non-utility entrepreneurs and individuals, there is a significant degree of uncertainty regarding whether there will be enough Ohio Solar RECs to allow all utilities and energy service providers to meet their future targets through the purchase of RECs. The Company will continually monitor the availability and pricing of Ohio Solar RECs and will endeavor to purchase RECs to provide the lowest possible compliance costs to its ratepayers.

Non-Ohio Solar Renewable Benchmarks

DP&L plans to meet its Non-Ohio Solar Benchmarks by purchasing RECs where economically available. In the longer-term, compliance will be through a combination of REC purchases and, where feasible, deliverable and economically beneficial, through the purchase of electricity and associated RECs from renewable facilities located outside of the State.

Advanced Energy Benchmark

The Advanced Energy Benchmark as outlined in ORC §4928.64 requires that by 2025, 12.5% of the utility's generation resources may be generated from advanced energy resources such as modifications to existing generating facilities that increase the generation output of the facility without increasing carbon emissions, distributed generation systems, clean coal technology, advanced nuclear, fuel cell, or advanced solid waste that results in measurable greenhouse gas emission reductions.

DP&L has already made investments in new technology that was employed to increase the generation output of our existing facilities without additional carbon dioxide emissions by the facility. At the Killen Generating Station and the Stuart Generating Station, DP&L installed new turbine rotors of improved design known as "dense pack." The new design more efficiently uses the normal steam flow through the turbine to provide greater output from the generator. The dense pack's ability to increase overall MW capacity of the generating units resulted in measurable increased kilowatt-hours of advanced energy produced without additional carbon dioxide emissions. DP&L believes this dense pack technology qualifies as an advanced energy resource as defined in OAC §4901:1-40-04(B)(1). The percentage of advanced energy the dense packs will produce to meet the 2025 goal will be dependent upon the baseline of standard offer sales that exist at that time.

In large part because it is a mid-sized utility, DP&L currently does not intend to make sizable investments in research and development or in constructing advanced energy facilities that it would wholly-own. Instead, over the short- to mid-term, DP&L intends to monitor closely the research projects funded by the U.S. Department of Energy and others and to aggressively seek out opportunities to enter into joint venture or co-ownership arrangements with other utilities that may be developing advanced energy facilities. DP&L plans to pursue advanced energy projects that are economical and will help achieve the long-term goal of 12.5% by 2025.

Conclusion

DP&L will continue its efforts to meet the Renewable and Advanced Energy Benchmarks in the most cost-effective means possible for its ratepayers. The Company actively monitors REC markets and emerging technologies and continuously evaluates its compliance plans as new information or new projects are introduced or completed.