

# Confidential Release

**Case Number: 13-1017-EL-ACP**

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**Document Description: Champion Energy Services LLC's Annual Report and Plan for Compliance with future Annual Advanced and Renewable Energy Benchmarks.**

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*Case # 13-1017-EL-ACP*

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*Behalf of: CHAMPION ENERGY SERVICES LLC*

*Summary of document: CHAMPION ENERGY SERVICES  
LLC'S ANNUAL ALTERNATIVE ENERGY PORTFOLIO  
STATUS REPORT AND PLAN FOR COMPLIANCE WITH  
FUTURE ANNUAL ADVANCED AND RENEWABLE  
ENERGY BENCHMARKS.*

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BEFORE  
THE PUBLIC UTILITY COMMISSION OF OHIO

IN THE MATTER OF CHAMPION )  
ENERGY SERVICES, LLC'S ANNUAL )  
ALTERNATIVE ENERGY )  
PORTFOLIO STATUS REPORT AND PLAN )  
FOR COMPLIANCE WITH FUTURE ANNUAL )  
ADVANCED AND RENEWABLE ENERGY )  
BENCHMARKS )

Case No. 13-1017-EL-ACP

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**CHAMPION ENERGY SERVICES, LLC'S ANNUAL ALTERNATIVE ENERGY  
PORTFOLIO STATUS REPORT AND PLAN FOR COMPLIANCE WITH FUTURE  
ANNUAL ADVANCED AND RENEWABLE ENERGY BENCHMARKS**

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**I. INTRODUCTION**

Champion Energy Services, LLC ("CES") is an electric services company as defined by Section 4928.01(A)(9), Revised Code, having been issued Certificate No. 09-166E by the Public Utilities Commission of Ohio ("Commission"). CES hereby submits its annual alternative energy portfolio status report for the 2012 calendar year, as required by Rule 4901:1-40-05, Ohio Administrative Code ("O.A.C."), and its plan for compliance with future annual advanced and renewable energy benchmarks, as required by Rule 4901:1-40-03(C), O.A.C.

**II. ANNUAL ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT**

Pursuant to Section 4928.64(B)(2), Revised Code, and Rule 4901:1-40-03(A)(2), O.A.C., for the year 2012, electric service companies must demonstrate that at least 1.5% of retail electricity supplied was derived from renewable energy resources, including 0.060% from solar energy resources. At least half of the renewable energy resources, including solar energy resources, used to meet these benchmarks must have been generated by facilities located in Ohio. The level of these benchmark requirements is determined by first calculating a baseline number of kilowatt-hours sold and then applying the benchmark percentages to that baseline.

**A. 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, did not have electric sales in Ohio during 2009, and had sales in only part of 2010. In such case, Rule 4901:1-40-03(B)(2)(a), O.A.C., provides that "the baseline shall be computed as an average of annual sales data for all calendar years during the three preceding years in which the electric services company was serving retail customers." As such, CES computes its baseline as an average of its 2011 annual sales during which it served Ohio retail electric customers, which is 679,865 MWh. Because of the growth in sales in 2012 as compared to previous years, and out of an abundance of caution, CES retired renewable energy credits ("RECs") based upon a higher baseline as calculated by averaging the annual sales data for 2010, 2011, and 2012 which is 1,111,915 MWh. Benchmarks based upon these two baseline figures are provided below.

**B. 2012 Renewable and Solar Energy Resource Benchmarks**

Using 679,865 MWh as its 2012 baseline, CES's calculation of its benchmarks for electricity generated from renewable and solar energy resources for the year 2012 is as follows:

<b>2012 Baseline</b>	679,865 MWh
Total Renewable and Solar Requirement (1.50%)	10,198 MWh
2012 Renewable Requirement	9,790 MWh
(Total Less Solar)	
2012 Renewable Requirement by Jurisdiction	9,790 MWh
(Total Less Solar)	
Ohio 50%	4,895 MWh
Out-of-State 50%	4,895 MWh
2012 Solar Requirement	408 MWh
Ohio 50%	204 MWh
Out-of-State 50%	204 MWh

Using 1,111,915 MWh as its 2012 baseline, CES's calculation of its benchmarks for electricity generated from renewable and solar energy resources for the year 2012 is as follows:

<u>2012 Baseline</u>	1,111,915 MWh
Total Renewable and Solar Requirement (1.50%)	16,679 MWh
2012 Renewable Requirement (Total Less Solar)	16,012 MWh
2012 Renewable Requirement by Jurisdiction (Total Less Solar)	16,012 MWh
Ohio 50%	8,006 MWh
Out-of-State 50%	8,006 MWh
2012 Solar Requirement	667 MWh
Ohio 50%	333.5 MWh
Out-of-State 50%	333.5 MWh

CES retired RECs based upon this higher baseline calculation.

**C. Demonstration of Compliance with 2012 Benchmarks**

Pursuant to § Ohio Rev. Code 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. To demonstrate compliance, CES is submitting as Exhibit A, a copy of its RPS Compliance from PJM.

**1. In-state, Non-Solar, Renewable Energy Credits**

CES obtained sufficient non-solar, in-state RECs to fully satisfy its 2012 REC obligations. CES evaluated its compliance options on an economic basis. CES 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 2012 REC obligations.

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

Section 4901:1-40-03(A)(2) of the Ohio Admin Code requires that all electric utilities and affected electric services companies demonstrate that 0.06 percent of their retail electric sales are generated by solar energy resources by the end of 2012. CES obtained sufficient solar RECs ("SRECs") to fully satisfy its 2012 SREC obligations.

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

Rule 4901:1-40-03(C), O.A.C., requires that each electric services company file an annual plan for compliance with future annual advanced and renewable energy benchmarks, including solar, utilizing at least a ten-year planning horizon. The plan shall include the following items: (1) baseline for current and future calendar years; (2) supply portfolio projection, including both generation fleet and power purchases; (3) description of the methodology used by the company to evaluate its compliance options; and (4) a discussion of any perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing any such impediments.

**A. Baseline for Current and Future Calendar Years**

In compliance with Section 4901:1-40-03(C) of the Ohio Admin Code, CES is submitting as **Exhibit B** 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 B.

**D. Perceived Impediments to Achieving Compliance with Required Benchmarks**

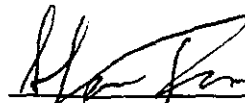
Aside from the potential for supply and pricing constraints in the market for RECs, CES does not anticipate significant impediments to achieving compliance with its required benchmarks.

**IV. CONCLUSION**

CES respectfully requests that the Commission find that CES has complied with the applicable renewable energy resource benchmarks for 2012 and its associated reporting requirements.

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Respectfully submitted,

 #0080803

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*Attorney for Champion Energy Services, LLC*

April 22, 2013





Champion Energy Marketing, LLC - My RPS Compliance - OH - Jan 2012-Dec 2012

Subaccount Name	Zone Name	GATS Load	RPS Load	Total Generation for Subaccount	Solar Renewable Energy Source	Renewable Energy Source	S2 Class II Renewable	Total Certificates Used for RPS
OH - AEP	AEP	2,076,921	0	0	0	0	0	0
OH - ATSI	ATSI	435,553	0	0	0	0	0	0
OH - Day	DAY	150,153	0	0	0	0	0	0
Default	DEOK	233,183	0	16,680	668	16,012	0	16,680
Reserve		0	0	0	0	0	0	0
Subaccount								
Total		2,895,810		16,680	668	16,012	0	16,680

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Exhibit A

4/15/2013

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NEITHER THE GATS ADMINISTRATOR NOR PJM EIS NOR THE SYSTEM OPERATOR NOR THE PJM EIS GATS PROJECT MANAGER KNOWS OR ENDORSES THE CREDITWORTHINESS OR REPUTATION OF ANY GATS ACCOUNT HOLDER LISTED IN THIS DIRECTORY

**Exhibit B**

	Contracted Load		Projected Load		RPS Standard		RPS Obligation	
	kWh	MWh	kWh	MWh	RECs	Solar	RECs	Solar
2013	2,651,364,403	2,651,364	2,651,364,403	2,651,364	0.02	0.0009	53,028	2,387
2014	640,102,583	640,103	1,816,500,843	1,816,501	0.025	0.0012	45,413	2,180
2015	154,104,513	154,105	1,998,150,928	1,998,151	0.035	0.0015	69,936	2,998
2016	34,236,955	34,237	2,197,966,020	2,197,966	0.0450	0.0018	98,909	3,957
2017	15,157,971	15,158	2,417,762,622	2,417,763	0.0550	0.0022	132,977	5,320
2018	9,919,527	9,920	2,538,650,754	2,538,651	0.0650	0.0026	165,013	6,601
2019	227,030	227	2,665,583,291	2,665,583	0.0750	0.0030	199,919	7,997
2020	-	-	2,798,862,456	2,798,862	0.0850	0.0034	237,904	9,517
2021	-	-	2,938,805,579	2,938,806	0.0950	0.0038	279,187	11,168
2022	-	-	3,085,745,858	3,085,746	0.1050	0.0042	324,004	12,961