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❖ Summary of document:

Annual Alternative Energy Portfolio
Status Report and Plan for Compliance

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**BEFORE
THE PUBLIC UTILITY COMMISSION OF OHIO**

PUCO

IN THE MATTER OF CHAMPION)
ENERGY SERVICES, LLC'S ANNUAL) Case No. 12-1260-EL-ACP
ALTERNATIVE ENERGY)
PORTFOLIO STATUS REPORT AND PLAN)
FOR COMPLIANCE WITH FUTURE ANNUAL)
ADVANCED AND RENEWABLE ENERGY)
BENCHMARKS)

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

I. INTRODUCTION

Champion Energy Services, LLC ("Champion") 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"). Pursuant to Section 4928.64, Revised Code, and Rule 4901:1-40-05, Ohio Administrative Code ("O.A.C."), Champion hereby submits its annual alternative energy portfolio status report for the 2011 calendar year, 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 2011, electric service companies must demonstrate that at least 1.0% of retail electricity supplied was derived from renewable energy resources, including 0.03% 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 services company's baseline is to be computed by averaging the number of kilowatt-hours sold during the three preceding calendar years. Champion, however, did not have electric sales in Ohio during 2008 and 2009, and had sales in only part of 2010. In such case, Rule 4901:1-40-03(B)(2)(b), O.A.C., provides that "the initial baseline shall consist of a reasonable projection of [an electric services company's] retail electric sales in the state for a full calendar year." Champion has projected annual retail electric sales in Ohio of 679,865 MWh.

B. 2011 Renewable and Solar Energy Resource Benchmarks

Using 679,865 MWh as its 2011 baseline, Champion's calculations of its renewable and solar energy resource benchmarks for 2011 are as follows:

<u>2011 Baseline</u>	<u>679,865 MWh</u>
Total Renewable and Solar Requirement (1.00%)	6799 MWh
Solar Requirement (0.03%)	203.96 MWh
2011 Renewable Requirement (Total less Solar)	6595.04 MWh
2011 Renewable Requirement by Jurisdiction (Total Less Solar)	6595.04 MWh
Ohio 50%	3297.52 MWh
Out of State 50%	3297.52 MWh
2011 Solar Requirement by Jurisdiction	203.96 MWh
Ohio 50%	101.98 MWh
Out of State 50%	101.98 MWh

C. Demonstration of Compliance with 2011 Benchmarks

Pursuant to Section § 4928.65, Revised Code, and Rule 4901:1-40-04(D), O.A.C., electric service companies may meet their renewable energy resource benchmarks, including solar energy resource benchmarks, through the use of renewable energy credits ("RECs"). Champion has successfully met its renewable energy resource benchmarks using RECs and solar RECs. Champion obtained sufficient in-state and out-of-state RECs and solar RECs, as applicable, to satisfy the following benchmarks: (1) in-state, non-solar benchmark of 3297.52 MWh; (2) out-of-state, non-solar benchmark of 3297.52 MWh; (3) in-state, solar benchmark of 101.98 MWh; and (4) out-of-state, solar benchmark of 101.98 MWh. In deciding to satisfy its renewable energy resource benchmarks through the use of RECs, Champion evaluated its compliance options on an economic basis.

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

With respect to its baselines for future calendar years, Champion cannot forecast its baselines for the next ten years with confidence because it is new to the Ohio retail electric market, it continues to grow and establish new customer contracts while switching in Ohio increases, and customer load is not guaranteed to be renewed on a year-to-year basis. In turn, Champion provides in Exhibit A hereto its baseline for 2012 and projected baselines for 2013 and 2014. Champion has based these baselines on sales in 2011 and contracted load for future years.

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

Champion has no plans to construct or purchase electric generation facilities. Therefore Champion 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, Champion does not own or anticipate owning generation facilities. Champion plans to meet its alternative energy benchmarks through the purchase of RECs, though it will consider alternative and more economical options for compliance as they are available.

D. Perceived Impediments to Achieving Compliance with Required Benchmarks

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

IV. CONCLUSION

Champion respectfully requests that the Commission find that Champion has complied with the applicable renewable energy resource benchmarks for 2011 and its associated reporting requirements.

Respectfully submitted,



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Exhibit A

Year	Projected Baseline (MWh)	Annual Benchmarks (%)		Projected Annual Benchmarks (MWh)		
		Renewable	Solar	Total Renewable	Solar	Total Renewable Less Solar
2012	751,480	1.5	0.06	11,272.2	450.9	10,821.3
2013	1,663,375	2.0	0.09	33,267.5	1,497.0	31,770.5
2014	1,731,873	2.5	0.12	43,296.8	2,078.2	41,218.6