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April 15, 2011

Ms. Betty McCauley, Secretary
Public Utilities Commission of Ohio
180 E. Broad St., 11th Floor
Columbus, Ohio 43215-3793

Re: In the Matter of the Alternative Energy Resources
Report for Calendar Year 2009 From Integrys Energy
Services, Inc.
Case No. 11-2449-EL-ACP

Dear Ms. McCauley:

I am filing today an original and 12 copies of the redacted version of the Alternative Energy Resources Report for Calendar Year 2010 from Integrys Energy Services, Inc. The unredacted version is being submitted under seal because it contains confidential and proprietary information. A motion for protective order has also been filed in this matter.

Thank you for your cooperation.

Sincerely,

M. Howard Petricoff
Attorneys for Integrys Energy Services, Inc.

MHP/jw
Enclosure

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COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER
ALTERNATIVE ENERGY RESOURCES REPORT FOR CALENDAR YEAR 2010

Integrys Energy Services, Inc.

Integrys Energy Services, Inc. (hereinafter "CRES") in accordance with Sections 4928.64 and 4928.65, Revised Code and Commission Rules 4901:1-40-03 and 4901:1-40-05 hereby submits this Annual Alternative Energy Report ("AER") detailing compliance with the Ohio Alternative Energy Portfolio Standards.

I. Determination that an Alternative Energy Resource Report is Required (check one)

- ☒ During calendar year 2010 the CRES states that it conducted retail sales of generation to customers who utilized the generation in a load center located within the state of Ohio.
- ☐ During calendar year 2010 the CRES states that it did not conduct retail sales of generation to customers who utilized the generation in a load center located within the state of Ohio. (If this block is checked proceed to the signature line)

II. Determination of the sales baseline for 2010

- a. During the past three calendar years the CRES made retail sales of generation in the amounts shown below

This response contains confidential and propriety information. This information has been submitted under seal and request for confidential treatment.

- b. The average annual sales of the active years listed above (sum of the active years' MWh / no. of active years) ____ (hereinafter "Baseline Sales")

This response contains confidential and propriety information. This information has been submitted under seal and request for confidential treatment.

- c. If conditions exist that merit an adjustment to the Baseline Sales please list the adjusted Baseline Sales on this line _____ and attach as an exhibit to this AER a full explanation of the reason(s) for the adjustment(s).

No conditions exist for an adjustment

- d. If the CRES was not active during calendar years 2007, 2008 and 2009 but did make sales during calendar year 2010, please project the amount of retail electric generation sales anticipated for the whole of calendar year 2010 as would have been projected on the first day retail generation sales were made in Ohio.

MWh

Not applicable

III. Determination of the number of Solar and Total Renewable Energy Credits (RECs) Required and Statement of the Number of RECs Claimed

This response contains confidential and propriety information. This information has been submitted under seal and request for confidential treatment.

RENEWABLE ENERGY CREDITS REQUIRED AND OBTAINED FOR 2010

Types	No. of RECs Required (a).	No. of RECs Obtained (b)	Registry (c)	No. of RECs Sited in OH (d)
Solar				
Non Solar				
Total				

- a. Column (a) above lists the unadjusted number of Solar and Total RECs Required for the CRES in 2010. The determinations were calculated by multiplying the Baseline Sales or Adjusted Baseline Sales or the Projected Sales (circle one) by 1 hundredths of one per cent (.01%) plus 4 thousandths of one per cent (004%) for Solar RECs and one half of one percent (.50%) for total RECS. Total RECs include both Solar and Non Solar RECs.
- b. Column (b) above lists the number of Solar and Non Solar RECs for 2010 obtained by the CRES.
- c. Column (c) above lists the approved registry being used by the CRES. (This could be GATS, M-RETS, or if the CRES has RECs with both registries GATS and M-RETS).
- d. Column (d) above lists the RECs the CRES has obtained for 2010 from generation facilities sited within the state of Ohio.
- e. CRES states that it has (circle one) : a) received a *force majeure* determination for Solar RECs; b) sought but has yet to receive a ruling on a *force majeure* determine for Solar RECs; or c) did not seek or sought and did not receive a *force majeure* determination for Solar RECs.

Note that CRES was granted a force majeure waiver of our 2009 Solar RECs as stated in the Order dated April 28, 2010 in Case No. 10-428-EL-ACP. Therefore, our Solar RECs include both the 2009 and 2010 requirements.

IV. Compliance (check one)

- ☒ CRES states that it has obtained the required number of Solar RECs and Total RECs without adjustments permitted pursuant to Rule 4901:1-40-05(A)(3).
- ☐ CRES states that it has obtained the required number of Solar RECs and Total RECs after adjustments permitted pursuant to Rule 4901:1-40-05(A)(3). The type adjustment, reason for the adjustment and merit for making the requested adjustment of the proposed adjustments are detailed in an exhibit attached to this Report.
- ☐ CRES states that it is not in compliance with number of Solar RECs or Total RECs required for 2010.

V. Ten Year Forecast

a. Ten Year Forecast of Solar and Non Solar RECs

In accordance with Rule 4901:1-40-03(C) the CRES hereby provides a projection for the next 10 years for RECs and Solar RECs.

<u>Year</u>	<u>Solar RECs</u>	<u>Non Solar RECs</u>	<u>Total RECs</u>
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			

b. Supply Portfolio projection

CRES intends to procure through commercial arrangements outlined below, required renewable energy supply (including Solar and Non Solar) from qualified

resources that meet the specifications contained in Rule 4901:1-40-04. CRES intends to purchase from suppliers who have received a renewable energy facility certificate from the Public Utilities Commission. In the event CRES purchases RECs, such purchases will come from suppliers that have joined an approved REC registry and will by contract transfer RECs from the generator's account to CRES' account.

- *Existing qualified renewable energy resources (operating facilities)*
- *Qualifying Renewable Energy Credit ("REC") transactions*
- *Wholesale contracted renewable electric generation*
- *Customer sited renewable electric generation*

c. **Methodology used to evaluate compliance**

Since the price to compare will change at the end of the Electric Security Plan, projecting the ability to maintain sales let alone increase sales is problematic at best. Also, as the generation market is one of great volatility and because customers are free to contract with any CRES supplier, governmental aggregator or utilize a utility standard service offer, the CRES has assumed a 1.5 % increase in sales based on traditional growth in the electric generation market from the actual 2010 sales.

d. **Comments on any perceived impediment(s) to achieving compliance with the Solar and Non Solar REC requirements, as well as any discussion addressing such impediments.**

As long as the REC and S-REC market maintain sufficient liquidity, CRES does not foresee any impediments to achieving compliance.

I, Daniel J. Verbanac, am the duly authorized representative of Integrus Energy Services, Inc. To the best of my knowledge all the information contained in the foregoing report including any exhibits and attachments are true, accurate and complete.

Signature

