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. 11-2382-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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Advanced Energy and Renewable Energy Benchmark

10 Year Compliance Plan

Dated: April 15, 2011

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 includes adjustments for incremental shopping above what is currently being served by Competitive Retail Electric Service (CRES) Providers. The Company has assumed those that are currently shopping, continue to shop and their sales grow at the same level as non-shopping sales pursuant to the Company's LTFR that will be filed at the Commission on this same day. In addition, the Company assumed that it will meet the energy efficiency targets contained in Senate Bill 221 (SB 221) each year during the next 10 years. Therefore the forecast was adjusted for lower sales due to energy efficiency programs. That adjusted standard offer sales number then forms the baseline for DP&L renewable and solar benchmarks.

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
2010	11,880,205	0.50%	0.01%	58,213	29,107	1,188	594
2011	11,256,731	1.00%	0.03%	109,190	54,595	3,377	1,689
2012	9,862,919	1.50%	0.06%	142,026	71,013	5,918	2,959
2013	8,177,048	2.00%	0.09%	156,182	78,091	7,359	3,680
2014	7,218,450	2.50%	0.12%	171,799	85,900	8,662	4,331
2015	7,089,185	3.50%	0.15%	237,488	118,744	10,634	5,317
2016	7,005,796	4.50%	0.18%	302,650	151,325	12,610	6,305
2017	6,947,259	5.50%	0.22%	366,815	183,408	15,284	7,642
2018	6,902,389	6.50%	0.26%	430,709	215,355	17,946	8,973
2019	6,871,620	7.50%	0.30%	494,757	247,378	20,615	10,307
2020	6,850,508	8.50%	0.34%	559,001	279,501	23,292	11,646
2021	6,843,342	9.50%	0.38%	624,113	312,056	26,005	13,002

Assumptions

* Baseline SB 221 Requirements are based on average MWh standard offer sales from the preceding three calendar years, adjusted for shopping and energy efficiency results. Targets beyond 2010 are forecasted 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 DP&L renewable generation and additional REC purchases in the mid- to longer-term. DP&L subsequently filed its annual 10 year compliance plan on April 15, 2010 that continued to support the original plan.

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 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 will meet 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. In addition, because the statute permits over-compliance with the Ohio targets, the non-Ohio Non-Solar requirement will be reduced in the event that biomass and/or biodiesel co-firing at DP&L operated generating facilities is in excess of the minimum Ohio Non-Solar Benchmarks. The Company's plan is to continue purchasing RECs as available in the market.

Ohio Solar Renewable Benchmarks

As provided in DP&L's December 23, 2009 Application to amend the Ohio Solar Benchmarks (Case No. 09-1989-EL-ACP) there were insufficient solar resources in Ohio for DP&L to meet the 2009 Ohio Solar benchmark. As announced in December 2009, DP&L began building a 1.1 MW Solar Generating Facility near the Company's Yankee Generating station. This project was complete and operational on March 24, 2010. This facility operates at about a 14% capacity factor and therefore will produce approximately 1,349 MWh per year.

On March 17, 2010 the Commission ruled that DP&L's application to amend the benchmarks is reasonable and that there were insufficient quantity of Ohio solar resources. The Commission further found that any shortfall of 2009 Ohio solar requirements should be met in 2010. Based on this ruling, DP&L's 2009 adjusted benchmark is 31 MWh, and the 2010 benchmark stated above is adjusted to 797 MWh. The RECs generated from the Yankee Solar Generating facility are sufficient to meet DP&L's adjusted 2010 Ohio Solar Benchmark.

DP&L's plan for compliance during the mid-term (2011-2013) is anticipated to include the combination of Power Purchase Agreements (PPAs), REC purchases and potentially additional new construction including up to 3.9 MW of new solar facilities that may be owned by DP&L. 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. If Ohio Solar RECs are available in the market at prices below the Company's internal cost estimate of building new Ohio Solar generation the Company will endeavor to purchase RECs to provide the lowest possible compliance costs to its ratepayers.

Non-Ohio Solar Renewable Benchmarks

PUCO Certified Non-Ohio Solar RECs are available only on a limited basis in the market. As stated above, the Company's Yankee Solar project was operational in 2010. The RECs generated from the Yankee Solar Generating Facility combined with Solar REC purchases already made will meet DP&L's total Solar Benchmarks through 2010.

Beyond 2010, DP&L plans to meet its Non-Ohio Solar Benchmarks by purchasing RECs where economically available. In an effort to keep renewable compliance costs low, DP&L will continue to monitor the availability and pricing of PUCO Certified Non-Ohio Solar RECs and build incremental solar facilities as necessary if RECs are not readily available.

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 packs 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 intends 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.