

**Before The  
Public Utilities Commission of Ohio**

**Glacial Energy of Ohio, Inc.**

**Ten-Year Alternative Energy Compliance Plan**

**April 18, 2011**

**Docket No. 11-2457-CP**

## INTRODUCTION

Pursuant to Rule 4901:1-40-03(C) of the Ohio Administrative Code (O.A.C.), Glacial Energy of Ohio, Inc. (“Glacial”) hereby files its ten-year alternative energy compliance plan. O.A.C. 4901:1-40-03(C) requires each electric utility and electric services company to file an annual “plan for compliance with future annual advanced- and renewable-energy benchmarks, including solar, utilizing at least a ten-year planning horizon.” This plan must contain at least the following four items:

- (1) Baseline for the current and future calendar years.
- (2) Supply portfolio projection, including both generation fleet and power purchases.
- (3) A description of the methodology used by the company to evaluate its compliance options.
- (4) A discussion of any perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing any such impediments.

O.A.C. 4901:1-40-03(C)(1)-(4). Each of these items is addressed below.

## TEN YEAR COMPLIANCE PLAN

### **I. Baseline for Current and Future Calendar Years**

Glacial is a competitive electric supplier with little certainty of a customer base beyond what is secured under contract. As a result, a 10-year projection is speculative. This is particularly true for Glacial due to the fact that many of our customers are on month-to-month service. The projected baselines in Exhibit 1 are estimates only and based on a number of assumptions and uncertainties which may or may not be accurate or come to fruition. Glacial’s baseline for determining alternative energy obligations is estimated to be 0.937 million MWh of retail sales for the 2011 compliance period and 1.12 million MWh for the 2012 compliance period. Glacial’s baseline is expected to increase over the next several years as the retail business is expected to grow. As shown in the attached Exhibit 1, it is assumed to reach a level of approximately **REDACTED** million MWh. Exhibit 1 also identifies Glacial’s respective renewable obligations using the baselines referenced above.

### **II. Supply Portfolio Projection**

#### **1 Non-Solar Generation Fleet and Purchase Agreements**

The Glacial renewable portfolio consists of renewable assets purchased via contracts from renewable generation facilities. These contracts are reviewed continuously

by Glacial, as it does not enter into any long-term purchase contracts for renewable assets. Glacial purchased over and above its non-solar REC requirements for compliance year 2010, so Glacial intends to apply excess RECs to subsequent compliance years to the extent permitted by the “five-year window” rule. The non-solar RECs that have been purchased by Glacial to date should permit Glacial to comply with the non-solar requirement through the 2011 compliance year.

## **2. Solar Generation Fleet and Purchase Agreements**

Glacial owns no solar generating assets. Rather, as on the non-solar side, Glacial will continue to meet its solar compliance obligations by entering into purchase contracts with solar energy generation facilities.

### **III. Methodology to Evaluate Compliance Options**

As described above, through its purchases from renewable generation facilities, Glacial maintains a diverse and competitive portfolio of renewable assets to meet the advanced and renewable obligations in Ohio. The portfolio includes a wide array of technologies (*e.g.*, wind, storage, biomass, solar, hydro).

As Glacial looks to add renewable assets to its portfolio, it will consider the following principles: Glacial will continue to manage its risk by entering into contracts with third parties to purchase a wide array of technologies. Furthermore, Glacial is likely to continue to favor renewable assets that have the ability to qualify in multiple programs to assist Glacial with meeting its compliance obligations in multiple jurisdictions, thus competitively positioning Glacial in multiple markets. Unfortunately, direct capital investments in advanced or renewable energy sources tend not to be the most cost-effective option at this juncture.

### **IV. Potential Impediments to Compliance with Benchmarks**

Looking forward, Glacial will face at least two significant potential impediments to its compliance plan:

1. **Regulatory Conditions** – Renewable energy resources must be certified by the Commission in order to be qualified for meeting the renewable energy resource benchmarks. Glacial’s future compliance is projected based on existing law and Commission rules, including, without limitation, the ability to use a REC for compliance any time in the five calendar years following the date of its initial purchase or acquisition. Changes in Ohio law or Commission rules, or failures by the Commission to certify legitimate renewable energy resources that limit Glacial’s ability to make use of renewable energy generated in Ohio or deliverable into Ohio, could impede Glacial’s compliance with renewable energy resource benchmarks.

2. Solar Requirement – Ohio ranks near the bottom of all U.S. states for solar renewable generation potential due to the state's relative lack of natural solar resources. If current solar incentives are not maintained and/or renewed, long-term solar development will become more financially challenging and perhaps impossible at the levels contemplated by current legislation.

### **CONCLUSION**

As demonstrated above, Glacial is committed to maintaining a diverse and cost-effective alternative energy portfolio in order to meet its long-term alternative energy requirements.

Respectfully submitted,

**GLACIAL ENERGY OF OHIO, INC.**

Date: April 18, 2011

By: 

Michael B. Giery, Senior Corporate Counsel  
24 Route 6A  
Sandwich, MA 02563  
(857) 222-0958  
(888) 767-6761 (fax)  
[Mike.giery@glacialenergy.com](mailto:Mike.giery@glacialenergy.com)

## **EXHIBIT 1**

# **Redacted**

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/21/2011 4:03:46 PM**

**in**

**Case No(s). 11-2457-EL-ACP**

Summary: Annual Report In the matter of the 10 Year Alternative Energy Compliance Plan electronically filed by Mr. Oma Y. Olivacce on behalf of Glacial Energy