

BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE  
STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue  
Implementation and Administration of  
California Renewables Portfolio Standard  
Program.

R.11-05-005

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**SHELL ENERGY NORTH AMERICA (US), L.P.  
REVISED 2012 RPS PROCUREMENT PLAN**

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**[PUBLIC VERSION]**

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(US), L.P.

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In accordance with the Assigned Commissioner’s April 5, 2012 Ruling (“ACR”) requiring ESPs to file RPS procurement plans, Shell Energy North America (US), L.P. (“Shell Energy”) submits its revised 2012 RPS procurement plan.

I.

INTRODUCTION

Shell Energy’s revised 2012 RPS procurement plan addresses the following issues as directed in Sections 6.1 through 6.5 of the ACR:

1. Assessment of RPS supply and demand for a [twenty]-year planning horizon.
2. Any potential issues that could delay RPS compliance.
3. Status of project development for RPS facilities under contract.
4. Assessment of the risk of failure to build or delays in construction of RPS projects under contract.
5. Show how the ESP's RPS portfolio needs and procurement net short are calculated.

## II.

### RPS PROCUREMENT PLAN

Shell Energy's revised 2012 RPS procurement plan is as follows:

1. Assessment of RPS supply and demand for a twenty-year planning horizon: Shell Energy is a retail electricity provider (ESP) that competes with the IOUs and with other ESPs to attract and serve retail customers that are eligible to participate in the direct access program. Retail customers that are eligible for direct access generally only commit to one-year contracts with ESPs. It is impossible to predict, therefore, the size of Shell Energy's retail customer load - or the extent of its RPS procurement compliance obligation – over a twenty-year planning horizon.

Shell Energy does not formally “model” or forecast future load. Currently, Shell Energy utilizes historical meter data for load currently under contract (or, for new customers, the customers' estimates based on the customers' prior year's usage). Shell Energy assumes all load currently under contract will be maintained for one year unless otherwise expressly notified. Shell Energy negotiates RPS supply contracts with existing eligible renewable energy projects based on this one-year load information in order to comply with the Commission's RPS compliance rules that are in effect at the time of RPS procurement.

Shell Energy's RPS procurement for 2012 is and will be based on its historical load information for 2011 (as reflected in Shell Energy's March 1, 2012 RPS compliance report) and its RPS procurement obligation as described in D.11-12-020 (December 1, 2011) and D.12-06-038 (June 21, 2012). Thereafter, Shell Energy's retail load is impossible to forecast accurately.

2. Potential issues that could delay Shell Energy's RPS compliance: The issues that impede Shell Energy's efforts to meet its RPS procurement compliance obligation revolve around a lack of regulatory certainty.

3. Status of project development for RPS facilities under contract: Shell Energy does not currently have any contracts, executed on behalf of its retail load, for renewable supply with facilities that are not already operational.

4. Assessment of the risk of failure to build or delays in construction of RPS projects under contract: Please see response to Item No. 3 above.

5. Quantitative assessment (calculations) relied on to determine the LSE's RPS portfolio needs and procurement net short: In the absence of regulatory certainty, as noted in response to Item No. 2 above, Shell Energy takes a conservative approach in calculating its RPS procurement needs. Based on the current statute and Commission rules, Shell Energy multiplies its prior year's (2011) actual load (as reflected in its March 1, 2012 RPS report) by the RPS procurement requirement of 20 percent in the first RPS compliance period (which 20 percent procurement level Shell Energy also met in 2010) in order to determine its RPS portfolio needs for the next year (2012). For years thereafter, Shell Energy makes a best efforts forecast of its retail load and its RPS procurement requirement.

Shell Energy has existing RPS supplies under contracts entered into prior to June 1, 2010. Shell Energy may apply most of these existing contract volumes against its RPS procurement obligation in the current (2011-2013) RPS compliance period. Shell Energy may, however, elect to use these pre-June 1, 2010 contract volumes in other compliance years/periods so this deployment of the contract volumes is subject to change.

The attached chart provides the information requested in the Presiding Judge's August 2 Ruling, including a calculation of Shell Energy's RPS net short position. The attached chart reflects reliance upon Shell Energy's existing (pre-June 1, 2010) supplies to meet all or a portion of Shell Energy's RPS procurement obligation in the current (2011-2013) and future compliance periods. Given the flexibility of the initial three-year compliance period, however, it is possible

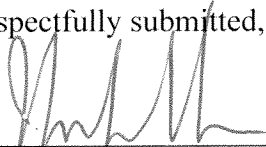
that Shell Energy may redistribute some or all of its existing RPS supplies and purchase additional RPS supplies to meet its RPS procurement obligations.

III.

CONCLUSION

Shell Energy's 2012 RPS procurement plan, as described above, provides the basis for Shell Energy's RPS procurement to meet its RPS compliance obligation.

Respectfully submitted,



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Date: August 15, 2012

Attorneys for Shell Energy North America (US) L.P.

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**RPS Procurement Plan**  
**Shell Energy North America (US), L.P.**  
**August 15, 2012**

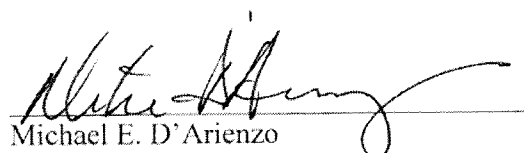
Column	A	B	C	D	E	F	G	H	I	J	K	L
	<b>Actual RPS Supply under Contract (MWhs)</b>											
Row #	Year	Annual Retail Sales	Annual Percentage Target	Annual RPS Procurement Target	PCC0	PCC1	PCC2	PCC3	2010 Surplus	RPS Net Short	Forecast Project Failure Rate	Voluntary Margin of Over-procurement
1	2011	3,318,759	0.2	663,752	129,015	180,113	90,057	10,379	1,747	(252,441)	n/a	n/a
2	2012		0.2								n/a	n/a
3	2013		0.2								n/a	n/a
4	2014		0.217								n/a	n/a
5	2015		0.233								n/a	n/a
6	2016	331,876	0.25	82,969	83,031					62	n/a	n/a
7	2017	331,876	0.27	89,607	89,673					66	n/a	n/a
8	2018	331,876	0.29	96,245	87,244					(9,001)	n/a	n/a
9	2019	331,876	0.31	102,882						(102,882)	n/a	n/a
10	2020	331,876	0.33	109,520						(109,520)	n/a	n/a
11	2021	331,876	0.33	109,520						(109,520)	n/a	n/a
12	2022	331,876	0.33	109,520						(109,520)	n/a	n/a
13	2023	331,876	0.33	109,520						(109,520)	n/a	n/a
14	2024	331,876	0.33	109,520						(109,520)	n/a	n/a
15	2025	331,876	0.33	109,520						(109,520)	n/a	n/a
16	2026	331,876	0.33	109,520						(109,520)	n/a	n/a
17	2027	331,876	0.33	109,520						(109,520)	n/a	n/a
18	2028	331,876	0.33	109,520						(109,520)	n/a	n/a
19	2029	331,876	0.33	109,520						(109,520)	n/a	n/a
20	2030	331,876	0.33	109,520						(109,520)	n/a	n/a
21	2031	331,876	0.33	109,520						(109,520)	n/a	n/a

## VERIFICATION

I am an officer of Shell Energy North America (US), L.P. and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 14, 2012, at Spokane, Washington.

  
Michael E. D'Arienzo  
Vice President – Commercial & Industrial  
Shell Energy North America (US), L.P.

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