BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program Rulemaking 11-05-005 (Filed May, 5 2011)

RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN RENEWABLE NET SHORT FILING OF COMMERICIAL ENERGY OF MONTANA, INC.

(PUBLIC)

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Dated: August 15, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program Rulemaking 11-05-005 (Filed May, 5 2011)

RENEWABLE PORTFOLIO STANDARD PROCUREMENT PLAN RENEWABLE NET SHORT CALCULATION OF COMMERCIAL ENERGY OF MONTANA, INC.

In accordance with the April 5, 2012 Assigned Commissioner's Ruling and the Administrative Law Judge's Ruling adopting renewable net short calculation methodology issued August 2, 2012, Commercial Energy of Montana, Inc. ("CEM") hereby submits this update of the Renewable Net Short (RNS) calculation. All other portions of the Procurement Plan submitted May 23, 2012 remain unchanged.

5. Quantitative Information - §399.13(a)(5)(A),(B), (D) and (F)

A table demonstrating CEM's RNS calculation is provided below. As stated previously, CEM plans to meet its future RPS obligations through a mix of bundled and REC-only transactions. The procurement provided below demonstrates RECs that have already been procured, as well as forecasted generation from a contract with a facility already online. The output is adjusted for an estimated 0.5% annual decline. Barring any significant market changes, CEM does not foresee problems in meeting its RPS requirement. Qualitative information is provided in the table below:

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Load						10000	10000	10000	10000	10000	10000	10000
RPS %	0.20	0.20	0.20	0.22	0.23	0.25	0.27	0.29	0.31	0.33	0.33	0.33
Procurement Obligation						2500	2700	2900	3100	3300	3300	3300
Voluntary Margin Over Procurement						0	0	0	0	0	0	0
Online Generation						85.27	84.85	84.42	84.00	83.58	83.16	82.75
Risk Adj Forecast Generation						0	0	0	0	0	0	0
Preapproved						0	0	0	0	О		0
GenericGeneration											0	
Annual RNS						2415	2615	2816	3016	3216	3217	3217

Respectfully submitted this 15th day of August, 2012 at Oakland, California.

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By <u>/s/ Ron Perry</u> Ron Perry **VERIFICATION**

I am an officer of Commercial Energy of Montana, Inc., and am authorized to make this

verification of its behalf. The statements in the foregoing document are true of my own

knowledge, except as to matters which are therein stated on information and belief, and as to

those matters I believe them to be true.

I declare under penalty of perjury that the forgoing is true and correct, and that this

verification is executed on this 15th day of August, 2012 at Oakland, California.

/s/ Ron Perry

Ron Perry

CEO of Commercial Energy of Montana, Inc.

3