# 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)

## 2013 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN OF DIRECT ENERGY BUSINESS, LLC

(PUBLIC VERSION)

In accordance with the May 10, 2013 Assigned Commissioner's Ruling, Direct Energy Business, LLC ("Direct Energy") hereby submits this 2013 Renewables Portfolio Standard ("RPS") Procurement Plan for the period of 2013-2033.

## 1. Assessment of RPS Portfolio Supplies and Demand - § 399.13(a)(5)(A)<sup>1</sup>

Direct Energy procures RPS supply based on the term of its retail customer contracts, with the majority of contracted load being within a rolling 24-month time horizon. For the 2011 to 2013 compliance period Direct Energy is approximately 99% hedged against a forecast compliance period RPS obligation (weighted average of all three content categories). Direct Energy has completed a long-term (10-year) contract to meet the minimum long-term contract requirement for the 2011 to 2013 compliance period. Direct Energy does not hedge fixed price energy exposure through RPS contracts so the energy price in all contracts is at index.

#### 2. Project Development Status Update - § 399.13(a)(5)(D)

Direct Energy has not contracted with any renewable energy resources that are not already in commercial operation.

<sup>&</sup>lt;sup>1</sup> All statutory references herein are to the Public Utilities Code.

## 3. Potential Compliance Delays - § 399.13(a)(5)(B)

Direct Energy expects to meet its RPS compliance requirements for the 2011 to 2013 compliance period.

#### 4. Risk Assessment - § 399.13(a)(5)(F)

Since Direct Energy has not contracted with any renewable energy resources that are not already in commercial operation, this section is not applicable.

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

Please see the spreadsheet attached hereto as Appendix A for the responsive quantitative information.

## 6. Portfolio Optimization Strategy

So as to minimize and control procurement costs while optimizing our RPS portfolio,

Direct Energy intends to procure the following RPS resources in the amounts indicated during
the 20 year time frame covered by this plan:

- Portfolio Procurement Category ("PCC") 1 resources in the minimum amounts required under 399.16(c)(1).
- PCC 3 resources in the maximum amounts allowed under § 399.16(c)(2).
- PCC 2 resources in such amounts as needed to cover any remaining RPS requirements.

Respectfully submitted,
/S/

Shelley Nauss Analyst, Renewables Portfolio Management Direct Energy Business, LLC 12 Greenway Plaza Houston, Texas 77046 Telephone: (713) 877-3984

Email: shelley.nauss@directenergy.com

June 18, 2013

#### **VERIFICATION**

I, Gregory S. G. Klatt, counsel for Direct Energy Business, LLC, am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing 2013 Renewables Portfolio Standard Procurement Plan filed in Rulemaking 11-05-005 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.

Executed on June 18, 2013, at Woodland Hills, California.

Gregory S.G. Klatt

John Ko

Douglass & Liddell

21700 Oxnard Street, Suite 1030

Woodland Hills, California 91367

Telephone: (818) 961-3002 Facsimile: (818) 961-3004

Email: Klatt@energyattorney.com

Attorney for

Direct Energy Business, LLC

Appendix A. Direct Energy RPS Procurement Plan. Section 6.5 Quantitiatve Information and Net Short Calculations
All figures are in MWh

		timate	3P5 Obligation	Procurement	75 Obligation	at CP		
20.0%	2011	3,562,043	712,408		712,408	149,022	563,386	(0)
20.0%	2012							
20.0%	2013 CP1					- 149		
21.7%	2014			,		,022		
23.3%	2015	3,741,070	871,669		871,669		30,000	(8/1 660)
25.0%	2016	3,741,070	935,268		935,268	,	30,000	(805,268)
	CP2							
27.0%			1,010,089		1,010,089	,	30,000	(080 080)
			1,084,910 1		1,084,910 1		30,000	1 05/1 91 01
	2019				1,159,732 1	,	30,000	(1 120 725) (1 20A 5530)
33.0%			1,234,553		1,234,553		30,000	1
			4,489,284		4,489,284	,	120,000	100
			1,234,553 1		1,234,553 1		30,000	(1.204 RES) (1.204 RES) (1.224 RES) (1.224 RES) (1.224 RES)
			1,234,553 1,		1,234,553 1,		30,000	20,4 5537 (3
			1,234,553 1,		1,234,553 1,		5,000	2205531 (3
			1,234,553 1,		1,234,553 1,			227 5521 /1
			1,234,553 1,		1,234,553 1,			22.4 55.21 /7
33.0%			1,234,553		1,234,553	,		
33.0%	2027	3,741,070	1,234,553		1,234,553			11 224 5525 1
33.0%	2028	3,741,070	1,234,553		1,234,553			10 334 5531
			1,234,553 1		1,234,553 1			(1 224 552) (1 224 552)
33.0%	2080	741,070	1,234,553		,234,553			224 5521