# 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 OF Gexa Energy California, LLC

Pursuant to the April 5, 2012 Assigned Commissioner's Ruling, Gexa Energy California, LLC ("Gexa") hereby submits its 2013 Renewables Portfolio Standard ("RPS") Procurement Plan. In accordance with the Assigned Commissioner's Ruling, Gexa Energy California provides the following responses to sections 6.1 through 6.6.

## 6.1. Assessment of RPS Portfolio Supplies and Demand - § 399.13(a)(5)(A)

Gexa is a registered Electric Service Provider (ESP #1383) and did not serve any retail load prior to January 1, 2013. Gexa began serving retail load under Direct Access on January 1, 2013, and upon award of the new retail contracts, procured short term contracts for 100% of the associated RPS supply required for the acquired retail load contracts' tenor and forecasted volume. As a new retail seller in California, Gexa does not have a reliable baseline for projecting demand out past the term of its existing agreements. However, Gexa has identified potential RPS supply counterparties that it expects to be able to enter into additional RPS supply contracts as required for the anticipated term of any newly acquired retail load agreements. Gexa's RPS procurement decisions are primarily based on an eligible resources' ability to deliver the desired quantity of Portfolio Content Category ("PCC") products and are not based on the resources' ability to provide resource adequacy or ancillary services.

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

Gexa has not contracted with any renewable energy resources that are under development.

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

Gexa does not expect any delays that would prevent it from meeting its RPS compliance requirements for 2013.

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

Under its current RPS supply contracts, Gexa is not exposed to potential compliance delays due to project development risks. Gexa has mitigated potential risks from variable generation and/or lower than expected generation, by entering into full requirements RPS supply contracts conservatively sized with eligible renewable resources of sufficient capacity to meet Gexa's projected RPS requirements.

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

Please see attached Exhibit A for responsive quantitative information related to this procurement plan.

#### 6.6. Portfolio Optimization Strategy

Gexa's portfolio optimization strategy generally includes two objectives:

- 1) Minimize volume risk of RPS supply procurement
- 2) Minimize RPS supply costs

Given its recent entry into California's competitive Direct Access retail market, Gexa seeks to minimize volume risk by matching procurement of its RPS supply to the volume and tenor of its executed retail customer contracts. By contracting for RPS supply upon award of retail customer contracts, Gexa expects to minimize costs related to potential over-procurement. Gexa seeks to minimize its RPS supply costs by procuring the maximum allowable quantities from the three portfolio content categories ("PCC") relative to their procurement costs. In the current market, this is primarily achieved by procuring the minimum required volume of PCC 1 resources, the maximum allowed volume of PCC 3 resources, and meeting the remaining requirements with PCC 2 resources.

Respectfully Submitted,

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June 28, 2013

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#### VERIFICATION

I am a duly authorized representative of Gexa Energy California, LLC and I 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 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. Executed on June 28, 2013 at Houston, Texas.

<u>Lusdela</u> Williams

EXHIBIT A: 6.5. Quantitative Information - § 399.13(a)(5)(A), (B), (D) and (F)

#### Gexa Energy California, LLC

2013 RPS Procurement Plan Exhibit A: Quantitative Information

MWh Retail Sales Forecast RPS Procurement Quantity Requirement (%) RPS Procurement Quantity Requirement	<u>2011</u> 	20%	<u>2013</u> 20%		<u>2015 201</u> 23% 25	-	*	÷	- 33%	33%	33%	~	~	33%	33%	33%	33%	- 33%	-	-	Compliance Period 1 <u>2011 - 2013</u>	Compliance Period 2 2014 - 2016	Compliance Period 3 2017 - 2019
Online Generation Risk Adjusted Forecast Generation Pre-approved Generic Generation 5) Total Risk Adjusted RPS Procurement	  		-	- -	- - -	• • •	5 70	-	-	-	-	-	-	*	-			~	-	*			
1) Gross Surplus / (Deficit)	-	÷	-	-		-	*	*	-	~		*	*	*	~	-		-	-	-	-	-	~
Banked Surplus Banked Usage 2) Eligible Excess Procurement	-	**	~	*		*	*	-	-	-	-	-	-	-	-	-	-	-	-	*			10.00.00.00.00.00.00.00.00.00.00.00.00.0
3) Net Surplus / (Deficit)	-	~	-	~		-	-	-		-	-	~					~	P	*	*	-	-	•
Annual RPS Risk-adjusted Net Short 20 Year Total RPS Risk-adjusted Net Short 4) Rolling 20 year RNS forecast-Net RPS Position (%)		0%	- 0%	- 0%	0% 0	- % 0%	- 0%	0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%			- 0%	- 0%	- 0%		- 0%	0%
<ol> <li>Forecast Failure Rate - New Generation</li> <li>Forecast Failure Rate - Online Generation</li> <li>Voluntary Margin of Over Procurement</li> </ol>	n/a 0%	n/a n/a 0%	n/a 0%	0% -	n/a n/a 0% 09	n/a % 0%		n/a 0% -	n/a 0% -	n/a 0%	n/a 1 0%	n/a 1 0%	n/a 1 0%	n/a 1 0% -	n/a 1 0%	n/a 0% -	n/a 0% -	n/a 0%	n/a 0% -	n/a 0%	n/a 0% 0%	n/a 0% 0%	n/a 0% 0%