

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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

**RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN OF
PALMCO POWER CA, LLC**

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Dated: June 11, 2014

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In accordance with the March 26, 2014 Assigned Commissioner’s Ruling Identifying Issues and Schedule of Review for 2014 Renewables Portfolio Standard Procurement Plans, Palmco Power CA, LLC (“Palmco”) hereby submits this 2014 Renewables Portfolio Standard (“RPS”) Procurement Plan for the period of 2014-2034.

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

Palmco was licensed in September of 2013 and has not yet begun serving any direct access (DA) customers in California. Palmco expects that its load obligation will not increase unless and until the legislature increases the amount of load that is eligible for DA service during the planning period covered by this RPS Procurement Plan. If and when Palmco does begin serving load, it plans to meet its RPS Procurement requirements through a mix of bundled and REC-only transactions in compliance with the minimums and maximums allowed and/or required for the various categories. The exact portfolio mix will depend on pricing and availability for various products at the time that Palmco begins to incur an obligation.

Palmco’s goal is to meet most if not all of the RPS-eligible energy procurements from in-state resources and/or resources that have their first point of interconnection with a California

balancing authority. Palmco will aim to make cost effective procurements within the parameters of current statutory requirements, and will remain flexible in their procurement strategy in order to respond to changes in market conditions and regulations.

Palmco's priority will be to meet the demands of the RPS requirements, and Palmco considers the importance of deliverability characteristics such as peaking, dispatchable, baseload, firm and as-available capacity as a secondary concern.

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

Palmco has no information to report in this section, as Palmco has not entered into any contracts with facilities that are not yet in commercial operation.

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

Palmco could foresee potential compliance delays if a market short makes REC procurement prohibitively expensive or unachievable. In order to attempt to mitigate this risk, Palmco will remain flexible in its procurement strategy and will continue to consider a variety of procurement options in order maximize its ability to adapt to future market conditions.

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

Under the current regulatory framework Palmco sees the potential for market shortages or lack of cost effective options for smaller market participants as the greatest risk to its ability to meet the requirements of the RPS standards. Palmco has no information to report regarding risks associated with facilities that are not yet in commercial operation.

5. "Minimum Margin" of Procurement - §399.13(a)(4)(D) (Section 6.6)

Because Palmco is not yet serving load and does not have a reliable forecast for future obligations, Palmco will plan to make procurements based on actual load numbers as they become available.

6. Important Changes to Plans Noted (Section 6.12)

Because Palmco was licensed in September of 2013 this is the first Procurement Plan the company has made.

7. Safety Considerations (Section 6.14)

Palmco plans to meet any future procurement obligations through a mix of bundled and REC-only transactions in compliance with the minimums and maximums allowed and/or required for the various categories. Palmco does not own or operate any renewable facilities, nor is Palmco involved in any renewable facility project development. Therefore, Palmco does not have any safety concerns regarding its Procurement Plan at this time.

Respectfully submitted this 11th day of June, 2014 at Brooklyn, New York.

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Variable	Calculation	Item	Deficit from RPS prior to Reporting Year	2011 Actuals	2012 Actuals	2013 Actuals	2011-2013	2014 Forecast	2015 Forecast	2016 Forecast
		Forecast Year		-	-	1	CP1	2	3	4
Annual RPS Requirement										
A		Bundled Retail Sales Forecast (LTPP)		0	0	0	0	0	0	0
B		RPS Procurement Quantity Requirement (%)				20%	20%	22%	23%	25%
C	A*B	Gross RPS Procurement Quantity Requirement (GWh)		0	0	0	0	0	0	0
D		Voluntary Margin of Over-procurement		0	0	0	0	0	0	0
E	C+D	Net RPS Procurement Need (GWh)		0	0	0	0	0	0	0
RPS-Eligible Procurement										
Fa		Risk-Adjusted RECs from Online Generation		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Faa		Forecast Failure Rate for Online Generation (%)		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fb		Risk-Adjusted RECs from RPS Facilities in Development		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fbb		Forecast Failure Rate for RPS Facilities in Development (%)		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fc		Pre-Approved Generic RECs		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fd		RECs Pending CPUC Approval		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fe		Executed REC Sales		n/a	n/a	n/a	n/a	n/a	n/a	n/a
F	Fa + Fb +Fc + Fd-Fe	Total RPS Eligible Procurement (GWh)		0	0	0	0	0	0	0
F0		Category 0 RECs		0	0	0	0	0	0	0
F1		Category 1 RECs		0	0	0	0	0	0	0
F2		Category 2 RECs		0	0	0	0	0	0	0
F3		Category 3 RECs		0	0	0	0	0	0	0
Gross RPS Position (Physical Net Short)										
Ga	F-E	Annual Gross RPS Position (GWh)		0	0	0	0	0	0	0
Gb	F/ A	Annual Gross RPS Position (%)		0	0	0	0	0	0	0
Application of Bank										
Ha		Existing Banked RECs above the PQR		0	0	0	0	0	0	0
Hb		RECs above the PQR added to Bank		0	0	0	0	0	0	0
Hc		Non-bankable RECs above the PQR		0	0	0	0	0	0	0
H	Ha+Hb	Gross Balance of RECs above the PQR		0	0	0	0	0	0	0
Ia		Planned Application of RECs above the PQR towards RPS Compliance		0	0	0	0	0	0	0
Ib		Planned Sales of RECs above the PQR		0	0	0	0	0	0	0
J	H-Ia-Ib	Net Balance of RECs above the PQR		0	0	0	0	0	0	0
J0		Category 0 RECs		0	0	0	0	0	0	0
J1		Category 1 RECs		0	0	0	0	0	0	0
J2		Category 2 RECs		0	0	0	0	0	0	0
Expiring Contracts										
K		RECs from Expiring RPS Contracts		0	0	0	0	0	0	0
Net RPS Position (Optimized Net Short)										
La	(Ga+H+Ia)-E	Annual Net RPS Position after Bank Optimization (GWh)		0	0	0	0	0	0	0
Lb	(Ga+H+Ia)/A	Annual Net RPS Position after Bank Optimization (%)		0	0	0	0	0	0	0

Note: Fields in grey are protected as Confidential under CPUC Confidentiality Rules

Note: Values are shown in GWhs

2014-2016	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2017-2020	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
CP2	5	6	7	8	CP3	9	10	11	12	13	14	15	16	17	18	19	20
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23%	27%	29%	31%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

VERIFICATION

I am an officer of Palmco Power CA, LLC 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 11th day of June, 2014 at Brooklyn, New York.

/s/ Robert Palmese
Robert Palmese
Manager, Regulatory Affairs
Palmco Power CA, LLC