BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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

RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN OF

GLACIAL ENERGY OF CALIFORNIA, INC.

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June 11, 2014

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

Provide a written description assessing annual and multi-year portfolio supplies and demand in relation to RPS requirements, the RPS program, and the RPS program's overall goals to determine the retail seller's optimal mix of eligible renewable energy resources.

The assessment should consider, at a minimum, a 20-year time frame with a detailed 10-year planning horizon that takes into account both portfolio supplies and demand. This written description must include the retail seller's need for RPS resources with specific deliverability characteristics, such as, peaking, dispatchable, baseload, firm, and as-available capacity as well as any additional factors, such as ability and/or willingness to be curtailed, operational flexibility, etc.

This written description must also explain how the proposed renewable energy portfolio will align with expected load curves and durations. Where applicable, assessment should also identify and incorporate impacts of overall energy portfolio requirements (not just RPS portfolio requirements), recent legislation, other Commission proceedings (e.g. Long-Term Procurement Plans Proceeding), other agencies requirements, and other policies or issues that would impact RPS demand and procurement.

Additionally, the assessment should address the retail seller's need for and plan for procuring resources that satisfy the three portfolio content categories of RPS procurement.[17] Lastly, it must also explain how the quantitative analysis provided in response to section 6.5 supports the assessment.

Response of Glacial Energy of California:

Glacial Energy of California, Inc. (GECA) neither owns, nor is building any generation, renewable or otherwise.

GECA's long-term forecast incorporates a top-down forecasting methodology based on settled monthly shape multiplied by customer HUD. Short-term forecasting adjusts for trending forecast error and weather. Because many of GECA's customers are on month-to-month contracts, it is difficult to forecast existing customer retention. Furthermore, forecasting new customer acquisition is problematic for two reasons: the staggered opening of the market tranches, and the near impossibility of forecasting the percent of pending customers that will be awarded to an individual competitive supplier. Therefore, with an inability to accurately forecast both customer addition and attrition, generating a 10 and 20 year forecast is extremely problematic.

In the absence of a better process, GECA intends to use the load data for the 3 years the GECA has been in California as a proxy for the 10 and 20 year forecast and procure the minimum percent of long-term contracts. The balance will be procured with the short-term contracting of the qualified renewable generation, trued-up to realized settled load.

Non-renewable Resource Adequacy is procured bilaterally from existing generation. Energy and ancillaries are procured from the CAISO.

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

Provide a written status update on the development schedule of all eligible renewable energy resources currently under contract but not yet delivering generation. This written status update may rely upon the most recent filed Project Development Status Reports [18] but must elaborate upon these reports and should differentiate status updates based on whether projects are pre-construction, in construction, or post-construction. Providing a copy of the Project Development Status Report will not be a sufficient response. The status updates provided in the written description must be reflected in the quantitative

analysis provided in response to section 6.5, below. Given this analysis, discuss how the status updates will impact the retail seller's net short and its procurement decisions for a 10-year planning horizon.

Response of GECA:

GECA has not yet contracted any long-term renewable procurement. Thus GECA has no status updates to report.

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

Describe in writing any potential issues that could delay RPS compliance, including, but not limited to inadequate transmission capacity, delayed substation construction, financing, permitting, and the relationship, if any, to deliveries and project development delays. Describe the steps taken to account for and minimize these potential compliance delays. The potential compliance delays included in the written description must be reflected in the quantitative analysis provided in response to section 6.5. Given this analysis, discuss how the potential compliance delays will impact the retail seller's RPS net short and its procurement decisions.

Response of GECA:

Glacial Energy neither owns, nor is developing any generation, renewable or otherwise, and is thus, unaffected by transmission issues.

Short-term contracts have delivery threshold covenants or are for firm power.

Long-term contracts will require the counterparty to provide replacement power of the bucket-type contracted.

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

Provide a written assessment of the risk in the RPS portfolio in relation to RPS compliance requirements. Risk assessment should describe risk factors such as those described above regarding compliance delays, as well as the following: lower than expected generation, variable generation, resource availability (e.g., biofuel supply, water, etc.) and impacts to eligible renewable energy resource projects currently under contract. The risk assessment provided in the written description must be reflected in the quantitative analysis provided in response to section 6.5 and section 6.6. Given this analysis, discuss how the risk projected initial operation date. Section 6.3 is a new requirement for RPS Procurement assessment will impact the retail seller's net short and its procurement decisions. The written assessment must explain how quantitative analysis provided in response to section 6.5 supports this response.

Response of GECA:

GECA currently has no long-term renewable contracts: see response 6.2, above.

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

Section 399.13(a)(4)(D) provides, in part, that the Commission shall adopt, by rulemaking, "[a]n appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewable portfolio standard to mitigate the risk that renewable projects planned or under contract are delayed or cancelled."

This ruling directs PG&E, SCE and SDG&E to identify in their proposed 2014 RPS Procurement Plans the assumed minimum margin of procurement above the minimum procurement level necessary to comply with the RPS program to mitigate the risk that renewable projects under contract are delayed or terminated.

Each proposed 2014 RPS Procurement Plan shall include a methodology and inputs regarding the utility's proposed minimum margin of over-procurement metric. The methodology should be representative of and consistent with the utility's inputs and assumptions in section 6.5. Also the metric should be used to calculate the utility's procurement needs pursuant to the section 6.5. Additionally, use of any sensitivities or scenarios should be described. If the utility's assumed minimum margin of over-procurement is not used to calculate a utility's net short provided in response to section 6.5, then the utility should clearly describe the reasons and any assumptions or other additional methodologies used to calculate the utility's prosed over-procurement. Reasons and assumptions should be supported with quantitative information to the extent possible.

Response of GECA:

GECA has no planned or under contract renewable projects, see response 6.2 above. As detailed in response 6.1, long-term forecasting of GECA's load is extremely problematic. Thus, over-procurement is the biggest risk. For this reason, GECA procures the minimum of the long-term requirement and satisfies the balance of its requirement, quarterly.

6.12. Important Changes to Plan Noted

A statement identifying and summarizing the important changes between 2013 and 2014 RPS Procurement Plans must be included. This summary could in a table or bullet point format, but it should not be a reprint of the two plans with strike-out and underlined inserts. In addition to identifying and summarizing the important changes, the plan should also include an explanation and justification of reasonableness for each important change from 2013 to 2014.

Response of GECA:

In absence of any compliance review of a 2011-2013 closing report, GECA believes that its 2013 procurement plan met both the procurement and reporting requirements. As such, the only changes between the 2013 and 2014 plans were:

- Removal of requirement 6.5 from the 2013 plan and the
- Addition of the Renewable Net Short Reporting Template to the 2014 plan
- Change Requirement of 6.6 from "Portfolio Optimization Strategy" to "'Minimum Margin' of Procurement - §§ 399.13(a)(4)(D)
- Addition of the 6.12 requirement.

6.14. Safety Considerations

As stated in D.13-11-024, all entities filing RPS Procurement Plans must incorporate a section on safety considerations.

Response of GECA:

As set forth in its RPS Procurement Plan, Glacial Energy currently does not have any long-term procurement contracts. Rather, on a quarterly basis Glacial Energy contracts with counterparties to purchase target volumes of bundled and unbundled RECs at market-based rates. Glacial Energy does not own any REC-based assets or resources. Glacial Energy's contracts with counterparties for the purchase

of RECs do not require any change in facility operations because the RECs originate from facilities not interconnected with Glacial Energy. As such, Glacial Energy's contracts with counterparties will not interfere with the safe operation of Glacial Energy facilities nor will they adversely affect safety and reliability of service1. Further, the contracts do not alter existing agreements or any facility operations. Because the contracts do not require a change in facility operations, there are no incremental safety implications associated with these arrangements; therefore they will not adversely affect the public's health or safety.

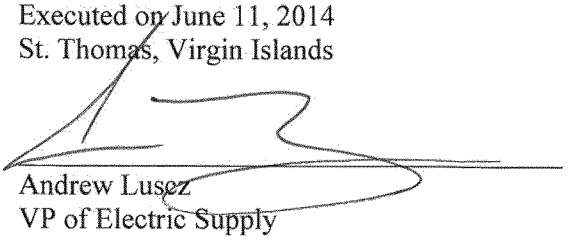
VII. Conclusion

In accordance with the Assigned Commissioner's Ruling, GECA provides this RPS procurement plan. As described above, it is the intention of GECA to comply fully with the RPS requirement in a manner that minimizes both risks to the company and costs to the customer.

VERIFICATION

I am an officer Glacial Energy of California, Inc. 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 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 11, 2014
St. Thomas, Virgin Islands



Andrew Lusez
VP of Electric Supply

[1] Glacial Energy is a Purchasing Selling Entity in CAISO but is not interconnected with the bulk power system, as the distribution of power to Glacial Energy's retail customers is handled by the electric distribution utilities. Other than the small amount of physical power which is bundled with purchased RECs, Glacial Energy purchases 100% of its power from the wholesale markets at CAISO.