

**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)

**2014 RENEWABLES PORTFOLIO STANDARD
PROCUREMENT PLAN OF
DIRECT ENERGY SERVICES, LLC**

(PUBLIC VERSION)

In accordance with the May 10, 2013 Assigned Commissioner's Ruling, Direct Energy Services, LLC ("Direct Energy") hereby submits this 2014 Renewables Portfolio Standard ("RPS") Procurement Plan.

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

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, as well as how it optimizes cost, value and risk for the ratepayer. 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., R.13-12-010, the long-term procurement plans proceeding), other agencies requirements, and other policies or issues that would impact RPS demand and procurement.

¹ All statutory references herein are to the Public Utilities Code.

Additionally, the assessment should describe and incorporate RPS lessons learned over the past year, including RPS trends and potential future trends. Lastly, it must also explain how the quantitative analysis provided in response to section 6.5 supports the assessment.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

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 recently filed Project Development Status Reports but it 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. ... 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.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

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. ... Given this analysis, discuss how the potential compliance delays will impact the retail seller's RPS net short and its procurement decisions.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

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, but not limited to, the following: lower than expected generation, variable generation, regulatory risk,

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. Given this analysis, discuss how the risk assessment will impact the retail seller's net short and its procurement decisions.

Direct Energy Services, LLC does not anticipate risks given there are no electric customers at this time and does not plan to serve any electric customers in the future.

5. 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 canceled.”

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 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 proposed over-procurement. Reasons and assumptions should be supported with quantitative information to the extent possible.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

6. Important Change to Plans Noted

A statement identifying and summarizing the important changes between the 2013 and 2014 RPS Procurement Plans must be included. This summary could be 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.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

7. Safety Considerations

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

The company does have a “Safety First” culture and has well-established safety programs in place. At Direct Energy, safety is our first priority. We must work together to prevent work-related injuries and occupational illnesses. We maintain effective health, safety and wellness programs and strive to continually improve our safety performance. We comply with all related legislation, laws, regulations and industry leading practices including Federal (i.e. – U.S. Occupational Safety and Health Standard 29 C.F.R. 1910.119), provincial and state regulations.

Appendix D of May 21, 2014 Net Short ALJ Ruling

1. How do current and historical performance of online resources in your RPS portfolio impact future projections of RPS deliveries and your subsequent RNS?

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

2. Do you anticipate any future changes to the current bundled retail sales forecast? If so, describe how the anticipated changes impact the RNS.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

3. Do you expect curtailment of RPS projects to impact your projected RPS deliveries and subsequent RNS?

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

4. Are there any significant changes to the success rate of individual RPS projects that impact the RNS?

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

5. As projects in development move towards their COD, are there any changes to the expected RPS deliveries? If so, how do these changes impact the RNS?

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

6. What is the appropriate RECs above the PQR to maintain? Please provide a quantitative justification and elaborate on the need for maintaining banked RECs above the PQR.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

7. What are your strategies for short-term management (10 years forward) and long-term (10-20 years forward) of RECs above the PQR? Please discuss any plans to use RECs above the PQR for future RPS compliance and/or to sell RECs above the PQR.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

8. Provide VMOP on both short-term (10 years forward) and long-term (10-20 years forward) basis. This should include a discussion of all risk factors and quantitative justifications for the amount of VMOP.

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

9. Please address the cost-effectiveness of different methods for meeting any projected VMOP procurement need, including application of forecast RECs above the PQR.

Not applicable, see response to question 8.

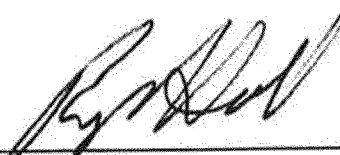
10. Are there cost-effective opportunities to use banked RECs above the PQR for future RPS compliance in lieu of additional RPS procurement to meet the RNS?

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

11. How does your current RNS fit within the regulatory limitations for PCCs? Are there opportunities to optimize your portfolio by procuring RECs across different PCCs?

Direct Energy Services, LLC does not have any electric customers and does not plan to serve any electric customers in the future.

Respectfully submitted,



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