

August 1, 2014

**NARRATIVE ACCOMPANYING CONSTELLATION NEWENERGY, INC.'S
2013 PRELIMINARY ANNUAL 33% RPS COMPLIANCE REPORT**

Constellation NewEnergy, Inc. (“CNE”) hereby provides its response to the Public Utilities Code § 399.13(a)(3) narrative requirement as set out by Energy Division in the “Instructions” tab of the 2013 Preliminary Annual 33% RPS Compliance Report.

1. The status of any necessary siting and permitting approvals from federal, state, and local agencies for those eligible renewable energy resources procured by the retail seller that have not yet attained their commercial on-line dates.

CNE Response: CNE does contract with power marketers that in turn contract directly with facilities under construction. The marketer, and not CNE, has contracted directly with the facilities. The facilities under development are included within a portfolio of operational resources contracted by the power marketer supporting the commercial arrangement. CNE is not aware of any permitting issues with those facilities that would delay the on-line date, and the commercial arrangement does not exclusively rely upon those facilities should their initial operations be delayed.

2. Identification of all procurement from eligible renewable energy resources located outside California and within the WECC during the period covered by the report. Retail sellers should submit a list of facilities in a matrix format including: facility name, location (City and State), and the amount of renewable energy credits (RECs) procured during the year covered by the report (i.e. 2013 for this report). If a retail seller did not procure any RECs from out of state facilities, please include a brief summary on whether the retail seller intends to procure RECs from facilities located out of state in the future, and if so where these facilities may be located..

CNE Response: CNE references the “Procurement Detail” tab of its 2013 Preliminary Annual 33% RPS Compliance Report for full details on RPS compliance procurement. CNE procures from out-of-state resources. Consistent with Narrative Question 2, CNE provides this table of the out-of-state procurement for the 2013 period.

Contract Detail and Facility Name	Location		Amount
Contract OEB5 (High Mesa)	Twin Falls County	ID	20,000
Contract OAEL (Elkhorn Valley Wind Farm)	Union	OR	55,225
Contract OAIR (Leaning Juniper)	Arlington	OR	9,438
Contract OAIW (Klondike III)	Wasco	OR	29,345
Contract OAUS(Leaning Juniper)	Arlington	OR	14,401
Contract OA1U (Elkhorn Valley Wind Farm)	Union	OR	55,208
Contract ODH0 (Vansycle)	Athena	OR	26,118

Contract 0AIR (Goodnoe Hills)	Goldendale	WA	8,149
Contract 0AIR (Marengo)	Dayton	WA	10,753
Contract 0AIW (Harvest Wind)	Roosevelt	WA	22,655
Contract 0AUS(Goodnoe Hills)	Goldendale	WA	12,105
Contract 0AUS(Marengo)	Dayton	WA	16,251
Contract 0AIR (Campbell Hill - Three Buttes)	Glenrock	WY	10,246
Contract 0AIR (Dunlap I)	Medicine Bow	WY	10,382
Contract 0AIR (Glenrock I)	Glenrock	WY	10,165
Contract 0AIR (High Plains)	Rock River	WY	9,662
Contract 0AIR (Rolling Hills)	Glen Rock	WY	12,451
Contract 0AIR (Seven Mile Hill I)	Medicine Bow	WY	10,764
Contract 0AIR (Top of the World)	Glenrock	WY	18,338
Contract 0AUS(Campbell Hill - Three Buttes)	Glenrock	WY	15,068
Contract 0AUS(Dunlap I)	Medicine Bow	WY	18,796
Contract 0AUS(Glenrock I)	Glenrock	WY	15,423
Contract 0AUS(High Plains)	Rock River	WY	14,591
Contract 0AUS(Rolling Hills)	Glen Rock	WY	15,473
Contract 0AUS(Seven Mile Hill I)	Medicine Bow	WY	15,962
Contract 0AUS(Top of the World)	Glenrock	WY	26,785

3. Identification of all procurement of unbundled REC's during the period covered by the report. Retail sellers should submit a list of facilities in a matrix format including: facility name, location (City and State), and the amount of unbundled REC's procured during the year covered by the report (i.e. 2013 for this report). If a retail seller did not procure any unbundled REC's, please include a brief summary on whether the retail seller intends to procure unbundled REC's in the near future, and if so where these REC's originate.

CNE Response: CNE references the "Procurement Detail" tab of its 2013 Preliminary Annual 33% RPS Compliance Report for full details on RPS compliance procurement. CNE procures from out-of-state resources. Consistent with Narrative Question 3, CNE provides this table of PCC-3 procurement for the 2013 period:

Contract Detail and Facility Name	Location		Amount
Contract 0EB5 (High Mesa)	Twin Falls County	ID	20,000
Contract 0E1L (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 3)	Lancaster	CA	13,618
Contract 0E1L (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 4)	Lancaster	CA	15,320
Contract 0E1L (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 5)	Lancaster	CA	9,646
Contract 0E1L (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 6)	Lancaster	CA	7,944

Contract 0E1L (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 7)	Lancaster	CA	14,185
Contract 0E1I (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 3)	Lancaster	CA	1,398
Contract 0E1I (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 4)	Lancaster	CA	1,573
Contract 0E1I (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 5)	Lancaster	CA	990
Contract 0E1I (AV Solar Ranch 1, LLC - Antelope Solar Ranch - Block 6)	Lancaster	CA	815

4. Recommendations to remove impediments to making progress toward achieving the renewable energy resources procurement requirements established by statute and implemented by Commission decision.

CNE Response: CNE has no additional comments other than those provided in its most recent RPS procurement plan recently submitted to the Commission. With respect to recommendations as to the compliance filing submissions, CNE makes the following recommendations to Energy Division:

- 1) the current size of the template posted to the CPUC website is 5 MB. CNE's submission in 2009 was 157 kB. While CNE recognizes that the spreadsheet is necessarily more complex, CNE encourages Energy Division to economize the size of the reporting template as much as possible so that the file may be easily sent via email; and,
- 2) CNE recommends that this narrative section and a certificate of service section be incorporated into the compliance template, perhaps as two separate, additional worksheets in the workbook, so that a single document may be submitted and served.