

PILOT POWER GROUP, INC.

2013 PRELIMINARY ANNUAL 33% RPS COMPLIANCE REPORT

NARRATIVE REPORTING REQUIREMENTS

1. The following is the status of any necessary siting and permitting approvals from federal, state, and local agencies for procured eligible renewable energy resources that have not yet attained their commercial on-line dates: NONE.

2. The following table lists all procurement from eligible renewable energy resources located outside California and within the WECC during the period covered by this report (2013):

Procurement Contract	Facility Name	City	State	Quantity
OneEnergy	Birch Creek Power - Birch Creek Power	Clark	ID	2428
OneEnergy	AgPower Jerome, LLC - Double A Dairy Digester	Jerome	ID	640
OneEnergy	Dry Creek Project - Dry Creek Project	Howe	ID	3100
OneEnergy	Marsh Valley Project - Marsh Valley Project	McCammon	ID	1293
OneEnergy	Post Falls HED - Post Falls 2	Coeur d'Alene	ID	1406
OneEnergy	Post Falls HED - Post Falls 3	Coeur d'Alene	ID	1406
OneEnergy	Post Falls HED - Post Falls 4	Coeur d'Alene	ID	2235
OneEnergy	Post Falls HED - Post Falls HED	Coeur d'Alene	ID	4216
OneEnergy	Middle Fork Irrigation District - Hydro system - Middle Fork Irrigation District - Hydro system	Parkdale	OR	5000
Deschutes	Opal Springs Hydro - Opal Springs Hydro	Jefferson	OR	50867
OneEnergy	Central Oregon Siphon Power Project - SPP	Deschutes	OR	9000
OneEnergy	Monroe Street HED - Monroe Street HED	Spokane	WA	6352
OneEnergy	Nine Mile HED - Nine Mile HED	Spokane	WA	4028
OneEnergy	Nine Mile HED 2 - Nine Mile HED 2	Spokane	WA	12585
OneEnergy	Upper Falls HED - Upper Falls HED	Spokane	WA	7772
OneEnergy	Garland Canal Power Plant - Garland Canal Power Plant	Casper	WY	10184
OneEnergy	High Plains - High Plains	McFadden	WY	369
TOTAL:				122,881

3. The following table lists all procurement of unbundled RECs during the period covered by this report (2013):

Procurement Contract	Facility Name	City	State	Quantity
OneEnergy	Puente Hills Energy Recovery - Puente Hills Gas-to-Energy Facility Phase II Gen3	City of Industry	CA	6484
OneEnergy	Puente Hills Energy Recovery - Puente Hills Gas-to-Energy Facility Phase II Gen4	City of Industry	CA	6484
OneEnergy	Puente Hills Energy Recovery - Puente Hills Gas-to-Energy Facility Phase II Gen5	City of Industry	CA	6484
OneEnergy	Total Energy Facility - TEF - GEN 1	Carson	CA	15883
OneEnergy	Total Energy Facility - TEF - GEN 4	Carson	CA	7342
OneEnergy	Total Energy Facility - TEF - GEN2	Carson	CA	15726
OneEnergy	Total Energy Facility - TEF - GEN3	Carson	CA	14407
OneEnergy	AgPower Jerome, LLC - Double A Dairy Digester	Jerome	ID	320
OneEnergy	Birch Creek Power - Birch Creek Power	Clark	ID	2428
OneEnergy	Dry Creek Project - Dry Creek Project	Howe	ID	3100
OneEnergy	Marsh Valley Project - Marsh Valley Project	McCammon	ID	1293
OneEnergy	Post Falls HED - Post Falls 2	Coeur d'Alene	ID	1406
OneEnergy	Post Falls HED - Post Falls 3	Coeur d'Alene	ID	1406
OneEnergy	Post Falls HED - Post Falls 4	Coeur d'Alene	ID	2235
OneEnergy	Post Falls HED - Post Falls HED	Coeur d'Alene	ID	4216
OneEnergy	Central Oregon Siphon Power Project - SPP	Deschutes	OR	9000
OneEnergy	Middle Fork Irrigation District - Hydro system - Middle Fork Irrigation District - Hydro system	Parkdale	OR	5000
OneEnergy	Opal Springs Hydro - Opal Springs Hydro	Jefferson	OR	50867
OneEnergy	Monroe Street HED - Monroe Street HED	Spokane	WA	6352
OneEnergy	Nine Mile HED - Nine Mile HED	Spokane	WA	4028
OneEnergy	Nine Mile HED 2 - Nine Mile HED 2	Spokane	WA	12585
OneEnergy	Upper Falls HED - Upper Falls HED	Spokane	WA	7772
OneEnergy	Garland Canal Power Plant - Garland Canal Power Plant	Casper	WY	10184
OneEnergy	High Plains - High Plains	McFadden	WY	369
TOTAL:		195,371		

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

Regulatory uncertainty adds to the difficulty in achieving the goals. In particular, many of the rules and changes create a dis-incentive to be an early adopter and procure more resources earlier than is absolutely necessary and required by law. In addition, frequent changes also lead to more regulatory uncertainty and a reluctance to engage in procurement any earlier than absolutely necessary and in amounts any greater than absolutely necessary. Despite warnings on regulatory uncertainty being raised many times in many different proceedings before the CPUC, the message never seems to be understood. As a result, California is synonymous with regulatory uncertainty.

Dated: August 1, 2014

PILOT POWER GROUP, INC.