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Via E-Mail and Overnight Delivery

August 1, 2014

Edward F. Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: R.11-05-005: Shell Energy North America (US), L.P.'s
Preliminary 2013 Annual RPS Compliance Report

Dear Mr. Randolph:

In accordance with D.12-06-038 (June 21, 2012), Shell Energy North America (US), L.P. ("Shell Energy") hereby submits its "2013 Preliminary Annual 33% RPS Compliance Report." As provided in D.08-04-023 (April 10, 2008), Shell Energy seeks confidential treatment of portions of its Preliminary 2013 Report based on the "Declaration" that accompanied Shell Energy's August 2008 RPS compliance report, which was submitted on August 18, 2008. The list of confidential "cells" in the report is attached as Appendix A.

Shell Energy responds to the narrative reporting requirements as follows:

Narrative Questions:

Pursuant to Public Utilities Code Section 399.13(a)(3), each retail seller must include the following narrative information in each Annual Compliance Report and in the final report for each compliance period:

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.

Response: N/A

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.

Response: Please refer to the "Facility Location" columns in the Procurement Detail Report. Any location not listed as "California" is "out of state."

3. Identification of all procurement of unbundled RECs 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 RECs procured during the year covered by the report (i.e. 2013 for this report). If a retail seller did not procure any unbundled RECs, please include a brief summary on whether the retail seller intends to procure unbundled RECs in the near future, and if so where these RECs originate.

Response: Please refer to the "Expected PCC" column in the Procurement Detail Report. All "unbundled RECs," are listed with an expected classification of "PCC3."

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

Response: Regulatory uncertainty continues to impede the contracting process for the purchase of renewable energy products. Additionally, the duplicative nature of the data in multiple reports that must be provided to the various agencies makes it difficult and unreasonably time-intensive to comply with reporting requirements.

Other Issues

On the "Procurement Detail" Tab, the "Expected PCC Classification" field states, "PCC0 Classification should be used for all contracts executed before June 1, 2010 or January 13, 2011 if the retail seller is an electric service provider (Pub. Util. Code 399.16(c))." According to the CEC's RPS Guidebook, 7th Edition, delivery of PCC0 resources will not be verified, but in order to qualify for PCC0 classification, if delivery was required under the Guidebook in place at the time of contract execution, the renewable energy under PCC0 contracts must be delivered to California. In cases where Shell Energy cannot confirm delivery of volumes under PCC0 eligible contracts when delivery is required under the appropriate Guidebook, Shell Energy has claimed those volumes as PCC3.

In view of the Commission's determination, in D.11-12-052 (December 15, 2011), that eligibility of renewable generation applies only post-contract execution, Shell Energy lists contract amendments as separate contracts rather than populating the "Date of Most Recent Contract Extension" column.

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The RPS template requests LSEs to provide the "CPUC ID," which is defined as "[t]he identification number provided to facility by the CPUC." Shell Energy does not have this CPUC ID information in its possession and therefore does not include the CPUC ID in its filing.

The "REC Retirement" tabs reflect volumes as retired in WREGIS. Because Shell Energy inadvertently retired 52,876 2012 RECs in the WREGIS 2011 CA RPS RTSL retirement account, Shell Energy moved 52,876 RECs from the 2011 procurement/accounting tabs into the correct compliance year (2012).

On the Accounting tab, the cell C57 titled "Excess RECs Eligible for Banking" should calculate the amount of eligible renewable energy that is in excess of the PQR, including PCC0; i.e. anything over 20 percent. However, the template assumes that LSEs have previously reported their PCC0 volumes in the 20% provisional closing report, which the CPUC instructed Shell Energy not to do. Therefore, Shell Energy entered the amount of PCC0 (796,739 RECs) it plans to carry over to a future compliance period in C58 – "Excess PCC0 RECs."

Finally, a redacted version of Shell Energy's Preliminary 2013 Annual Compliance Report is being served on the service list in Docket No. R.11-05-005. Thank you for your attention to this matter.

Respectfully submitted,



Marcie A. Milner

Vice President, Regulatory Affairs
Shell Energy North America (US), L.P.

cc: All Parties on the Service List in R.11-05-005

APPENDIX A

Confidential information redacted in accordance with D.06-06-066 and D.08-04-023:

<u>Tab</u>	<u>Cells</u>
2013 Annual Summary:	9D, 10D, 11E, 12E
Compliance Period Summary:	9F, G; 10 F, G; 11H; 12H
33 % RPS Progress Summary:	10E-H; 12E-H; 13C-H
Accounting:	18E-H; 21E-H; 42C-E; 43C-E; 44C-E; 45C-E; 79C-E