



Shell Energy North America
4445 Eastgate Mall, Suite 100
San Diego, CA 92121
Tel 1+ 858 526 2109
www.shell.com/us/energy

Via E-Mail and Overnight Delivery

September 1, 2016

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

Re: R.15-02-020: Shell Energy North America (US), L.P.'s
33% RPS Compliance Report for the First Compliance Period

Dear Mr. Randolph:

In accordance with D.12-06-038 (June 21, 2012), and consistent with the instructions you provided by letter dated June 24, 2016 (updated on July 15, 2016 and August 5, 2016), Shell Energy North America (US), L.P. ("Shell Energy") hereby submits its "33% RPS Compliance Report" for the first compliance period (2011-2013). In addition, Shell Energy provides the following supporting information:

- RPS Static Contract Information spreadsheet; and
- RPS Hourly Meter and E-Tag Reconciliation Report.

Based on the instructions provided by Robert Blackney in his August 5 e-mail, this submission does not include the "RPS E-Tag Summary Report" or the "WREGIS California E-Tag Summary Report." Those reports have been sent to Mr. Blackney electronically, directly from WREGIS.

As provided in D.08-04-023 (April 10, 2008), Shell Energy seeks confidential treatment of portions of its 33% RPS Compliance 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 set forth in the "Annual 33% RPS Compliance Reporting Instructions," 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 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 presented in matrix format. Any location not directly connected to a CBA, listed as CA or MX, 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 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 presented in matrix format. All cells populated with “PCC3” are “unbundled RECs.”

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. This regulatory uncertainty is highlighted by the Commission’s failure to adopt a decision implementing the enhanced RPS procurement obligation under SB 350. Additionally, as Shell Energy has noted previously, the duplicative nature of the reports and the differing formats required for the same information in different reports make it extremely difficult and unreasonably time-intensive to comply with reporting requirements. WREGIS was designed to ensure that the same REC cannot be claimed by two entities, and to ensure that RECs cannot be matched to a NERC E-Tag in an amount that exceeds the volume on those tags. The

Commission can rely on WREGIS to ensure the validity of both RECs and RECs matched to E-Tags, rather than require LSEs to reproduce the information in multiple formats. Finally, as Shell Energy has frequently commented, the Commission's refusal to allow LSEs to retire RECs in WREGIS accounts that are named by Portfolio Content Category makes it difficult to populate the Commission's multiple templates.

Other Issues

1. RPS Procurement Contracts, Etc.: Electronic versions of Shell Energy's RPS procurement contracts (including contracts not already provided to the Energy Division) are available in the "data room" established by Shell Energy. Authorized Energy Division representatives may contact the undersigned to obtain access to the data room. Shell Energy did not require generator interconnection agreements in its contracts and therefore does not have access to them. In this regard, it is impractical for the Commission to request LSEs to provide these documents when multiple LSEs are executing contracts with the same generators. This request can result in the Commission's receipt of the same documents from multiple entities. As Shell Energy has previously commented to the Commission and the CEC, interconnection agreements are more logically required as part of a generator application for RPS eligibility submitted to the CEC.
2. PCC0 Contract Classification: 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 was not able to confirm delivery of volumes under PCC0 eligible contracts when delivery was required under the appropriate Guidebook, Shell Energy claimed those volumes as PCC3.
3. Contract Extensions: In view of the Commission's determination, in D.11-12-052, that eligibility of renewable generation applies only post-contract execution, Shell Energy lists contract amendments as separate contracts when the portfolio content category may be impacted.
4. Dynamically Scheduled Power: Although not required to do so, Shell Energy conducted the "lesser of" calculation on dynamically scheduled power from Portland General's Biglow Canyon facility and provided this information in the RPS Hourly Meter and E-Tag Reconciliation Report. As previously explained, a dynamic scheduling agreement does not ensure that the generator meter is equal to the hourly schedule; therefore, Shell Energy only claims the lesser of the meter and the schedule. As determined in the RPS Guidebook, matched E-Tags do not need to be provided for dynamically scheduled power.

5. Erroneous and Inconsistent Instructions for RPS Templates: The reporting templates, which were released by the Energy Division less than two months prior to the required submission date, include frequently inaccurate and incomplete reporting instructions. In at least one instance, instructions found in one workbook actually apply to another workbook. The reporting templates are riddled with errors that make the process of completing the reports extremely challenging. For example, in the Static Contract template, the instructions direct the LSE to select “yes” or “no” from the drop down box in the “Resale” column, yet neither of those options is available in the drop down box. Working through the templates, with inaccurate instructions, requires an inordinate amount of time, and imposes an unreasonable burden on LSEs.
6. “RPS E-Tag Summary Report”: With respect to the request for information about 2011-2013 procurement in the “RPS E-Tag Summary Report” that was not matched in WREGIS, Shell Energy did not maintain the information in the format requested. Shell Energy is available to answer any specific questions the Energy Division may have about these CEC-verified volumes.

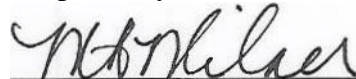
Finally, a redacted version of Shell Energy’s 33% RPS Compliance Report, as well as searchable PDF versions of the following:

RPS Compliance Report Static Contract Information spreadsheet; and

RPS Hourly Meter and E-Tag Reconciliation Report spreadsheet

are being served on the service list in Docket No. R.15-02-020. 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.15-02-020

APPENDIX A

Confidential information redacted from the “33% RPS Compliance Report,” in accordance with D.06-06-066 and D.08-04-023, is as follows:

Tab

Cells

33 % RPS Progress Summary:

10 G-J; 12 G-J; 13 F-L; 19-46 G-J; 48-71 B-F;
74-81 G-J

Accounting:

18 G-J; 21 G-J; 26 G-J; 27 G-J; 28 G-J;
29 G-J; 30 G-J; 32 G-J

Procurement Detail:

9-16 I-L; 19 H-J; 20 I-L; 21 I-L; 26-43 I-L;
47 I-L; 47 I-L; 48-206 I-L

(2015) 36-Month Retirement:

8-228 N

(2016) 36-Month Retirement:

8-33 N