

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Lori Mitchell

**SUBJECT:** SEE BELOW

**DATE:** August 7, 2023

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Approved



Date

7/31/23

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## INFORMATION

**SUBJECT: SAN JOSE CLEAN ENERGY Q2 2023 (Q4 FY 2022-2023) REGULATORY COMPLIANCE AND POWER PROCUREMENT REPORT**

## BACKGROUND

On May 15, 2017, San José City Council (City Council) unanimously approved the formation of San José Clean Energy (SJCE) and on August 8, 2017, passed an ordinance amending Title 2 of the San José Municipal Code (Municipal Code) to establish the Community Energy Department. On November 7, 2017, the City Council approved an ordinance adding Title 26 to the Municipal Code to provide procedures for the operation and management of SJCE. On May 2, 2023, the City Council approved an ordinance amending Section 2.04.4620 of Chapter 2.04 of Title 2 and Title 26 of the Municipal Code to provide the Community Energy Department the authority to efficiently procure and contract for the purchase and sale of power products and to ensure timely collection of revenues.

Pursuant to Sections 26.50.010 and 26.50.020 of the Municipal Code, the Director of the Community Energy Department is required to submit to the City Council, on a quarterly basis, (1) a list of documents submitted to regulatory agencies to comply with SJCE's regulatory requirements, and (2) a report summarizing the number of medium-term and short-term transactions that the Community Energy Department has executed in the previous calendar quarter and the total cost associated with those transactions. Each quarterly report submitted to the City Council shall be submitted no later than 45 days following the end of the previous calendar quarter. These two quarterly reports may be combined and are included below.

## ANALYSIS

### *Regulatory Compliance*

Between April 1, 2023, and June 30, 2023, SJCE submitted 34 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted a total of three responses to data requests from the California Public Utilities

Commission all related to reporting new generation and battery projects that load-serving entities have under contract to assist the California Public Utilities Commission in tracking new projects, identifying any issues that put the commercial operation date at risk, and providing project development support where necessary.

Attached to this memorandum as Attachment 1 is a list of these compliance filings.

In addition to fulfilling its regulatory compliance obligations, SJCE staff have worked to proactively engage in state regulatory proceedings that may impact SJCE's operations, namely its reporting requirements, procurement strategy, or future customer rates and product/program offerings. During the period from April 1, 2023 to June 30, 2023, SJCE participated in 17 California Public Utilities Commission regulatory proceedings either directly as an individual party, as part of informal coalitions of joint Community Choice Aggregation programs, or as a member of the California Community Choice Association, the City's trade association. These proceedings include, but are not limited to,

- Integrated Resource Planning (R.20-05-003)
- Renewable Portfolio Standard (R.18-07-003)
- Power Charge Indifference Adjustment (R.17-06-026)
- Resource Adequacy (R.21-01-002)
- PG&E Compliance Review of Portfolio Allocation Balancing Account and Energy Resource Recovery Account Entries 2019 and 2021 (respectively A.20-02-009 and A.22-02-015)
- PG&E's General Rate Case 2020 and 2023 Applications (respectively A.19-11-019 and A.21-06-021)
- Disconnections (R.18-07-005) and Affordability (R.18-07-006)
- Provider of Last Resort (R.21-03-011)
- Demand Flexibility (R.22-07-005)

SJCE also participated in three California Energy Commission proceedings:

- Power Source Disclosure (21-OIR-01)
- Demand Side Grid Support (22-RENEW-01)
- Load Management Standards (21-OIR-03)

#### *Power Procurement*

SJCE entered into 18 short-term agreements between April 1, 2023, and June 30, 2023. SJCE entered into 13 purchase agreements worth a total of \$37,272,732.00. Power product sales by SJCE accounted for six agreements worth \$3,765,500.00. The net cost for the 18 agreements to SJCE is \$33,507,232.00.

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**Subject: San José Clean Energy Q2 2023 (Q4 FY 2022-2023) Regulatory Compliance and Power Procurement Report**

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SJCE entered into one medium-term purchase agreement between April 1, 2023, and June 30, 2023 worth a total of \$49,484,550.00. SJCE entered no medium-term power product sales agreements. The net cost for the one agreement to SJCE is \$49,484,550.00.

The net cost for all 19 short-term and medium-term agreements to SJCE is \$82,991,782.00.

Attached to this memorandum as Attachment 2 is a list of these agreements.

/s/

LORI MITCHELL

Director, Community Energy Department

For questions, please contact Lori Mitchell, Director of Community Energy Department, at (408) 535-4880.

Attachment 1 San José Clean Energy Q2 2023 (Q4 FY 2022-2023) Compliance Filings

Attachment 2 San José Clean Energy Q2 2023 (Q4 FY 2022-2023) Power Transactions

Attachment 1 - San José Clean Energy Q2 2023 Compliance Filings

Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	CRRs	June Load Forecast for CRR Allocations	CAISO	04/06/23	Submitted 04/06/23
2	M	CRRs	May Tier 1 CCR Nomination	CAISO	04/10/23	Submitted 04/10/23
3	M	CRRs	May Tier 2 CCR Nomination	CAISO	04/14/23	Submitted 04/14/23
4	A	MARA	Non-binding MARA filings for July, August and September 2023	CPUC	04/17/23	Submitted 04/17/23
5	M	MARA	June T-45 RA	CPUC & CEC	04/17/23	Submitted 04/17/23
6	M	MARA	July Load Migration Forecast	CPUC & CEC	04/17/23	Submitted 04/17/23
7	M	MARA	June T-45 RA	CAISO	04/17/23	Submitted 04/17/23
8	A	RA	2024 Initial Load Forecast for Year Ahead RA	CPUC & CEC	04/17/23	Submitted 04/17/23
9	M	EIA	March 861 filing (accounts, load, revenue)	EIA	04/28/23	Submitted 04/28/23
10	A	EIA	Annual 861 Filing (2022)	EIA	04/28/23	Submitted 04/28/23
11	Q	Energy Surcharge	Q1 2023 Energy Resources Surcharge Return & Payment	CDTFA	04/28/23	Submitted 04/27/23
12	A	EIA	Revisions for monthly filings (accounts, load, revenue)	EIA	04/30/23	Submitted 04/25/23
13	A	Officer	Annual Officer Certification Form	CAISO	04/30/23	Submitted 04/14/23
14	A	AMI	AMI Data Privacy Annual Report	CPUC	05/01/23	Submitted 05/01/23
15	Q	DAC-GT	DAC-GT CSGT Quarterly Report	CPUC	05/01/23	Submitted 04/27/23
16	M	CRRs	June Tier 1 CCR Nomination	CAISO	05/10/23	Submitted 05/10/23
17	M	CRRs	July Load Forecast for CRR Allocations	CAISO	05/11/23	Submitted 05/10/23
18	Q	QFER	Q1 2023 1306B – QFER (accounts, load, revenue)	CEC	05/15/23	Submitted 05/15/23
19	A	EE	Energy Efficiency Program Annual Report	CPUC	05/15/23	Submitted 04/20/23
20	M	CRRs	June Tier 2 CRR Nomination	CAISO	05/16/23	Submitted 05/16/23
21	M	MARA	July T-45 RA (w/ Local & Flex true up)	CPUC & CEC	05/17/23	Submitted 05/17/23
22	M	MARA	August Load Migration Forecast	CPUC & CEC	05/17/23	Submitted 05/17/23
23	M	MARA	July T-45 RA	CAISO	05/17/23	Submitted 05/17/23
24	M	EIA	April 861 filing (accounts, load, revenue)	EIA	05/31/23	Submitted 05/31/23
25	A	MRR	Retail Load Reporting for MRR (Retail Sales)	CARB	06/01/23	Submitted 05/04/23
26	A	PSD	Annual PSD Report	CEC	06/01/23	Submitted 06/01/23
27	A	Green-e	Verification submission deadline	CRS	06/01/23	Submitted 06/01/23
28	M	CRRs	August Load Forecast for CRR Allocations	CAISO	06/08/23	Submitted 06/07/23
29	M	CRRs	July Tier 1 CCR Nomination	CAISO	06/09/23	Submitted 06/09/23
30	M	CRRs	July Tier 2 CCR Nomination	CAISO	06/15/23	Submitted 06/15/23
31	M	MARA	August T-45 RA	CAISO	06/17/23	Submitted 06/16/23
32	M	MARA	August T-45 RA (w/ Local & Flex true up)	CPUC & CEC	06/19/23	Submitted 06/16/23
33	M	MARA	September-December Load Migration Forecast	CPUC & CEC	06/19/23	Submitted 06/16/23
34	M	EIA	May 861 filing (accounts, load, revenue)	EIA	06/30/23	Submitted 07/03/23

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	Procurement	Procurement Status Data Request	CPUC	04/13/23	Submitted 04/13/23
2	M	Procurement	Procurement Status Data Request	CPUC	05/11/23	Submitted 05/10/23
3	M	Procurement	Procurement Status Data Request	CPUC	06/08/23	Submitted 06/08/23

Key

AMI	Advanced Metering Infrastructure
CAISO	California Independent System Operator
CalCCA	California Community Choice Association
CAM	Cost Allocation System
CARB	California Air Resources Board
CCA	Community Choice Aggregator
CDTFA	California Department of Tax and Fee Administration
CEC	California Energy Commission
CPM	Capacity Procurement Mechanism
CPUC	California Public Utilities Commission
CRR	Congestion Revenue Rights
CRS	Center for Resource Solutions
DAC-GT	Disadvantaged Communities Green Tariff
EIA	Energy Information Administration
EE	Energy Efficiency
ERRA	Energy Resource Recovery Account
GHG	Greenhouse Gas
IEPR	Integrated Energy Policy Report
IRP	Integrated Resource Plan
LCFS	Low Carbon Fuel Standard
MARA	Month Ahead Resource Adequacy
MRR	Regulation for the Mandatory Reporting of Greenhouse Gas Emissions
PCIA	Power Charge Indifference Adjustment
PSD	Power Source Disclosure Program
QFER	Quarterly Fuel Energy Report
RA	Resource Adequacy
RMR	Reliability Must-Run
RPS	Renewable Portfolio Standard
TE/VGI	Transportation Electrification/Vehicle Grid Integration
YARA	Year Ahead Resource Adequacy

Attachment 2 - San José Clean Energy Q2 2023 (Q4 FY 2022-2023) Power Transactions

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*Medium-term Purchases*

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	23-113-01	4/13/2023	CXA La Paloma	Resource Adequacy	2023, 2024, 2027-2029	\$ 49,484,550.00
<b>Total Cost of Purchases:</b>						<b>\$ 49,484,550.00</b>

<b>Net Cost</b>
<b>\$ 49,484,550.00</b>