



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: January 29, 2024

Approved

Date

1/30/24

INFORMATION

**SUBJECT: SAN JOSÉ CLEAN ENERGY Q4 2023 (Q2 FISCAL YEAR 2023-2024)
REGULATORY COMPLIANCE AND POWER PROCUREMENT
REPORT**

BACKGROUND

On May 15, 2017, the San José 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 to establish the Energy Department. On November 7, 2017, the City Council approved an ordinance adding Title 26 to the San José 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 San José Municipal Code to provide the Energy Department the authority to efficiently procure and contract for the purchase and sale of power products and to ensure timely collection of revenues. On October 3, 2023, the City Council approved an ordinance amending Titles 2, 4, and 26, and adding Title 28 to the San José Municipal Code to establish a municipal utility called San José Power. This ordinance also renamed the department from Community Energy Department to Energy Department and this report reflects that change.

Pursuant to Sections 26.50.010 and 26.50.020 of the San José Municipal Code, the Director of the 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 Energy Department 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 October 1, 2023 and December 31, 2023, SJCE submitted 31 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted three responses to data requests from the California Public Utilities Commission that related to reporting new generation and battery projects that SJCE has under contract to assist the California Public Utilities Commission in tracking new projects.

Attached to this memorandum as **Attachment 1** - San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Compliance Filings - is a list of these compliance filings.

Regulatory Engagement

In addition to fulfilling its regulatory compliance obligations, SJCE staff have worked to proactively engage in state regulatory proceedings and initiatives that may impact SJCE's operations, namely its reporting requirements, procurement strategy, or future customer rates and product/program offerings. During the period from October 1, 2023 and December 31, 2023, SJCE participated in over 15 regulatory proceedings and initiatives of the California Public Utilities Commission, the California Energy Commission, and the California Independent System Operator. Participation was either direct as an individual party or through stakeholder workgroups, or indirect, as part of informal coalitions of joint community choice aggregation programs, or as a member of the California Community Choice Association, our trade association. These proceedings and initiatives include, but are not limited to, the following.

California Public Utilities Commission Proceedings

- 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.23-10-0011)
- Pacific Gas and Electric Company's General Rate Case 2023 Application (A.21-06-021)
- Pacific Gas and Electric Company's Adoption of Electric Revenue Requirements and Rates Associated with its 2024 Energy Resource Recovery Account (A.23-05-012, consolidated with A.23-07-012, Pacific Gas and Electric Company's Expedited Application pursuant to the Energy Resource Recovery Account Trigger Mechanism)
- Demand Flexibility (R.22-07-005)
- Pacific Gas and Electric Company's Application for Approval of its Demand Response Programs, Pilots, and Budgets for Program Years 2023-2027 (A.22-05-002)
- Pacific Gas and Electric Company's Application for Review of the Disadvantaged Communities-Green Tariff, Community Solar Green Tariff, and Green Tariff Shared Renewables Programs (A.22-05-022)

HONORABLE MAYOR AND CITY COUNCIL

January 29, 2024

Subject: San José Clean Energy Q4 2023 (Q2 Fiscal Year 2023-2024) Regulatory Compliance and Power Procurement Report

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California Energy Commission Proceedings

- Load Management Standards (21-OIR-03)

California Independent System Operator Initiatives

- Extended Day Ahead Market
- Generation Deliverability
- Interconnection Process Enhancements
- Transmission Planning Process Enhancements

Power Procurement

SJCE entered into 33 short-term agreements between October 1, 2023 and December 31, 2023. Of these, SJCE entered into 26 purchase agreements worth a total of \$75,770,528.00 and seven power product sale agreements worth \$2,348,550.00. The net cost for the 33 agreements to SJCE is \$73,421,978.00.

SJCE entered no medium-term purchase agreement nor medium-term power product sales agreements between October 1, 2023 and December 31, 2023.

Attached to this memorandum as **Attachment 2** - San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Power Transactions - is a list of these power transactions.

/s/
LORI MITCHELL
Director, Energy Department

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

Attachments

- Attachment 1 San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Compliance Filings
- Attachment 2 San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Power Transactions

Attachment 1 - San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Compliance Filings

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
SQMD	Settlement Quality Meter Data
TE/VGI	Transportation Electrification/Vehicle Grid Integration
YARA	Year Ahead Resource Adequacy

Attachment 1 - San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	A	PSD	Power Content Label posted on website and provided to CEC	CEC	10/02/23	Completed 09/26/23
2	A	PSD	Power Content Label Audit	CEC	10/02/23	Submitted 08/31/23
3	A	CRRs	2024 CRR Annual Allocation Process: Tier 2 window closes	CAISO	10/04/23	Submitted 10/04/23
4	M	CRRs	December Load Forecast for CRR Allocations	CAISO	10/05/23	Submitted 10/05/23
5	M	CRRs	November Tier 1 CCR Nomination	CAISO	10/10/23	Submitted 10/10/23
6	M	IRP	Any requested corrections to Nov. 2022 IRP filing (Narrative Template, Resource Data Template or Clean System Power Calculator)	CPUC	10/16/23	Submitted 10/16/23
7	M	CRRs	November Tier 2 CCR Nomination	CAISO	10/16/23	Submitted 10/13/23
8	M	MARA	December T-45 RA (w/ Local & Flex true up)	CPUC & CEC	10/17/23	Submitted 10/16/23
9	M	MARA	December T-45 RA	CAISO	10/17/23	Submitted 10/16/23
10	A	CRRs	2024 CRR Annual Allocation Process: Tier 3 window closes	CAISO	10/17/23	Submitted 10/17/23
11	Q	DAC-GT	DAC-GT CSGT Quarterly Report	CPUC	10/30/23	Submitted 10/27/23
12	A	YARA	2024 Year Ahead RA Filing	CPUC	10/31/23	Submitted 10/31/23
13	A	YARA	2024 Year Ahead RA Filing	CAISO	10/31/23	Submitted 10/31/23
14	M	EIA	September 861 filing (accounts, load, revenue)	EIA	10/31/23	Submitted 10/31/23
15	Q	Energy Surcharge	Q3 2023 Energy Resources Surcharge Return & Payment	CDTFA	10/31/23	Submitted 10/24/23
16	A	Sched. Coordinator	SQMD Audit & Attestation	CAISO	10/31/23	Submitted 10/27/23
17	M	CRRs	December Tier 1 CRR Nomination	CAISO	11/07/23	Submitted 11/07/23
18	M	CRRs	January Load Forecast for CRR Allocations	CAISO	11/09/23	Submitted 11/08/23
19	Q	QFER	Q3 2023 1306B – QFER (accounts, load, revenue)	CEC	11/15/23	Submitted 11/15/23
20	M	MARA	January T-45 RA	CPUC & CEC	11/17/23	Submitted 11/14/23
21	M	MARA	January T-45 RA	CAISO	11/17/23	Submitted 11/14/23
22	M	EIA	October 861 filing (accounts, load, revenue)	EIA	11/30/23	Submitted 11/29/23
23	M	RA	Test Slice of Day RA Showing	CPUC	11/30/23	Submitted 11/30/23
24	S	IRP	Backstop procurement progress report update	CPUC	12/01/23	Submitted 12/01/23
25	Q	EE	Q3 2023 EE Program Tracking Data Submission	CPUC	12/01/23	Submitted 11/28/23
26	M	CRRs	February Load Forecast for CRR Allocations	CAISO	12/07/23	Submitted 12/04/23
27	M	CRRs	January Tier 1 CCR Nomination	CAISO	12/08/23	Submitted 12/08/23
28	M	CRRs	January Tier 2 CCR Nomination	CAISO	12/14/23	Submitted 12/14/23
29	M	MARA	February T-45 RA	CPUC & CEC	12/18/23	Submitted 12/14/23
30	M	MARA	February T-45 RA	CAISO	12/18/23	Submitted 12/14/23
31	M	EIA	November 861 filing (accounts, load, revenue)	EIA	12/29/23	Submitted 12/22/23

Attachment 1 - San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Compliance Filings

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	Procurement	Procurement Status Data Request	CPUC	10/12/23	Submitted 10/12/23
2	M	Procurement	Procurement Status Data Request	CPUC	11/09/23	Submitted 11/09/23
3	M	Procurement	Procurement Status Data Request	CPUC	12/14/23	Submitted 12/14/23

Attachment 2 - San José Clean Energy Q4 2023 (Q2 FY 2023-2024) Power Transactions

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	23-108-04	12/6/2023	CleanPower SF	Renewable Portfolio Standard	2024	\$ 2,200,000.00
2	23-112-33	12/18/2023	ConocoPhillips Company	Conventional Energy	2024	\$ 1,643,760.00
3	23-112-34	12/7/2023	TransAlta Energy Marketing	Conventional Energy	2024	\$ 1,559,500.00
4	23-113-15	10/5/2023	Shell Energy North America	Resource Adequacy	2024	\$ 1,485,000.00
5	23-113-19	10/5/2023	MRP San Joaquin Energy, LLC	Resource Adequacy	2024	\$ 3,651,100.00
6	23-113-21	10/23/2023	Calpine Energy Services L.P.	Resource Adequacy	2024	\$ 6,800,000.00
7	23-113-23	10/5/2023	Malaga Power, LLC	Resource Adequacy	2024	\$ 21,150.00
8	23-113-24	10/17/2023	Morgan Stanley Capital Group, Inc.	Resource Adequacy & Carbon-Free	2024	\$ 4,462,880.00
9	23-113-26	10/16/2023	Dynasty Power Inc.	Resource Adequacy	2024	\$ 5,875,200.00
10	23-113-28	10/16/2023	Sempra Gas and Power Marketing	Resource Adequacy	2024	\$ 1,313,250.00
11	23-113-29	10/16/2023	San Diego Gas & Electric	Resource Adequacy	2024	\$ 2,142,000.00
12	23-113-31-1	12/6/2023	East Bay Community Energy Authority	Resource Adequacy	2024	\$ 139,500.00
13	23-113-32	10/17/2023	East Bay Community Energy Authority	Resource Adequacy	2024	\$ 1,558,625.00
14	23-113-33	10/3/2023	Direct Energy	Resource Adequacy	2024	\$ 1,870,000.00
15	23-113-34	10/3/2023	Direct Energy	Resource Adequacy	2024	\$ 950,000.00
16	23-113-35	10/22/2023	East Bay Community Energy Authority	Resource Adequacy	2024	\$ 2,700,000.00
17	23-113-36	10/23/2023	Calpine Energy Services L.P.	Resource Adequacy	2024	\$ 9,000,000.00
18	23-113-37	10/27/2023	Southern California Edison	Resource Adequacy	2024	\$ 147,200.00
19	23-113-38	10/24/2023	Peninsula Clean Energy	Resource Adequacy	2024	\$ 22,750.00
20	23-113-39	10/17/2023	Chevron Power Holdings	Resource Adequacy	2024	\$ 9,300,000.00
21	23-113-40	10/16/2023	San Diego Gas & Electric	Resource Adequacy	2024	\$ 9,025,550.00
22	23-113-41	12/6/2023	Calpine Energy Services L.P.	Resource Adequacy	2024	\$ 6,153,250.00
23	23-113-42	10/31/2023	City of Roseville Electric Utility	Resource Adequacy	2024	\$ 832,463.00
24	23-113-43	12/6/2023	Calpine Energy Services L.P.	Resource Adequacy	2024	\$ 264,250.00
25	23-113-44	12/15/2023	Pacific Gas & Electric Company	Resource Adequacy	2024	\$ 2,653,100.00
26	23-124-03	12/15/2023	Pacific Gas & Electric Company	Carbon-Free	2024	\$ -

Total Cost of Purchases: \$ 75,770,528.00

Short-term Sales

27	23-199-15	10/17/2023	East Bay Community Energy Authority	Resource Adequacy	2024	\$ (120,900.00)
28	23-199-16	10/24/2023	Peninsula Clean Energy	Resource Adequacy	2024	\$ (23,500.00)
29	23-199-17	12/13/2023	Morgan Stanley Capital Group, Inc.	Conventional Energy	2024	\$ (541,200.00)
30	23-199-18	12/13/2023	Morgan Stanley Capital Group, Inc.	Conventional Energy	2024	\$ (553,800.00)
31	23-199-19	12/13/2023	Morgan Stanley Capital Group, Inc.	Conventional Energy	2024	\$ (508,400.00)
32	23-199-20	12/19/2023	NRG Power Marketing, LLC	Conventional Energy	2024	\$ (585,000.00)
33	23-199-21	12/29/2023	EDF Trading North America, LLC	Resource Adequacy	2024	\$ (15,750.00)

Total Revenue from Sales: \$ (2,348,550.00)

Net Cost
\$ 73,421,978.00