



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: May 3, 2024

Approved

Date

5/7/24

INFORMATION

**SUBJECT: SAN JOSE CLEAN ENERGY Q1 2024 (Q3 FISCAL YEAR 2023-2024)
REGULATORY COMPLIANCE AND POWER PROCUREMENT
REPORT**

BACKGROUND

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 San José Clean Energy's (SJCE) 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 January 1, 2024 and March 31, 2024, SJCE submitted 35 compliance filings with state, federal, and non-profit regulatory organizations. SJCE also submitted seven responses to data requests from two regulatory entities: six to the California Public Utilities Commission reporting on contracts related to new generation and battery project contracts associated with the Renewable Portfolio Standard and contracts contributing to Resource Adequacy, and one response to the California Independent System Operator listing variable energy resources to inform its annual resource adequacy-related study.

Attached to this memorandum as **Attachment 1** - San José Clean Energy Q1 2024 (Q3 FY 2023-2024) Compliance Filings is a list of these compliance filings.

Regulatory Engagement

In addition to fulfilling its regulatory compliance obligations, SJCE staff 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 January 1, 2024 to March 31, 2024, SJCE participated in over 19 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 items outlined below.

California Public Utilities Commission Proceedings

- Integrated Resource Planning (R.20-05-003)
- Renewable Portfolio Standard (R.18-07-003)
- Resource Adequacy (R.23-10-011)
- 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)
- Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, and Other Activities for the Record Period January 1 Through December 31, 2023. (A.24-02-012)
- Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, and Other Activities for the Record Period January 1 through December 31, 2022 (A.23-02-018)
- 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)
- Affordability (R.18-07-006)
- Disconnections (R.18-07-005)
- Extension of Diablo Canyon Power Plant (R.23-01-007)

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California Energy Commission Proceedings

- Load Management Standards (21-OIR-03)
- Distributed Electricity Backup Assets (22-RENEW-01)

California Independent System Operator Initiatives and a Related Initiative

- Extended Day Ahead Market
- Generation Deliverability
- Interconnection Process Enhancements
- Transmission Planning Process Enhancements
- West-Wide Governance Pathways Initiative

Power Procurement

SJCE entered into 20 short-term agreements, all purchases, between January 1, 2024 and March 31, 2024. The total cost for the 20 purchases to SJCE is \$134,300,890.00.

SJCE entered into one medium-term purchase agreement between January 1, 2024 and March 31, 2024. The total cost for the purchase to SJCE is \$56,160,000.00

Attached to this memorandum as **Attachment 2** - San José Clean Energy Q1 2024 (Q3 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 Q1 2024 (Q3 FY 2023-2024) Compliance Filings
- Attachment 2 San José Clean Energy Q1 2024 (Q3 FY 2023-2024) Power Transactions

Attachment 1 - San José Clean Energy Q1 2024 (Q3 FY 2023-2024) Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	Biennial	Storage	Energy Storage Procurement Tier 2 Advice Letter	CPUC	1/1/2024	Submitted 01/02/24
2	A	PSD	Power Content Label mailed to customers	CEC	1/2/2024	Mailed to customers the week of 9/25/23
3	M	CRRs	February Tier 1 CCR Nomination	CAISO	1/9/2024	Submitted 01/09/24
4	M	CRRs	March Load Forecast for CRR Allocations	CAISO	1/11/2024	Submitted 01/10/24
5	M	CRRs	February Tier 2 CCR Nomination	CAISO	1/16/2024	Submitted 01/16/24
6	M	MARA	March T-45 RA	CPUC & CEC	1/16/2024	Submitted 01/11/24
7	M	MARA	March T-45 RA	CAISO	1/16/2024	Submitted 01/11/24
8	Q	DAC-GT	DAC-GT CSGT Quarterly Report	CPUC	1/30/2024	Submitted 01/30/24
9	Q	Energy Surchar	Q4 Energy Resources Surcharge Return & Payment	CDTFA	1/31/2024	Submitted to Finance 01/12/24
10	M	EIA	December 861 filing (accounts, load, revenue)	EIA	1/31/2024	Submitted 01/25/24
11	S	ERRA	Load Forecast for PG&E ERRA	CPUC	2/1/2024	Submitted 01/18/24
12	A	MRR	Specified Source Registration	CARB	2/1/2024	Submitted 01/29/24
13	M	CRRs	March Tier 1 CCR Nomination	CAISO	2/8/2024	Submitted 02/08/24
14	M	CRRs	April Load Forecast for CRR Allocations	CAISO	2/9/2024	Submitted 02/08/24
15	M	CRRs	March Tier 2 CCR Nomination	CAISO	2/14/2024	Submitted 02/14/24
16	Q	QFER	Q4 Form 1306B – QFER (accounts, load, revenue)	CEC	2/15/2024	Submitted 02/13/24
17	A	GHG	Emission Performance Standard Advice Letter	CPUC	2/15/2024	Submitted 02/15/24
18	M	MARA	May-December Load Migration Forecast	CPUC & CEC	2/16/2024	Submitted 02/16/24
19	M	MARA	April T-45 RA	CPUC & CEC	2/16/2024	Submitted 02/16/24
20	M	MARA	April T-45 RA	CAISO	2/16/2024	Submitted 02/16/24
21	A	Green-e	Unaudited Reporting Forms	CRS	2/23/2024	Submitted 02/23/24
22	M	EIA	January 861 filing (accounts, load, revenue)	EIA	2/29/2024	Submitted 02/22/24
23	-	MARA	Month Ahead RA Compliance Showing	CPUC & CEC	3/1/2024	Submitted 03/01/24
24	A	Diversity	GO 156 Supplier Diversity Report	CPUC	3/1/2024	Submitted 03/01/24
25	Q	EE	Q4 2022 EE Program Tracking Data Submission	CPUC	3/1/2024	Submitted 02/29/24
26	M	CRRs	April Tier 1 CCR Nomination	CAISO	3/11/2024	Submitted 03/11/24
27	M	CRRs	May Load Forecast for CRR Allocations	CAISO	3/11/2024	Submitted 03/11/24
28	A	RA	Historical Load & Customer Count for 2025 YA RA P	CPUC	3/11/2024	Submitted 03/07/24
29	M	CRRs	April Tier 2 CCR Nomination	CAISO	3/15/2024	Submitted 03/15/24
30	A	TE/VGI	CCA TE/VGI Reporting	CPUC	3/15/2024	Submitted 03/15/24
31	M	MARA	May T-45 RA	CPUC & CEC	3/17/2024	Submitted 03/18/24
32	M	MARA	May T-45 RA	CAISO	3/17/2024	Submitted 03/18/24
33	A	RA	Historical Load & Customer Count for 2024 YA RA P	CPUC	3/18/2024	Submitted 03/07/24
34	M	EIA	February 861 filing (accounts, load, revenue)	EIA	3/29/2024	Submitted 03/22/24
35	A	MRR	LCFS Annual Report	CARB	3/29/2024	Submitted 03/15/24

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
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

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	Procurement	Procurement Status Data Request	CPUC	1/11/2024	Submitted 01/11/24
2	A	RA	Flex Capacity Needs Assessment Data Request	CAISO	1/15/2024	Submitted 01/11/24
3	S	RPS	RPS-PCIA Semi-Annual Data Report	CPUC	2/1/2024	Submitted 02/01/24
4	M	Procurement	Procurement Status Data Request	CPUC	2/8/2024	Submitted 02/08/24
5	Q	RPS	PCIA-RA Adder Quarterly Data Report Q4	CPUC	2/16/2024	Submitted 02/16/24
6	A	RPS	RPS Cost/Cost Savings Data Request (Padilla Report)	CPUC	3/1/2024	Submitted 03/01/24
7	M	Procurement	Procurement Status Data Request	CPUC	3/14/2024	Submitted 03/14/24

Attachment 2 - San José Clean Energy Q1 2024 (Q3 FY 2023-2024) Power Transactions

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	23-113-45	1/2/2024	NRG Business Marketing, LLC	Resource Adequacy	2024	\$ 3,560,000.00
2	23-113-46	2/7/2024	Constellation Energy Generation, LLC	Resource Adequacy	2024	\$ 7,888,000.00
3	24-112-01	1/10/2024	Shell Energy North America, L.P.	Conventional Energy	2025	\$ 1,048,840.00
4	24-112-02	1/30/2024	NextEra Energy Marketing, LLC	Conventional Energy	2025	\$ 2,122,200.00
5	24-112-03	2/5/2024	TransAlta Energy Marketing Inc.	Conventional Energy	2025	\$ 1,851,960.00
6	24-112-04	2/7/2024	Morgan Stanley Capital Group, Inc.	Conventional Energy	2026	\$ 2,006,656.00
7	24-112-05	2/5/2024	NextEra Energy Marketing, LLC	Conventional Energy	2027	\$ 2,106,940.00
8	24-112-06	2/12/2024	Morgan Stanley Capital Group, Inc.	Conventional Energy	2025	\$ 3,206,526.00
9	24-112-07	2/12/2024	Morgan Stanley Capital Group, Inc.	Conventional Energy	2026	\$ 3,299,856.00
10	24-112-08	3/20/2024	NRG Business Marketing, LLC	Conventional Energy	2025-2026	\$ 31,663,020.00
11	24-112-09	3/12/2024	NextEra Energy Marketing, LLC	Conventional Energy	2025	\$ 8,129,360.00
12	24-112-10	3/11/2024	Morgan Stanley Capital Group, Inc.	Conventional Energy	2026	\$ 8,269,352.00
13	24-112-11	3/18/2024	NextEra Energy Marketing, LLC	Conventional Energy	2025-2026	\$ 24,405,240.00
14	24-112-12	3/22/2024	Morgan Stanley Capital Group, Inc.	Conventional Energy	2025	\$ 1,682,556.00
15	24-112-13	3/22/2024	Morgan Stanley Capital Group, Inc.	Conventional Energy	2025	\$ 953,784.00
16	24-112-14	3/20/2024	TransAlta Energy Marketing Inc.	Conventional Energy	2025	\$ 1,146,600.00
17	24-113-01	2/6/2024	Calpine Energy Services L.P.	Resource Adequacy	2025-2026	\$ 14,300,000.00
18	24-113-02	2/5/2024	Ava Community Energy Authority	Resource Adequacy	2024	\$ 1,360,000.00
19	24-113-03	3/18/2024	Chevron Power Holdings	Resource Adequacy	2026	\$ 7,650,000.00
20	24-113-04	3/20/2024	Dynegy Marketing and Trade	Resource Adequacy	2026	\$ 7,650,000.00

Total Cost of Purchases: \$ 134,300,890.00

Short-term Sales

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Total Revenue from Sales: \$ -

Attachment 2 - San José Clean Energy Q1 2024 (Q3 FY 2023-2024) Power Transactions

Medium-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	23-113-27	3/28/2024	Marsh Landing, LLC	Resource Adequacy	2026-2030	\$ 56,160,000.00
Total Cost of Purchases:						\$ 56,160,000.00

Net Cost
\$ 56,160,000.00