



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Zachary Struyk

SUBJECT: See Below

DATE: August 5, 2024

Approved

Date:

8/14/24

INFORMATION

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

This information memorandum is presented to adhere to the San José Municipal Code.

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 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, 2024, and June 30, 2024, SJCE had deadlines for 35 compliance filings with state, federal, and non-profit regulatory organizations. In addition to compliance filings, SJCE submitted three responses to data requests, all related to new generation and battery projects under contract to assist the California Public Utilities Commission in tracking new projects. Attached to this memorandum as **Attachment 1** - San José Clean Energy Q2 2024 (Q4 FY 2023-2024) Compliance Filings is a list of these compliance filings and data requests.

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 April 1, 2024, to June 30, 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)
- Disconnections (R.18-07-005)

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- Extension of Diablo Canyon Power Plant (R.23-01-007)
- High Distributed Energy Resources Future (R.21-06-017)
- Energization Timelines (R.24-01-018)

California Energy Commission Proceedings

- Load Management Standards (21-OIR-03)

California Independent System Operator Initiatives and a Related Initiative

- Extended Day Ahead Market
- Interconnection Process Enhancements
- Transmission Planning Process Enhancements
- West-Wide Governance Pathways Initiative
- Resource Adequacy Modeling and Program Design Working Group

Power Procurement

SJCE entered into 6 short-term agreements, all purchases, between April 1, 2024, and June 30, 2024. The total cost for the 6 purchases to SJCE is \$25,483,672.00.

SJCE entered into one medium-term purchase agreement between April 1, 2024, and June 30, 2024. The total cost for the purchase to SJCE is \$36,000,000.00

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

/s/
ZACHARY STRUYK
Acting Director, Energy Department

For questions, please contact Zachary Struyk, Acting Director of Energy Department, at (408) 535-4868

ATTACHMENTS

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

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

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	A	Green-e	2024 Prospective Power Content Label	CRS	4/5/2024	Submitted 03/27/24
2	M	CRRs	June Load Forecast for CRR Allocations	CAISO	4/8/2024	Submitted 04/08/2024
3	M	CRRs	May Tier 1 CCR Nomination	CAISO	4/10/2024	Submitted 04/10/2024
4	A	RA	2025 Initial Load Forecast for Year Ahead RA	CPUC & CEC	4/15/2024	Submitted 04/15/2024
5	M	MARA	Q3 Non-Binding	CPUC & CEC	4/15/2024	Submitted 04/12/2024
6	M	CRRs	May Tier 2 CCR Nomination	CAISO	4/16/2024	Submitted 04/16/2024
7	M	MARA	June T-45 RA	CPUC & CEC	4/17/2024	Submitted 04/19/2024
8	M	MARA	June T-45 RA	CAISO	4/17/2024	Submitted 04/19/2024
9	A	AMI	AMI Data Privacy Annual Report	CPUC	4/29/2024	Submitted 04/29/2024
10	A	Officer	Annual Officer Certification Form	CAISO	4/30/2024	Submitted 04/16/2024
11	Q	Energy Surcharge	Q1 Energy Resources Surcharge Return & Payment	CDTFA	4/30/2024	Submitted 04/23/2024
12	A	EIA	Annual 861 Filing (2023)	EIA	4/30/2024	Submitted 4/30/2024
13	A	EIA	Revisions for monthly filings (accounts, load, revenue)	EIA	4/30/2024	Submitted 4/30/2024
14	M	EIA	March 861 filing (accounts, load, revenue)	EIA	4/30/2024	Submitted 4/30/2024
15	Q	DAC-GT	DAC-GT CSGT Quarterly Report	CPUC	4/30/2024	Submitted 4/30/2024
16	A	EE	Energy Efficiency Program Annual Report	CPUC	5/1/2024	Submitted 04/15/2024.
17	M	MARA	June T-45 RA Plan Revision	CAISO	5/2/2024	Submitted 4/19/2024
18	M	CRRs	June Tier 1 CCR Nomination	CAISO	5/10/2024	Submitted 05/09/2024
19	M	CRRs	June Tier 1 CCR Nomination	CAISO	5/10/2024	Submitted 05/09/2024
20	M	CRRs	July Load Forecast for CRR Allocations	CAISO	5/13/2024	Submitted 05/13/24
21	A	RA	2025 Revised Load Forecast for Year Ahead RA	CPUC & CEC	5/15/2024	Submitted 05/17/24
22	Q	QFER	Q1 1306B – QFER (accounts, load, revenue)	CEC	5/15/2024	Submitted 05/15/24
23	M	CRRs	June Tier 2 CRR Nomination	CAISO	5/16/2024	Submitted 05/16/24
24	M	MARA	July T-45 RA (w/ Local & Flex true up)	CPUC & CEC	5/17/2024	Submitted 05/16/24
25	M	MARA	July T-45 RA	CAISO	5/17/2024	Submitted 05/16/24
26	M	EIA	April 861 filing (accounts, load, revenue)	EIA	5/31/2024	Submitted 05/23/2024
27	M	MARA	July T-45 RA Plan Revision	CAISO	6/1/2024	Submitted 05/21/2024
28	M	RA	Slice of Day Test Year Ahead RA Showing	CPUC	6/1/2024	Submitted 05/23/2024
29	-	MARA	Month Ahead RA Compliance Showing	CPUC & CEC	6/1/2024	Submitted 05/21/2924
30	A	Green-e	Verification submission deadline	CRS	6/1/2024	Submitted 05/24/2024
31	S	IRP	Backstop procurement progress report update	CPUC	6/1/2024	Submitted 06/03/24
32	A	MRR	Retail Load Reporting for MRR (Retail Sales)	CARB	6/3/2024	Submitted 05/30/24
33	M	CRRs	August Load Forecast for CRR Allocations	CAISO	6/7/2024	Submitted 06/06/24
34	M	CRRs	July Tier 1 CCR Nomination	CAISO	6/10/2024	Submitted 06/14/2024
35	M	EIA	May 861 filing (accounts, load, revenue)	EIA	6/28/2024	Submitted 06/24/24

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	Procurement	Procurement Status Data Request	CPUC	4/11/2024	Submitted 04/11/2024
2	M	Procurement	Procurement Status Data Request	CPUC	5/9/2024	Submitted 05/08/2024
3	M	Procurement	Procurement Status Data Request	CPUC	5/9/2024	Submitted 05/08/2024

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

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	24-112-15	4/3/2024	J. Aron & Company, LLC	Conventional Energy	2025	\$ 586,080.00
2	24-112-16	4/19/2024	NRG Busines Marketing LLC	Conventional Energy	2026	\$ 3,190,602.00
3	24-112-17	4/19/2024	TransAlta Energy Marketing Inc.	Conventional Energy	2026	\$ 10,526,990.00
4	24-113-07	4/19/2024	Nextera Energy Marketing, LLC	Resource Adequacy	2026	\$ 1,605,000.00
5	24-113-08	6/14/2024	NRG Busines Marketing LLC	Resource Adequacy	2025	\$ 9,275,000.00
6	24-124-01	4/9/2024	Dynasty Power Inc.	Carbon-Free	2024	\$ 300,000.00
Total Cost of Purchases:						\$ 25,483,672.00

Short-term Sales

Total Revenue from Sales:						\$ -

Net Cost
\$ 25,483,672.00

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

Medium-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	24-113-05	4/15/2024	Calpine Energy Services L.P.	Resource Adequacy	2028-2031	\$ 36,000,000.00
Total Cost of Purchases:						\$ 36,000,000.00

Net Cost
\$ 36,000,000.00