



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: May 10, 2022

Approved

Date

05/10/22

INFORMATION

SUBJECT: SAN JOSÉ CLEAN ENERGY Q1 2022 (Q3 FY 2021-2022) SAN JOSÉ CLEAN ENERGY POWER PROCUREMENT AND REGULATORY COMPLIANCE REPORT

BACKGROUND

On November 7, 2017, Council approved an ordinance to add Title 26 to the San José Municipal Code to provide procedures for the operation and management of San José Clean Energy (SJCE).

In accordance with Section 26.30.020 of the Municipal Code, the Director of the Community Energy Department (Director) shall submit all reports, plans, and data required to comply with SJCE's regulatory requirements. On a quarterly basis, the Director shall provide reports to the City Council listing the plans and reports submitted in the past quarter to the various regulatory agencies. Each quarterly report shall be submitted no later than 45 days following the end of the previous quarter. The quarterly report required in this Section may be combined with the quarterly reporting required in Section 26.50.040.

In accordance with Section 26.50.040, the Director is to submit quarterly reports to the City Council summarizing the number of Short-Term Transactions and the total cost of those transactions during the previous quarter.

ANALYSIS

Regulatory Compliance

Between January 1, 2022 and March 31, 2022, SJCE submitted 40 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted three data requests to the California Public Utilities Commission, two related to the Power Charge Indifference Adjustment and one related to the Renewable Portfolio Standard, as

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Subject: Q1 2022 (Q3 FY 2021-2022) San José Clean Energy Power Procurement and Regulatory Compliance Report

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well as one data request to the California Independent System Operator related to Resource Adequacy.

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

During the period from January 1, 2022 to March 31, 2022, SJCE participated in nineteen California Public Utilities Commission regulatory proceedings directly, as part of informal coalitions of joint Community Choice Aggregation programs, or through CalCCA as a member of this organization. These proceedings include the Integrated Resource Planning rulemaking (R.20-05-003), the Renewable Portfolio Standard rulemaking (R.18-07-003), the Power Charge Indifference Adjustment rulemaking (R.17-06-026), the Resource Adequacy rulemaking (R.21-10-002), the PG&E's 2022 Forecast Energy Resource Recovery Account proceeding (A.21-06-001), the PG&E Compliance Review of Portfolio Allocation Balancing Account (PABA) and ERRA Entries 2019 (A.20-02-009), the PG&E Compliance Review of PABA and ERRA Entries 2020 (A.21-03-008), the PG&E Company's General Rate Case 2020 Phase II application (A.19-11-019), the PG&E General Rate Case 2023 application (A.21-06-021), the Disconnections proceeding (R.18-07-005), the Affordability proceeding (R.18-07-006), Customer Bill Debt Accumulation During Covid-19 (R.21-02-014), the Supplier Diversity rulemaking (R. 21-03-010), the Provider of Last Resort rulemaking (R.21-03-011), the Energy Efficiency rulemaking (R. 13-11-005), the Microgrids rulemaking (R.19-09-009), the Net Energy Metering 3.0 proceeding (R.20-08-020), the Vehicle Electrification Rates and Infrastructure proceeding (R.18-12-006), and the High Distributed Energy Resources Future rulemaking (R. 21-06-017).

Power Procurement

SJCE entered into 17 short-term agreements during the third quarter of FY 2021-2022. SJCE entered into 13 purchase agreements worth a total of \$78,247,873.75. Power product sales accounted for 3 agreements worth \$955,500.00. The net cost for the 17 agreements to SJCE is \$77,292,373.75.

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 Q1 2022 (Q3 FY 2021-2022) Compliance Filings

Attachment 2 San José Clean Energy Q1 2022 (Q3 FY 2021-2022) Power Transactions

Attachment 1 - San José Clean Energy Q1 2022 Compliance Filings

San José Clean Energy Q1 2022 Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	Biennial	Storage	Energy Storage Procurement Tier 2 Advice Letter	CPUC	1/3/2022	Submitted 12/22/21
2	M	Reliability	Summer Reliability Procurement Status Report	CPUC	1/3/2022	Submitted 12/22/21
3	M	CRRs	February Tier 1 CCR Nomination	CAISO	1/11/2022	Submitted 1/11/22
4	M	CRRs	March 2022 Load Forecast for CRR Allocations	CAISO	1/13/2022	Submitted 1/12/22
5	M	MARA	March T-45 RA	CAISO	1/15/2022	Submitted 1/14/22
6	M	MARA	March T-45 RA	CPUC & CEC	1/18/2022	Submitted 1/18/22
7	M	MARA	March T-45 RA Waiver	CPUC & CEC	1/18/2022	Submitted 1/18/22
8	M	MARA	April Load Migration Forecast	CPUC & CEC	1/18/2022	Submitted 1/14/22
9	Q	DAC-GT	DAC-GT Community Solar Green Tariff (CSGT) Quarterly Report	CPUC	1/28/2022	Submitted 1/28/22
10	M	EIA	December 861 filing (accounts, load, revenue)	EIA	1/31/2022	Submitted 1/29/22
11	Q	Energy Surcharge	Q4 2021 Energy Resources Surcharge Return & Payment	CDTFA	1/31/2022	Submitted 1/26/22
12	M	Reliability	Summer Reliability Procurement Status Report	CPUC	1/31/2022	Submitted 1/31/22
13	S	IRP	Backstop procurement progress report update	CPUC	2/1/2022	Submitted 2/1/22
14	A	MRR	Specified Source Registration	CARB	2/1/2022	Submitted 2/1/22
15	S	ERRA	2022 Load Forecast for PG&E 2023 ERRRA	CPUC	2/1/2022	Submitted 2/1/22
16	A	DAC-GT	DAC-GT Annual Budget Advice Letter	CPUC	2/1/2022	Submitted 2/1/22
17	M	CRRs	March Tier 1 CCR Nomination	CAISO	2/8/2022	Submitted 2/8/22
18	M	CRRs	April 2022 Load Forecast for CRR Allocations	CAISO	2/10/2022	Submitted 2/10/22
19	M	MARA	May Load Migration Forecast	CPUC & CEC	2/15/2022	Submitted 2/14/22
20	A	GHG	Emission Performance Standard Advice Letter	CPUC	2/15/2022	Submitted 2/15/22
21	Q	QFER	Q4 2021 Form 1306B – QFER (accounts, load, revenue)	CEC	2/15/2022	Submitted 2/11/22
22	M	MARA	April T-45 RA	CPUC & CEC	2/15/2022	Submitted 2/14/22
23	M	MARA	April T-45 RA	CAISO	2/15/2022	Submitted 2/14/22
24	A	RPS	Final 2021 RPS Procurement Reports	CPUC	2/17/2022	Submitted 2/17/22
25	A	Green-e	Unaudited Reporting Forms	CRS	2/18/2022	Submitted 2/16/22
26	M	EIA	January 861 filing (accounts, load, revenue)	EIA	2/28/2022	Submitted 2/28/22
27	M	Reliability	Summer Reliability Procurement Status Report	CPUC	2/28/2022	Submitted 2/28/22
28	A	Diversity	SB 255 (2019)/GO156 Supplier Diversity Report	CPUC	3/1/2022	Submitted 3/1/22
29	M	CRRs	April Tier 1 CCR Nomination	CAISO	3/9/2022	Submitted 3/9/22
30	M	CRRs	May 2022 Load Forecast for CRR Allocations	CAISO	3/10/2022	Submitted 3/9/22
31	A	RA	Historical Load & Customer Count for 2023 YARA Process	CPUC	3/14/2022	Submitted 3/14/22
32	Q	Wind	Q4 2021 wind power procurement and performance	CEC	3/15/2022	Submitted 3/15/22
33	A	TE/VGI	CCA TE/VGI Reporting	CPUC	3/15/2022	Submitted 3/15/22
34	M	CRRs	April Tier 2 CCR Nomination	CAISO	3/15/2022	Submitted 3/15/22
35	M	MARA	June-December Load Migration Forecast	CPUC & CEC	3/17/2022	Submitted 3/17/22
36	M	MARA	May T-45 RA	CPUC & CEC	3/17/2022	Submitted 3/17/22
37	M	MARA	May T-45 RA	CAISO	3/17/2022	Submitted 3/17/22
38	M	Reliability	Summer Reliability Procurement Status Report	CPUC	3/28/2022	Submitted 3/28/22
39	M	EIA	February 861 filing (accounts, load, revenue)	EIA	3/31/2022	Submitted 3/28/22
40	A	LCFS	Annual Fuel Pathway Report 2021	CARB	3/31/2022	Submitted 3/29/22

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	A	RA	Flex Capacity Needs Assessment Data Request	CAISO	1/15/2022	Submitted 1/14/22
2	Q	PCIA	RPS-PCIA Quarterly Data Report (Q4 2021)	CPUC	1/18/2022	Submitted 1/18/22
3	Q	PCIA	RA-PCIA Quarterly Data Report (Q4 2021)	CPUC	2/11/2022	Submitted 2/11/22
4	A	RPS	RPS Cost/Cost Savings Data Request (Padilla Report)	CPUC	3/1/2022	Submitted 3/1/22

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
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
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

San José Clean Energy Q1 2022 (Q3 FY 2021-2022) Power Transactions

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	22-108-01	3/22/2022	Pacific Gas and Electric Company	Renewable Energy	2022	\$ 2,652,000.00
2	22-108-02	3/22/2022	Pacific Gas and Electric Company	Renewable Energy	2022	\$ 3,272,500.00
3	22-112-01	2/9/2022	Calpeak Power, LLC	Conventional Energy	2022-2025	\$ 18,772,320.00
4	22-112-02	2/8/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 1,678,650.00
5	22-112-03	3/8/2022	TransAlta Energy Marketing (U.S.) Inc.	Conventional Energy	2023	\$ 3,648,710.00
6	22-112-04	3/15/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 2,346,840.00
7	22-112-05	3/15/2022	ConocoPhillips Company	Conventional Energy	2022	\$ 5,638,740.00
8	22-112-06	3/22/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 5,128,080.00
9	22-112-07	3/22/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 8,392,573.75
10	22-112-09	3/22/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 1,028,700.00
11	22-113-01	2/9/2022	Calpeak Power, LLC	Resource Adequacy	2023-2025	\$ 10,931,760.00
12	22-113-02	2/22/2022	Chevron Power Holdings	Resource Adequacy	2023-2025	\$ 14,688,000.00
13	22-113-03	2/4/2022	Peninsula Clean Energy	Resource Adequacy	2022	\$ 69,000.00
Total Cost of Purchases:						\$ 78,247,873.75

Short-term Sales

14	21-199-26	1/27/2022	East Bay Community Energy Authority	Resource Adequacy	2022	\$ (113,500.00)
15	22-199-01	2/4/2022	Peninsula Clean Energy	Resource Adequacy	2022	\$ (79,500.00)
16	22-199-02	2/14/2022	San Diego Community Power	Resource Adequacy	2022	\$ (200,000.00)
17	22-199-04	3/8/2022	Sempra Gas and Power Marketing	Resource Adequacy	2022	\$ (562,500.00)
Total Revenue from Sales:						\$ (955,500.00)

Net Cost
\$ 77,292,373.75