

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) APPROVING SAN JOSE CLEAN ENERGY'S 2022 INTEGRATED RESOURCE PLAN COMPLIANCE PORTFOLIO WITH CARBON EMISSIONS BELOW SAN JOSE CLEAN ENERGY'S PROPORTIONAL SHARE OF AN AGGREGATE ELECTRIC SECTOR PLANNING TARGET OF 25 MILLION METRIC TONS OF CARBON EMISSIONS BY 2035 FOR THE SUBMISSION TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION; AND (B) AUTHORIZING THE DIRECTOR OF COMMUNITY ENERGY TO USE THE FINDINGS FROM THE SAN JOSE CLEAN ENERGY INTEGRATED RESOURCE PLAN MODELING ANALYSIS TO FINALIZE, APPROVE, AND SUBMIT TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION A SAN JOSE CLEAN ENERGY 2022 INTEGRATED RESOURCE PLAN THAT INCLUDES THE ENERGY COMPLIANCE PORTFOLIO APPROVED BY CITY COUNCIL HEREIN; AND DIRECTING THE DIRECTOR OF COMMUNITY ENERGY TO SUBMIT THE FINAL PLAN WITH AN INFORMATION MEMORANDUM WITHIN 30 DAYS OF FILING THE PLAN

WHEREAS, the California Public Utilities Commission ("CPUC") requires all Load Serving Entities ("LSEs"), which are Investor Owned Utilities, Community Choice Aggregators, and other Energy Service Providers, to prepare and submit an Integrated Resource Plan ("IRP") to the CPUC every two years; and

WHEREAS, the IRP is a long-term planning tool to meet forecasted energy demand using both supply and demand side resources to ensure reliable electric service to customers in the most cost-effective way, and the CPUC's IRP proceeding and compliance requirements are intended to ensure that LSEs meet targets that allow the electricity sector to contribute to California's economy-wide greenhouse gas emissions reduction goals; and

WHEREAS, on June 26, 2018, the San José City Council (“Council”) adopted Resolution No. 78711 approving the criteria for the San José Clean Energy (“SJCE”) 2018 IRP and directed SJCE to present an IRP to the Council for approval in March of every second year; and

WHEREAS, on April 7, 2020, the Council adopted Resolution No. 79465 amending Subsection B of Resolution No. 78711 to allow the Community Energy Department (“Community Energy”) to submit SJCE’s IRP for City Council approval prior to submitting the IRP to the CPUC, rather than in March of every second year, allowing SJCE to align its IRP work with the CPUC IRP requirements and schedule; and

WHEREAS, on August 25, 2020, the Council adopted Resolution No. 79692 approving SJCE’s two portfolios to be submitted to the CPUC as part of the 2020 IRP; amending resolution no. 78711 regarding the IRP criteria; authorizing the Director of Community Energy to finalize, approve, and submit the 2020 IRP; increasing the authority granted to the Director of Community Energy or her designee for the procurement of long-term renewable energy and short- and medium-term power supply products, other than resource adequacy products; and amending Resolution No. 79109 to authorize the Director of Community Energy to more flexibly allocate funds to procure energy and short-term renewable energy credits; and

WHEREAS, on September 1, 2020, SJCE filed its 2020 IRP with the CPUC, which included one required portfolio to meet its proportional share of a 46 million metric tons (“MMT”) by 2030 target and a second required portfolio to meet its proportional share of a 38 MMT by 2030 target, and selected the 38 MMT by 2030 portfolio to be its preferred portfolio; and

WHEREAS, the CPUC requires LSEs, which includes SJCE as a Community Choice Aggregator, to file an individual 2022 IRP and a resource portfolio on November 1, 2022 for the 2022 IRP planning cycle; and

WHEREAS, LSEs must develop at least one portfolio that achieves or goes below the LSE's proportional share of California electric sector carbon emissions assuming the total electric sector will reduce emissions to 38 MMT in 2030 and 30 MMT in 2035 and a second portfolio that achieves or goes below the LSE's proportional share of California electric sector carbon emissions assuming the total electric sector will reduce emissions to 30 MMT in 2030 and 25 MMT in 2035; and

WHEREAS, CPUC guidance states that if the LSE intends to present a portfolio that goes below its proportional share of both the 30 MMT target and the 25 MMT emission targets, then that LSE will only be required to submit one "Preferred Conforming Portfolio" as part of its individual IRP filing; and

WHEREAS, SJCE developed two energy resource portfolios, using the methodology and modeling tools set forth in the memorandum, dated October 3, 2022, from the Director of the Community Energy for the October 25, 2022 City Council Meeting, and includes one portfolio that emits below SJCE's proportional share of the 30 MMT carbon emission target by 2030 and a 25 MMT carbon emission by 2035 target ("CPUC Compliant Portfolio") and a second portfolio that emits below SJCE's proportional share of a 25 MMT carbon emission target by 2035 and aligns with the City of San José ("City") pledge to achieve overall carbon neutrality by 2030 ("City Carbon Neutral Portfolio"); and

WHEREAS, the SJCE IRP modeling shows that the most cost-effective emission reduction strategy is to procure wind generation, solar paired with storage, and stand-alone storage capable of using excess solar in the middle of the day to cover evening

power demand and reduce potential curtailment if solar exceeds load in the middle of the day; and

WHEREAS, SJCE proposes that the City submit the CPUC Compliant Portfolio as SJCE's "Preferred Conforming Portfolio" to the CPUC and recommends using the more aggressive City Carbon Neutral Portfolio as the Department's procurement guide to meet the City's accelerated carbon emission reduction goals to reach carbon neutrality by 2030;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- A. San José Clean Energy's 2022 Integrated Resource Plan compliance portfolio with carbon emissions below San José Clean Energy's proportional share of an aggregate electric sector planning target of 25 million metric tons of carbon emissions by 2035 for the submission to the California Public Utilities Commission is hereby approved.

- B. The Director of Community Energy is hereby authorized to use the findings from the San José Clean Energy Integrated Resource Plan modeling analysis to finalize, approve, and submit to the California Public Utilities Commission a San José Clean Energy 2022 Integrated Resource Plan that includes the energy compliance portfolio approved by City Council herein; and directing the Director of Community Energy to submit the final Plan with an information memorandum within 30 days of filing the Plan.

ADOPTED this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk