



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: November 16, 2022

Approved

Date

11/17/22

INFORMATION

SUBJECT: SAN JOSE CLEAN ENERGY Q3 2022 (Q1 FY 2022-2023) SAN JOSE CLEAN ENERGY POWER PROCUREMENT AND REGULATORY COMPLIANCE REPORT

BACKGROUND

On November 7, 2017, City 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 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 of the Community Energy Department 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 July 1, 2022 and September 30, 2022, SJCE submitted 42 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted seven data requests to the California Public Utilities Commission: three related to the

Power Charge Indifference Adjustment, two related to Resource Adequacy (one was also submitted to the California Energy Commission), and two related to the Renewable Portfolio Standard.

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

During the period from July 1, 2022 to September 30, 2022, SJCE participated in twenty-one 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's 2023 Forecast Energy Resource Recovery Account proceeding (A.22-05-029), 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), PG&E's Compliance Review of PABA and ERRA Entries 2021 (A.22-02-015), 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), 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), the High Distributed Energy Resources Future rulemaking (R. 21-06-017), and the Demand Flexibility proceeding R.22-07-005).

Power Procurement

SJCE entered into 13 short-term agreements during the first quarter of FY 2022-2023. SJCE entered into 8 purchase agreements worth a total of \$79,720,087.00. Power product sales accounted for 5 agreements worth \$1,453,788.00. The net cost for the 13 agreements to SJCE is \$78,266,299.00.

Attached to this memorandum as Attachment 2 is a list of these agreements.

In preparing this report for Q3 2022, SJCE discovered that 6 short-term transactions were inadvertently excluded from the previous quarter Q2 2022 (Q4 FY 2021-2022) Power Procurement and Regulatory Compliance report submitted to City Council on August 12, 2022. Attachment 3 to this memorandum is the Amended Q2 2022 (Q4 FY 2021-2022) Power Transactions Report inclusive of all agreements together with previously excluded 6 agreements.

HONORABLE MAYOR AND CITY COUNCIL

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Considering these excluded contracts, SJCE entered into 21 short-term agreements during the fourth quarter of FY 2021-2022. SJCE entered into 15 purchase agreements worth a total of \$81,053,055.30. Power product sales accounted for 6 agreements worth \$1,445,325.00. The net cost for the 21 agreements to SJCE is \$79,607,730.30.

/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 Q3 2022 (Q1 FY 2022-2023) Compliance Filings

Attachment 2 San José Clean Energy Q3 2022 (Q1 FY 2022-2023) Power Transactions

Attachment 3 San José Clean Energy Amended Q2 2022 (Q4 FY 2021-2022) Power Transactions

Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	CRRs	September 2022 Load Forecast for CRR Allocations	CAISO	7/7/2022	Submitted 07/07/22
2	M	CRRs	August Tier 1 CCR Nomination	CAISO	7/12/2022	Submitted 07/11/22
3	M	MARA	September T-45 RA (w/ Local & Flex true up)	CPUC & CEC	7/18/2022	Submitted 07/18/22
4	M	MARA	October Load Migration Forecast	CPUC & CEC	7/18/2022	Submitted 07/18/22
5	M	MARA	September T-45 RA	CAISO	7/18/2022	Submitted 07/18/22
6	M	Reliability	Summer Reliability Procurement Status Report due	CPUC	7/18/2022	Submitted 07/18/22
7	M	CRRs	August Tier 2 CCR Nomination	CAISO	7/18/2022	Submitted 07/18/22
8	-	RA	CY 2023 Remaining Import Capacity Assignment - LSJCE	CAISO	7/19/2022	Submitted 07/18/22
9	A	CRRs	2023 CRR Annual Allocation Process: Historical Load	CAISO	7/29/2022	Completed 08/04/22
10	M	EIA	June 861 filing (accounts, load, revenue)	EIA	7/29/2022	Submitted 07/27/22
11	A	Green-e	Verification materials and data submission	CRS	7/30/2022	Submitted 07/18/22
12	Q	DAC-GT	DAC-GT CSGT Quarterly Report	CPUC	7/30/2022	Submitted 07/29/22
13	S	IRP	Backstop procurement progress report update	CPUC	8/1/2022	Submitted 08/01/22
14	Q	Energy Surcharge	Q2 2022 Energy Resources Surcharge Return & Payment	CDTFA	8/1/2022	Submitted 07/19/22
15	A	RPS	Annual RPS Compliance Plan	CPUC	8/1/2022	Submitted 08/01/22
16	A	Green-e	Historical Product Content Label sent to customers	CRS	8/1/2022	Completed 07/25/22
17	A	MRR	Final verification statements (audits) due	CARB	8/10/2022	Submitted 08/09/22
18	M	CRRs	September Tier 1 CCR Nomination	CAISO	8/10/2022	Submitted 08/10/22
19	M	CRRs	October 2022 Load Forecast for CRR Allocations	CAISO	8/11/2022	Submitted 08/11/22
20	Q	QFER	Q2 2022 1306B – QFER (accounts, load, revenue)	CEC	8/15/2022	Submitted 08/12/22
21	M	Reliability	Summer Reliability Procurement Status Report due	CPUC	8/15/2022	Submitted 08/15/22
22	A	RPS	Motions to update Annual RPS Procurement Plan (w/ Voluntary Allocation info)	CPUC	8/15/2022	Submitted 08/15/22
23	A	YARA	Final 2023 Load Forecast for Year-Ahead RA	CPUC & CEC	8/15/2022	Submitted 08/16/22
24	M	CRRs	September Tier 2 CCR Nomination	CAISO	8/16/2022	Submitted 08/16/22
25	M	MARA	October T-45 RA (w/ Local & Flex true up)	CPUC & CEC	8/17/2022	Submitted 08/17/22
26	M	MARA	November Load Migration Forecast	CPUC & CEC	8/17/2022	Submitted 08/17/22
27	M	MARA	October T-45 RA	CAISO	8/17/2022	Submitted 08/17/22
28	M	EIA	July 861 filing (accounts, load, revenue)	EIA	8/31/2022	Submitted 08/25/22
29	A	Green-e	Marketing compliance review	CRS	8/31/2022	Completed 08/24/22
30	M	CRRs	November 2022 Load Forecast for CRR Allocations	CAISO	9/8/2022	Submitted 09/08/22
31	A	CRRs	2023 CRR Annual Allocation Process: Tier 1/PNP window closes	CAISO	9/8/2022	Submitted 09/06/22
32	A	IEPR	Electricity Resource Plan Forms due	CEC	9/9/2022	Submitted 09/09/22
33	M	CRRs	October Tier 1 CCR Nomination	CAISO	9/12/2022	Submitted 09/12/22
34	M	Reliability	Summer Reliability Procurement Status Report due	CPUC	9/12/2022	Submitted 09/12/22
35	Q	EE	Q2 2022 EE Program Tracking Data Submission	CPUC	9/15/2022	Submitted 09/13/22
36	M	CRRs	October Tier 2 CCR Nomination	CAISO	9/16/2022	Submitted 09/16/22
37	M	MARA	November T-45 RA	CAISO	9/17/2022	Submitted 09/15/22
38	M	MARA	November T-45 RA (w/ Local & Flex true up)	CPUC & CEC	9/19/2022	Submitted 09/19/22
39	M	MARA	December Load Migration Forecast	CPUC & CEC	9/19/2022	Submitted 09/19/22
40	M	MARA	January to March 2023 MA load forecasts	CPUC & CEC	9/22/2022	Submitted 09/22/22
41	M	EIA	August 861 filing (accounts, load, revenue)	EIA	9/30/2022	Submitted 09/29/22
42	A	PSD	Power Content Label mailed to customers and CEC	CEC	9/30/2022	Completed 09/28/22-10/01/22

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	-	PCIA	Data request on GHG-Free resources	CPUC	7/15/2022	Submitted 7/15/22
2	Q	PCIA	PCIA-RA Adder Data Request (Q1 & Q2 2022)	CPUC	7/29/2022	Submitted 7/29/22
3	A	RPS	Data Request: Workforce Development & Diversity	CPUC	8/10/2022	Submitted 08/10/22
4	-	RA	Demand Forecast Data Request for Slice of Day Dry Run	CPUC & CEC	8/29/2022	Submitted 08/29/22
5	S	RPS	RPS-PCIA Semi-Annual Data Report	CPUC	9/1/2022	Submitted 9/1/22
6	S	PCIA	PCIA-RA Adder Data Request	CPUC	9/9/2022	Submitted 9/9/22
7	-	RA	Data request for energy hedging	CPUC	9/15/2022	Submitted 9/23/22 (extension granted by CPUC)

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
TE/VGI	Transportation Electrification/Vehicle Grid Integration
YARA	Year Ahead Resource Adequacy

San José Clean Energy Q3 2022 (Q1 FY 2022-2023) Power Transactions

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	22-112-19	7/7/2022	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 14,855,940.00
2	22-112-21	7/14/2022	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 3,091,568.00
3	22-112-23	7/12/2022	Calpine Energy Services L.P.	Conventional Energy	2025	\$ 13,194,750.00
4	22-112-25	7/15/2022	Calpine Energy Services L.P.	Conventional Energy	2023	\$ 9,650,016.00
5	22-113-07	9/2/2022	Calpine Energy Services L.P.	Resource Adequacy	2023	\$ 8,779,000.00
6	22-112-24	7/14/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 4,883,940.00
7	22-112-26	7/14/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 2,873,332.00
8	22-112-22	7/12/2022	Shell Energy North America (US), L.P.	Conventional Energy	2024 - 2025	\$ 22,391,541.00

Total Cost of Purchases: \$ 79,720,087.00*Short-term Sales*

9	22-199-12	9/2/2022	Calpine Energy Services L.P.	Resource Adequacy	2023	\$ (1,360,000.00)
10	22-199-11	7/1/2022	East Bay Community Energy Authority	Resource Adequacy	2022	\$ (12,788.00)
11	22-199-16	9/28/2022	East Bay Community Energy Authority	Resource Adequacy	2022	\$ (5,250.00)
12	22-199-14	8/17/2022	San Diego Community Power	Resource Adequacy	2022	\$ (16,000.00)
13	22-199-13	8/17/2022	Metropolitan Water District of Southern CA	Resource Adequacy	2022	\$ (59,750.00)

Total Revenue from Sales: \$ (1,453,788.00)**Net Cost****\$ 78,266,299.00**

San José Clean Energy Q2 2022 (Q4 FY 2021-2022) Power Transactions - Amended

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	22-112-11	6/10/2022	Nextera Energy Marketing, LLC	Conventional Energy	2023	\$ 8,007,406.25
2	22-112-15	6/24/2022	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 14,280,588.00
3	22-112-16	6/28/2022	Nextera Energy Marketing, LLC	Conventional Energy	2023	\$ 4,416,343.25
4	22-112-17	6/13/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 5,919,815.80
5	22-112-18	6/24/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 6,315,210.00
6	22-112-20	6/28/2022	Nextera Energy Marketing, LLC	Conventional Energy	2024	\$ 15,112,872.00
7	22-113-04	4/26/2022	Shell Energy North America (US), L.P.	Resource Adequacy	2023	\$ 3,780,000.00
8	22-113-05	4/21/2022	Chevron Power Holdings	Resource Adequacy	2023	\$ 1,122,000.00
9	22-113-06	6/30/2022	Central Coast Community Energy	Resource Adequacy	2022	\$ 550,000.00
10	22-112-10*	6/3/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 3,898,960.00
11	22-112-12*	6/3/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 4,124,544.00
12	22-112-13*	6/7/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 4,521,089.00
13	22-112-14*	6/8/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 5,559,227.00
14	22-108-03*	6/3/2022	Southern California Edison	Renewable Portfolio Standard	2022	\$ 3,200,000.00
15	22-108-04*	6/3/2022	Southern California Edison	Renewable Portfolio Standard	2022	\$ 245,000.00

Total Cost of Purchases: \$ 81,053,055.30**Short-term Sales**

16	22-199-05	4/14/2022	Southern California Edison	Resource Adequacy	2022	\$ (148,750.00)
17	22-199-06	5/9/2022	Direct Energy	Resource Adequacy	2022	\$ (306,000.00)
18	22-199-07	4/6/2022	East Bay Community Energy Authority	Resource Adequacy	2022	\$ (15,000.00)
19	22-199-08	5/12/2022	San Diego Community Power	Resource Adequacy	2022	\$ (211,325.00)
20	22-199-09	5/9/2022	Peninsula Clean Energy	Resource Adequacy	2022	\$ (164,250.00)
21	22-199-10	6/30/2022	Central Coast Community Energy	Resource Adequacy	2022	\$ (600,000.00)

Total Revenue from Sales: \$ (1,445,325.00)

Note - * denotes contracts inadvertently excluded from the Q2 2022 (Q4 FY 2021-2022) Power Transactions report submitted on August 12, 2022

Net Cost
\$ 79,607,730.30