

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: February 17, 2023

Approved



Date

02/17/23

INFORMATION

SUBJECT: SAN JOSE CLEAN ENERGY Q4 2022 (Q2 FY 2022-2023) REGULATORY COMPLIANCE AND POWER PROCUREMENT REPORT

BACKGROUND

On November 7, 2017, the City Council approved an ordinance adding 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 is required to submit to the City Council, on a quarterly basis, all reports, plans, and data compiled by SJCE and submitted to regulatory agencies to comply with SJCE's regulatory requirements. Each quarterly report submitted to the City Council shall be submitted no later than 45 days following the end of the previous calendar quarter. The quarterly report required in Section 26.30.020 may be combined with the Community Energy Department's short-term transactions quarterly report required pursuant to Section 26.50.040 of the Municipal Code.

In addition to submitting the regulatory compliance report, the Community Energy Department Director, pursuant to Section 26.50.040 of the Municipal Code, submits to the City Council, on a quarterly basis, a report summarizing the number of short-term transactions that the Community Energy Department has executed in the previous calendar quarter as well as the total cost of those short-term transactions.

ANALYSIS

Regulatory Compliance

Between October 1, 2022 and December 31, 2022, SJCE submitted 34 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE

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also submitted four responses to data requests total to the California Public Utilities Commission and the California Energy Commission: one related to the Integrated Energy Policy Report and three related to reliability.

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

During the period from October 1, 2022 to December 30, 2022, SJCE participated in 21 California Public Utilities Commission regulatory proceedings either: (i) directly, as an individual party; (ii) as part of informal coalitions of joint Community Choice Aggregation programs; or as a member of CalCCA. 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 and Energy Resource Recovery Account Entries 2019 (A.20-02-009), the PG&E Compliance Review of Portfolio Allocation Balancing Account and Energy Resource Recovery Account Entries 2020 (A.21-03-008), PG&E's Compliance Review of Portfolio Allocation Balancing Account and Energy Resource Recovery Account Entries 2021 (A.22-02-015), the PG&E'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 26 short-term agreements during the fourth quarter of FY 2022-2023. SJCE entered into 17 purchase agreements worth a total of \$66,761,658.00. Power product sales by SJCE accounted for nine agreements worth \$2,463,550.00. The net cost for the 26 agreements to SJCE is \$64,298,108.60.

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

/s/
LORI MITCHELL
Director, Community Energy Department

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For questions, please contact Lori Mitchell, Director of Community Energy Department, at (408) 535-4880.

Attachment 1 San José Clean Energy Q4 2022 (Q2 FY 2022-2023) Compliance Filings

Attachment 2 San José Clean Energy Q4 2022 (Q2 FY 2022-2023) Power Transactions

Attachment 1 - San José Clean Energy Q4 2022 Compliance Filings

Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	A	PSD	Power Content Label Audit	CEC	10/3/2022	Submitted 09/30/22
2	A	CRRs	2023 CRR Annual Allocation Process; Tier 2 window closes	CAISO	10/5/2022	Submitted 10/04/22
3	M	CRRs	December 2022 Load Forecast for CRR Allocations	CAISO	10/6/2022	Submitted 10/05/22
4	M	Reliability	Summer Reliability Procurement Status Report due	CPUC	10/10/2022	Submitted 10/11/22
5	M	CRRs	November Tier 1 CCR Nomination	CAISO	10/11/2022	Submitted 10/11/22
6	M	MARA	December T-45 RA (w/ Local & Flex true up)	CPUC & CEC	10/17/2022	Submitted 10/17/22
7	M	MARA	January Load Migration Forecast	CPUC & CEC	10/17/2022	Submitted 10/17/22
8	M	MARA	December T-45 RA	CAISO	10/17/2022	Submitted 10/17/22
9	M	CRRs	November Tier 2 CCR Nomination	CAISO	10/17/2022	Submitted 10/17/22
10	A	CRRs	2023 CRR Annual Allocation Process; Tier 3 window closes	CAISO	10/18/2022	Submitted 10/18/22
11	Q	DAC-GT	DAC-GT Community Solar Green Tariff Quarterly Report	CPUC	10/31/2022	Submitted 10/25/22
12	M	EIA	September 861 filing (accounts, load, revenue)	EIA	10/31/2022	Submitted 10/28/22
13	Q	Energy Surcharge	Q3 2022 Energy Resources Surcharge Return & Payment	CDTFA	10/31/2022	Submitted 10/24/22
14	A	YARA	2023 Year Ahead RA Filing	CAISO	10/31/2022	Submitted 10/31/22
15	A	YARA	2023 Year Ahead RA Filing	CPUC	10/31/2022	Submitted 10/31/22
16	A	Scheduling Coordinator	Settlement Quality Meter Data Audit & Attestation	CAISO	10/31/2022	Submitted 10/31/22
17	Biennial	IRP	2022 Integrated Resource Plan	CPUC	11/1/2022	Submitted 11/01/22
18	A	Cap & Trade	Annual Cap & Trade Compliance Obligation due	CARB	11/1/2022	Submitted 11/01/22
19	M	CRRs	December Tier 1 CRR Nomination	CAISO	11/8/2022	Submitted 11/08/22
20	M	CRRs	January 2023 Load Forecast for CRR Allocations	CAISO	11/10/2022	Submitted 11/10/22
21	M	CRRs	December Tier 2 CCR Nomination	CAISO	11/14/2022	Submitted 11/14/22
22	Q	QFER	Q3 2022 1306B – QFER (accounts, load, revenue)	CEC	11/15/2022	Submitted 11/10/22
23	M	MARA	January T-45 RA	CAISO	11/17/2022	Submitted 11/17/22
24	M	MARA	January T-45 RA	CPUC & CEC	11/17/2022	Submitted 11/17/22
25	M	MARA	February Load Migration Forecast	CPUC & CEC	11/17/2022	Submitted 11/17/22
26	M	EIA	October 861 filing (accounts, load, revenue)	EIA	11/30/2022	Submitted 11/28/22
27	Q	EE	Q3 2022 EE Program Tracking Data Submission	CPUC	12/1/2022	Submitted 11/30/22
28	M	CRRs	February 2022 Load Forecast for CRR Allocations	CAISO	12/8/2022	Submitted 12/07/22
29	M	CRRs	January Tier 1 CCR Nomination	CAISO	12/9/2022	Submitted 12/09/22
30	M	CRRs	January Tier 2 CCR Nomination	CAISO	12/15/2022	Submitted 12/15/22
31	M	MARA	February T-45 RA	CAISO	12/18/2022	Submitted 12/18/22
32	M	MARA	February T-45 RA	CPUC & CEC	12/19/2022	Submitted 12/18/22
33	M	MARA	March-June Load Migration Forecast	CPUC & CEC	12/19/2022	Submitted 12/18/22
34	M	EIA	November 861 filing (accounts, load, revenue)	EIA	12/30/2022	Submitted 12/15/22

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	Procurement	Procurement Status Data Request	CPUC	10/20/2022	Submitted 10/20/22
2	-	IEPR	IEPR Transmission Related Data Request	CEC	10/21/2022	Submitted 10/21/22
3	M	Procurement	Procurement Status Data Request	CPUC	11/10/2022	Submitted 11/10/22
4	M	Procurement	Procurement Status Data Request	CPUC	12/8/2022	Submitted 12/08/22

Key	
A	Annual
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
M	Monthly
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
Q	Quarterly
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

Attachment 2 - San José Clean Energy Q4 2022 (Q2 FY 2022-2023) Power Transactions

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	22-108-07	10/3/2022	Pacific Gas and Electric Company	Renewable Portfolio Standard	2022	\$ 3,691,550.00
2	22-108-08	11/28/2022	Clines Corner Wind Farm LLC	Renewable Portfolio Standard	2022	\$ 340,000.00
3	22-112-27	10/19/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 13,380,900.00
4	22-112-28	11/2/2022	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 15,624,540.00
5	22-112-29	12/16/2022	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 2,310,000.00
6	22-112-30	12/21/2022	Calpine Energy Services L.P.	Conventional Energy	2023	\$ 16,718,700.00
7	22-113-10	11/8/2022	City of Santa Clara, dba Silicon Valley Power	Resource Adequacy	2023	\$ 313,500.00
8	22-113-11	10/20/2022	Southern California Edison	Resource Adequacy	2023	\$ 2,625,979.30
9	22-113-12	10/20/2022	Southern California Edison	Resource Adequacy	2023-2024	\$ 1,456,611.30
10	22-113-13	10/25/2022	San Diego Gas & Electric	Resource Adequacy	2023-2024	\$ 2,056,520.00
11	22-113-14	11/30/2022	East Bay Community Energy Authority	Resource Adequacy	2023	\$ 31,500.00
12	22-113-15	10/27/2022	ResiStation	Resource Adequacy	2023	\$ 782,500.00
13	22-113-17	10/27/2022	CXA La Paloma	Resource Adequacy	2023	\$ 4,951,858.00
14	22-113-18	11/10/2022	Morgan Stanley Capital Group Inc.	Resource Adequacy	2023	\$ 637,500.00
15	22-113-19	11/10/2022	Shell Energy North America	Resource Adequacy	2023	\$ 1,795,000.00
16	22-113-21	12/6/2022	Peninsula Clean Energy	Resource Adequacy	2023	\$ 45,000.00
17	22-124-01	12/16/2022	Pacific Gas and Electric Company	Carbon Free	2023	\$ -

Total Cost of Purchases: \$ 66,761,658.60

Short-term Sales

18	22-199-03	10/18/2022	Peninsula Clean Energy	Resource Adequacy	2023	\$ (30,000.00)
19	22-199-15	11/8/2022	City of Santa Clara, dba Silicon Valley Power	Resource Adequacy	2023	\$ (381,100.00)
20	22-199-18-1	11/6/2022	Central Coast Community Energy	Resource Adequacy	2023	\$ (320,000.00)
21	22-199-19	11/22/2022	EDF Trading North America, LLC	Resource Adequacy	2023	\$ (103,600.00)
22	22-199-20	11/10/2022	Shell Energy North America	Resource Adequacy	2023	\$ (1,339,100.00)
23	22-199-21	11/28/2022	Calpine Energy Services L.P.	Resource Adequacy	2023	\$ (131,250.00)
24	22-199-22	11/30/2022	East Bay Community Energy Authority	Resource Adequacy	2023	\$ (5,000.00)
25	22-199-23	12/6/2022	Peninsula Clean Energy	Resource Adequacy	2023	\$ (45,000.00)
26	22-199-24	12/15/2022	Clean Power Alliance	Resource Adequacy	2023	\$ (108,500.00)

Total Revenue from Sales: \$ (2,463,550.00)

Net Cost	
\$	64,298,108.60