

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: May 8, 2023

Approved



Date

5/8/23

INFORMATION

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

BACKGROUND

On May 15, 2017, San José City Council (City Council) unanimously approved the formation of San José Clean Energy (SJCE) and on August 8, 2017, passed an ordinance amending Title 2 of the San José Municipal Code to establish the Community Energy Department. 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 SJCE.

Pursuant to Sections 26.30.020 and 26.50.040 of the San José Municipal Code,¹ 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 as well as a report summarizing the number of short-term transactions that the Community Energy Department has executed in the previous calendar quarter and the total cost associated with those short-term 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 quarterly reports may be combined.

ANALYSIS

Regulatory Compliance

Between January 1, 2023 and March 31, 2023, SJCE submitted 37 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted a total of eight responses to data requests from the California Public Utilities

¹ On May 2, 2023, the City Council approved revisions to Title 26, and these section numbers will be revised. The updated section numbers will be reflected in the next quarterly report after the applicable ordinance comes into effect.

Commission and the California Energy Commission: two related to the Renewable Portfolio Standard, one related to Resource Adequacy, one related to the Disadvantaged Communities-Green Tariff Program (Solar Access), one related to Transportation Electrification, and two related to reliability.

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

In addition to fulfilling its regulatory compliance obligations, SJCE staff have worked to proactively engage in state regulatory proceedings that may impact SJCE's operations namely its reporting requirements, procurement strategy, or future customer rates and product/program offerings. During the period from January 1, 2023 to March 31, 2023, SJCE participated in 21 California Public Utilities Commission regulatory proceedings either directly as an individual party, as part of informal coalitions of joint Community Choice Aggregation programs, or as a member of CalCCA, our trade association. These proceedings include, but are not limited to,

- Integrated Resource Planning (R.20-05-003)
- Renewable Portfolio Standard (R.18-07-003)
- Power Charge Indifference Adjustment (R.17-06-026)
- Resource Adequacy (R.21-01-002)
- PG&E's 2022 and 2023 Forecast Energy Resource Recovery Account (respectively A.21-06-001 and A.22-05-029)
- PG&E Compliance Review of Portfolio Allocation Balancing Account and Energy Resource Recovery Account Entries 2019, 2020, and 2021 (respectively A.20-02-009, A.21-03-008, and A.22-02-015)
- PG&E's General Rate Case 2020 and 2023 Applications (A.19-11-019 and A.21-06-021)
- Disconnections (R.18-07-005) and Affordability (R.18-07-006)
- Supplier Diversity (R.21-03-010)
- Provider of Last Resort (R.21-03-011)
- Energy Efficiency (R.13-11-005)
- Vehicle Electrification and Infrastructure (R.18-12-006)
- Demand Flexibility (R.22-07-005)

Power Procurement

SJCE entered into 30 short-term agreements between January 1, 2023 and March 31, 2023. SJCE entered into 26 purchase agreements worth a total of \$139,625,228.75. Power product sales by SJCE accounted for four agreements worth \$402,250.00. The net cost for the 30 agreements to SJCE is \$139,222,978.75.

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

HONORABLE MAYOR AND CITY COUNCIL

May 8, 2023

Subject: Q1 2023 (Q3 FY 2022-2023) San José Clean Energy Regulatory Compliance and Power Procurement Report

Page 3

/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 2023 (Q3 FY 2022-2023) Compliance Filings

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

Attachment 1 - San José Clean Energy Q1 2023 Compliance Filings

Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	M	CRRs	February Tier 1 CCR Nomination	CAISO	01/10/23	Submitted 01/10/23
2	M	CRRs	March Load Forecast for CRR Allocations	CAISO	01/12/23	Submitted 01/12/23
3	M	MARA	March T-45 RA	CAISO	01/15/23	Submitted 01/13/23
4	M	MARA	April Load Migration Forecast	CPUC & CEC	01/17/23	Submitted 01/13/23
5	M	MARA	March T-45 RA	CPUC & CEC	01/17/23	Submitted 01/17/23
6	M	CRRs	February Tier 2 CCR Nomination	CAISO	01/17/23	Submitted 01/17/23
7	A	RPS	Final RPS Procurement Plan	CPUC	01/18/23	Submitted 01/18/23
8	Q	DAC-GT	DAC-GT CSGT Quarterly Report	CPUC	01/30/23	Submitted 01/30/23
9	M	EIA	December 861 filing (accounts, load, revenue)	EIA	01/31/23	Submitted 01/31/23
10	Q	Energy Surcharge	Q4 2022 Energy Resources Surcharge Return & Payment	CDTFA	01/31/23	Submitted 01/24/23
11	S	ERRA	2024 Load Forecast for PG&E 2024 ERRA	CPUC	02/01/23	Submitted 01/30/23
12	S	IRP	Backstop procurement progress report update	CPUC	02/01/23	Submitted 02/01/23
13	A	DAC-GT	DAC-GT Annual Budget Advice Letter	CPUC	02/01/23	Submitted 02/01/23
14	M	CRRs	March Tier 1 CCR Nomination	CAISO	02/08/23	Submitted 02/08/23
15	M	CRRs	April Load Forecast for CRR Allocations	CAISO	02/09/23	Submitted 02/09/23
16	M	CRRs	March Tier 2 CCR Nomination	CAISO	02/14/23	Submitted 02/14/23
17	A	GHG	Emission Performance Standard Advice Letter	CPUC	02/15/23	Submitted 02/15/23
18	M	MARA	May Load Migration Forecast	CPUC & CEC	02/15/23	Submitted 02/14/23
19	M	MARA	April T-45 RA	CPUC & CEC	02/15/23	Submitted 02/14/23
20	M	MARA	April T-45 RA	CAISO	02/15/23	Submitted 02/14/23
21	Q	QFER	Q4 2022 Form 1306B – QFER (accounts, load, revenue)	CEC	02/15/23	Submitted 02/14/23
22	A	Green-e	Unaudited Reporting Forms	CRS	02/17/23	Submitted 02/17/23
23	Q	RPS	PCIA-RA Quarterly Data Report (Q4 2022)	CPUC	02/17/23	Submitted 02/17/23
24	M	EIA	January 861 filing (accounts, load, revenue)	EIA	02/28/23	Submitted 02/28/23
25	Q	EE	Q4 2022 EE Program Tracking Data Submission	CPUC	03/01/23	Submitted 02/16/23
26	A	Diversity	GO 156 Supplier Diversity Report	CPUC	03/01/23	Submitted 03/01/23
27	-	RPS	Final CP3 RPS Compliance Report	CPUC	03/03/23	Submitted 03/03/23
28	M	CRRs	April Tier 1 CCR Nomination	CAISO	03/09/23	Submitted 03/09/23
29	M	CRRs	May Load Forecast for CRR Allocations	CAISO	03/09/23	Submitted 03/09/23
30	A	RA	Historical Load & Customer Count for 2024 YA RA Process	CPUC	03/13/23	Submitted 03/13/23
31	M	CRRs	April Tier 2 CCR Nomination	CAISO	03/15/23	Submitted 03/15/23
32	A	TE/VGI	CCA TE/VGI Reporting	CPUC	03/15/23	Submitted 03/14/23
33	M	MARA	May T-45 RA	CPUC & CEC	03/17/23	Submitted 03/17/23
34	M	MARA	June-December Load Migration Forecast	CPUC & CEC	03/17/23	Submitted 03/17/23
35	M	MARA	May T-45 RA	CAISO	03/17/23	Submitted 03/17/23
36	M	EIA	February 861 filing (accounts, load, revenue)	EIA	03/31/23	Submitted 03/30/23
37	A	Green-e	2023 Prospective Power Content Label	CRS	04/01/23	Submitted 03/27/23

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
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

Data Requests

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	-	DAC-GT	Data Request No. Cal Advocates-GAP-SJCE-001	CPUC	01/10/23	Submitted 01/10/23
2	M	Procurement	Procurement Status Data Request	CPUC	01/12/23	Submitted 01/12/23
3	A	RA	Flex Capacity Needs Assessment Data Request	CAISO	01/15/23	Submitted 01/13/23
4	S	RPS	RPS-PCIA Semi-Annual Data Report	CPUC	02/01/23	Submitted 01/30/23
5	M	Procurement	Procurement Status Data Request	CPUC	02/09/23	Submitted 02/09/23
6	A	RPS	RPS Cost/Cost Savings Data Request (Padilla Report)	CPUC	03/01/23	Submitted 03/01/23
7	-	VGI	VGI Stocktake Reporting Request	PG&E	03/09/23	Submitted 03/08/23
8	M	Procurement	Procurement Status Data Request	CPUC	03/09/23	Submitted 03/09/23

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

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	23-112-01	1/9/2023	Shell Energy North America	Conventional Energy	2023	\$ 2,778,600.00
2	23-112-02	2/8/2023	EDF Trading North America, LLC	Conventional Energy	2023	\$ 6,141,000.00
3	23-112-03	1/17/2023	Calpine Energy Services L.P.	Conventional Energy	2023	\$ 7,976,320.00
4	23-112-04	1/19/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2024	\$ 7,519,200.00
5	23-112-05	1/19/2023	Calpine Energy Services L.P.	Conventional Energy	2025	\$ 7,960,550.00
6	23-112-06	1/19/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2024	\$ 5,059,080.00
7	23-112-07	1/19/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2025	\$ 5,037,000.00
8	23-112-08	1/26/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2024	\$ 17,161,740.00
9	23-112-09	1/25/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2025	\$ 16,764,450.00
10	23-112-10	1/27/2023	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 4,747,200.00
11	23-112-11	1/25/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2025	\$ 4,741,680.00
12	23-112-12	1/30/2023	NextEra Energy Marketing, LLC	Conventional Energy	2023	\$ 756,000.00
13	23-112-13	2/6/2023	NextEra Energy Marketing, LLC	Conventional Energy	2023	\$ 2,142,400.00
14	23-112-14	1/31/2023	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 2,764,300.00
15	23-112-15	2/10/2023	TransAlta Energy Marketing Inc.	Conventional Energy	2023	\$ 741,000.00
16	23-112-16	2/12/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 989,100.00
17	23-112-17	2/14/2023	TransAlta Energy Marketing Inc.	Conventional Energy	2023	\$ 2,939,860.00
18	23-112-19	2/21/2023	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 5,297,600.00
19	23-112-20	2/16/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 1,211,976.00
20	23-112-21	2/16/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2025	\$ 5,231,072.00
21	23-112-22	2/23/2023	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 9,672,125.75
22	23-112-23	2/24/2023	Calpine Energy Services L.P.	Conventional Energy	2024	\$ 16,909,200.00
23	23-112-24	2/24/2023	Calpine Energy Services L.P.	Conventional Energy	2025	\$ 4,802,400.00
24	23-113-03	1/25/2023	East Bay Community Energy Authority	Resource Adequacy	2023	\$ 123,500.00
25	23-113-04-1	1/27/2023	Shell Energy North America	Resource Adequacy	2023	\$ 70,875.00
26	23-113-05	2/17/2023	Clean Power Alliance	Resource Adequacy	2023	\$ 87,000.00

Total Cost of Purchases: \$ 139,625,228.75

Short-term Sales

27	22-199-25	2/14/2023	Calpine Energy Services L.P.	Resource Adequacy	2023	\$ (131,250.00)
28	23-199-01	1/25/2023	East Bay Community Energy Authority	Resource Adequacy	2023	\$ (142,500.00)
29	23-199-02	2/10/2023	East Bay Community Energy Authority	Resource Adequacy	2023	\$ (40,750.00)
30	23-199-03	2/17/2023	Clean Power Alliance	Resource Adequacy	2023	\$ (87,750.00)

Total Revenue from Sales: \$ (402,250.00)

Net Cost
\$ 139,222,978.75