



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: June 19, 2018

Approved

Date

6-19-18

INFORMATION

SUBJECT: Q1 2019 SAN JOSE 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 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

As of March 31, 2019 SJCE has submitted 19 compliance filings with state, federal and non-profit regulatory organizations to meet its regulatory obligations.

HONORABLE MAYOR AND CITY COUNCIL

June 19, 2018

Subject: Q1 2019 San Jose Clean Energy Power Procurement and Regulatory Compliance Report

Page 2

Attached to this memorandum is a detailed summary of these compliance filings.

As of March 31, 2019, SJCE has also participated in several California Public Utility Commission (CPUC) regulatory proceedings, including the Integrated Resource Planning (IRP) rulemaking (R. 16-02-007), the Power Charge Indifference Adjustment rulemaking (R. 17-06-026), the Resource Adequacy rulemaking (R. 17-09-020), the Pacific Gas and Electric Company's (PG&E) General Rate Case application (A. 18-12-009), the PG&E's Cost of Capital application (A. 19-04-015), and the PG&E Safety Culture investigation (I. 15-08-019).

Power Procurement

SJCE entered into 31 agreements during the first quarter of 2019. Purchases accounted for 29 agreements worth a total of \$64,696,177.50. Power sales accounted for two agreements worth a total of \$968,500.00. This is a net cost to SJCE of \$63,727,677.50.

SJCE does not intend to purchase more energy than it needs. However, a change in the customer phase-in schedule resulted in SJCE having excess Resource Adequacy in 2019. Staff has been seeking opportunities to sell this excess capacity. In Q1 2019, SJCE entered into two agreements to sell excess Resource Adequacy.

Attached to this memorandum is a detailed summary 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 2019 (Q3 FY 2018-2019) Power Transactions

Attachment 2: San José Clean Energy Q1 2019 (Q3 FY 2018-2019) Compliance Filings

Attachment 1 - San José Clean Energy Q1 2019 (Q3 FY 2018-2019) Power Transactions					
#	Agreement Date	Power Delivery Period	Counterparty	Energy Type	Contract Amount
1	1/9/2019	March - December 2019	Shell Energy North America (US), L.P.	Conventional Power	\$ 7,656,120.00
2	1/10/2019	January - December 2019	TransAlta Energy Marketing (U.S.) Inc.	Carbon-free Power	\$ 400,000.00
3	1/11/2019	January - December 2019	Powerex Corp.	Carbon-free Power	\$ 822,000.00
4	1/15/2019	January - December 2019	3 Phases Renewables Inc.	Renewables	\$ 596,000.00
5	1/16/2019	March - December 2019	Nextera Energy Marketing, LLC	Conventional Power	\$ 7,646,940.00
6	1/16/2019	January - October 2019	Shell Energy North America (US), L.P.	Carbon-free Power	\$ 262,500.00
7	1/20/2019	July - September 2019	Morgan Stanley Capital Group Inc.	Conventional Power	\$ 3,422,400.00
8	1/22/2019	March - December 2019	DTE Energy Trading, Inc.	Conventional Power	\$ 7,344,000.00
9	1/25/2019	January - December 2019	DTE Energy Trading, Inc.	Renewables	\$ 393,250.00
10	1/28/2019	March 2019	Nextera Energy Marketing, LLC	Conventional Power	\$ 673,920.00
11	2/1/2019	April - December 2019	Shell Energy North America (US), L.P.	Conventional Power	\$ 6,543,241.25
12	2/1/2019	April - December 2019	Shell Energy North America (US), L.P.	Conventional Power	\$ 4,037,880.00
13	2/13/2019	April - August 2019	East Bay Community Energy Authority	Resource Adequacy	\$ 258,000.00
14	2/25/2019	February 2019	ConocoPhillips Company	Conventional Power	\$ 390,600.00
15	3/5/2019	April 2019	TransAlta Energy Marketing (U.S.) Inc.	Conventional Power	\$ 611,100.00
16	3/8/2019	April 2019	Morgan Stanley Capital Group Inc.	Conventional Power	\$ 1,137,960.00
17	3/12/2019	April 2019	Nextera Energy Marketing, LLC	Conventional Power	\$ 564,300.00
18	3/12/2019	April 2019	Morgan Stanley Capital Group Inc.	Conventional Power	\$ 560,700.00
19	3/12/2019	April 2019	TransAlta Energy Marketing (U.S.) Inc.	Conventional Power	\$ 347,880.00
20	3/15/2019	January - December 2019	ACT Commodities, Inc.	Renewables	\$ 28,750.00
21	3/15/2019	April 2019	TransAlta Energy Marketing (U.S.) Inc.	Conventional Power	\$ 888,900.00
22	3/15/2019	November 2019	ConocoPhillips Company	Conventional Power	\$ 761,556.25
23	3/18/2019	January - December 2019	3 Phases Renewables Inc.	Renewables	\$ 1,406,250.00
24	3/19/2019	May 2019	Pilot Power Group	Resource Adequacy	\$ 12,750.00
25	3/20/2019	April - December 2019	Powerex Corp.	Carbon-free Power	\$ 103,750.00
26	3/26/2019	May 2019 - April 2020	Nextera Energy Marketing, LLC	Conventional Power	\$ 9,607,500.00
27	3/26/2019	May - September 2019	Morgan Stanley Capital Group Inc.	Conventional Power	\$ 4,426,710.00
28	3/27/2019	April - June 2019	Shell Energy North America (US), L.P.	Carbon-free Power	\$ 3,723,720.00
29	3/28/2019	July 2019	Northern California Power Authority	Resource Adequacy	\$ 67,500.00
					\$ 64,696,177.50

San José Clean Energy Q1 2019 (Q3 FY 2018-2019) Power Sales Summary					
#	Agreement Date	Power Delivery Period	Counterparty	Energy Type	Contract Amount
30	2/13/2019	April - August 2019	East Bay Community Energy Authority	Resource Adequacy	\$ 258,000.00
31	3/14/2019	May 2019	Pacific Gas and Electric Company	Resource Adequacy	\$ 710,500.00
					\$ 968,500.00

Net Cost
\$ 63,727,677.50

Attachment 2 - San José Clean Energy Q1 2019 (Q3 FY 2018-2019) Compliance Filings

As of 06/03/2019

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Status
1	M	RA	March T-45 RA	CAISO	1/15/2019	Filed 1/15/19
2	M	RA	March T-45 RA	CPUC & CEC	1/15/2019	Filed 1/15/19
3	M	RA	April Load Migration Forecast	CPUC & CEC	1/15/2019	Filed 1/13/19
4	A	RA	Flex Capacity Needs Assessment - Data Request	CAISO	1/15/2019	Filed 1/15/19
5		RA	Multi-Year Contract Information Data Request	CPUC	1/24/2019	Filed 1/24/19
6	M	EIA	December 861 filing (accounts, load, revenue)	EIA	1/31/2019	Submitted on time via EIA portal
7	A	PCIA	Contract Information for PCIA RPS Adder	CPUC	1/31/2019	Filed 1/31/19
8	A	ERRA	2020 Load Forecast for PG&E's 2020 ERRA	CPUC	2/1/2019	Submitted to PG&E 1/31/19
9	M	RA	April T-45 RA	CAISO	2/15/2019	Filed 2/15/19
10	M	RA	April T-45 RA	CPUC & CEC	2/15/2019	Filed 2/15/19
11	M	RA	May Load Migration Forecast	CPUC & CEC	2/15/2019	Filed 2/13/19
12	Q	QFER	Q4 2018 1306B – QFER (accounts, load, revenue)	CEC	2/15/2019	Filed 2/14/19
13	A	RA	Capacity Price Data Request	CPUC	2/22/2019	Filed 2/22/19
14	M	EIA	January 861 filing (accounts, load, revenue)	EIA	2/28/2019	Submitted on time via EIA portal
15	A	RA	Historical Load for 2020 Year-Ahead RA Process	CPUC & CEC	3/15/2019	Filed 3/15/19
16	M	RA	May T-45 RA	CAISO	3/17/2019	Filed 3/17/19
17	M	RA	May T-45 RA	CPUC & CEC	3/17/2019	Filed 3/17/19
18	M	RA	June-December Load Migration Forecast	CPUC & CEC	3/17/2019	Filed 3/17/19
19	M	EIA	February 861 filing (accounts, load, revenue)	EIA	3/31/2019	Submitted on time via EIA portal

Key	
CAISO	California Independent System Operator
CAM	Cost Allocation System
CEC	California Energy Commission
CPM	Capacity Procurement Mechanism
CPUC	California Public Utilities Commission
CRR	Congestion Revenue Rights
EIA	Energy Information Administration
ERRA	Energy Resource Recovery Account
PCIA	Power Charge Indifference Adjustment
QFER	Quarterly Fuel Energy Report
RA	Resource Adequacy
RMR	Reliability Must-Run
RPS	Renewable Portfolio Standard