



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: May 13, 2020

Approved

Date

5/14/2020

INFORMATION

**SUBJECT: Q1 2020 (Q3 FY 2019-2020) 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

Between January 1, 2020 and March 31, 2020, SJCE submitted 30 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations.

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

During the period of January 1, 2020 through March 31, 2020, SJCE also participated in eight California Public Utility Commission (CPUC) regulatory proceedings: 1) Integrated Resource Planning (IRP) rulemaking (R. 16-02-007); 2) Power Charge Indifference Adjustment rulemaking (R. 17-06-026); 3) Resource Adequacy rulemaking (R. 17-09-020); 4) Pacific Gas and Electric Company's (PG&E) 2020 Energy Resource Recovery Account (A.19-06-001); 5) Pacific Gas and Electric Company's (PG&E) General Rate Case application (A. 18-12-009); 6) De-energization Proceeding (R.18-12-005); 7) Wildfire Mitigation Plan Proceeding (R.18-10-007); and 8) Direct Access Proceeding (R.19-03-009).

Power Procurement

SJCE entered 20 agreements during the third quarter of FY 2019-2020. SJCE entered 19 purchase agreements worth a total of \$82,715,946.20. Power sales accounted for one agreement worth \$56,000.00. The net cost for the 20 agreements to SJCE is \$82,659,946.20.

SJCE does not intend to purchase more power supplies than needed, however, Resource Adequacy (RA) procurement has been challenging. SJCE bought some annual supplies, which are more than our need in some months, to comply with the summer load requirements. The intention is to sell the excess, to the extent possible. In Q3 FY 2019-2020, SJCE entered one agreement to sell excess Resource Adequacy.

Attached to this memorandum is a list 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 2020 (Q3 FY 2019-2020) Power Transactions

Attachment 2: San José Clean Energy Q1 2020 (Q3 FY 2019-2020) Compliance Filings

ATTACHMENT 1 - San José Clean Energy Q1 2020 (Q3 FY 2019-2020) Power Transactions

Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	19-112-58	1/30/2020	Calpine Energy Services L.P.	Conventional Power	2020	\$ 2,822,465.00
2	19-113-64	1/31/2020	Algonquin Power Sanger LLC	Resource Adequacy	2021	\$ 1,019,920.00
3	20-108-02	3/6/2020	Portland General Electric	Renewable Energy	2020	\$ 4,650,000.00
4	20-108-03	3/4/2020	Powerex Corp.	Renewable Energy	2020-2022	\$ 6,330,000.00
5	20-109-01	1/3/2020	Portland General Electric	Renewable Energy	2020	\$ 2,500,000.00
6	20-109-02	1/17/2020	3 Phases Renewables Inc.	Renewable Energy	2020	\$ 212,500.00
7	20-109-04	3/6/2020	DTE Energy Trading, Inc.	Renewable Energy	2021	\$ 944,562.50
8	20-112-01	2/4/2020	NRG Power Marketing LLC	Conventional Power	2020	\$ 635,180.00
9	20-112-03	2/25/2020	Nextera Energy Marketing, LLC	Conventional Power	2021-2022	\$ 9,106,848.00
10	20-112-04	2/25/2020	Nextera Energy Marketing, LLC	Conventional Power	2021-2022	\$ 15,111,000.00
11	20-112-05	3/3/2020	DTE Energy Trading, Inc.	Conventional Power	2022	\$ 4,426,940.00
12	20-112-06	3/3/2020	DTE Energy Trading, Inc.	Conventional Power	2022	\$ 7,435,050.00
13	20-112-07	3/3/2020	NRG Power Marketing LLC	Conventional Power	2021	\$ 4,623,420.00
14	20-112-08	3/10/2020	NRG Power Marketing LLC	Conventional Power	2020	\$ 389,935.00
15	20-112-09	3/24/2020	Shell Energy North America (US), L.P.	Conventional Power	2021-2022	\$ 9,222,280.00
16	20-113-01	1/28/2020	Pacific Gas and Electric Company	Resource Adequacy	2020	\$ 138,695.70
17	20-113-02	2/3/2020	3 Phases Renewables Inc.	Resource Adequacy	2020	\$ 29,550.00
18	20-113-03	2/28/2020	Calpine Energy Services L.P.	Resource Adequacy	2021-2023	\$ 12,297,600.00
19	20-124-01	3/25/2020	Powerex Corp.	Carbon-free Energy	2020	\$ 820,000.00
						\$ 82,715,946.20

Sales

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
20	20-199-02	1/28/2020	City of Santa Clara, dba Silicon Valley Power	Resource Adequacy	2020	\$ (56,000.00)
						\$ (56,000.00)

Net Cost
\$ 82,659,946.20

Attachment 2 - San José Clean Energy Q1 2020 (Q3 FY 2019-2020) Compliance Filings
As of 03/31/2020

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Status
1	A	PSD	SJCE-PG&E rate comparison mailed to customers	CPUC	1/1/2020	Completed Oct 30-Nov 4, 2019
2	A	Storage	Energy Storage Procurement Tier 2 Advice Letter	CPUC	1/1/2020	Filed 12/23/19
3	M	CRRs	March 2020 Load Forecast for CRR Allocations	CAISO	1/9/2020	Filed 1/9/20; CAISO detected discrepancies between data submitted to the CRR System against the Peak Forecast provided by the CEC; NCPA resolved 1/13/20
4	A	RA	Flex Capacity Needs Assessment - Data Request	CAISO	1/15/2020	Filed 1/15/20
5	M	RA	March T-45 RA	CPUC & CEC	1/16/2020	Filed 1/16/20
6	M	RA	April Load Migration Forecast	CPUC & CEC	1/16/2020	Filed 1/13/20
7	M	RA	March T-45 RA	CAISO	1/16/2020	Filed 1/16/20
8	M	EIA	December 861 filing (accounts, load, revenue)	EIA	1/31/2020	Filed 1/31/20
9	Q	Energy Surcharge	Q4 2019 Energy Resources Surcharge Return & Payment due	CDTFA	1/31/2020	Mailed 1/28/20
10	A	ERRA	2021 Load Forecast for PG&E 2021 ERRRA	CPUC	2/3/2020	Filed 2/3/20
11		Microgrids	Resiliency Programs Data Request from PG&E	CPUC	2/3/2020	Filed 2/3/20
12	M	CRRs	April 2020 Load Forecast for CRR Allocations	CAISO	2/13/2020	Filed 2/12/20
13	A	Green-e	RY2019 Unaudited Report and Product Mix Change Forms	CRS	2/14/2020	Filed 2/18/20
14	A	GHG	Emission Performance Standard Advice Letter	CPUC	2/14/2020	Filed 2/14/20
15	M	RA	April T-45 RA	CAISO	2/16/2020	Filed 2/14/20
16	Q	QFER	Q4 2019 1306B – QFER (accounts, load, revenue)	CEC	2/18/2020	Filed 2/19/20
17		IRP	Informational Progress Report on Procurement Activities & Declaration	CPUC	2/18/2020	Filed 2/18/20
18	M	RA	April RA Month-Ahead Waiver Request	CPUC	2/18/2020	Filed 2/18/20
19	M	RA	April T-45 RA	CPUC & CEC	2/18/2020	Filed 2/14/20
20	M	RA	May Load Migration Forecast	CPUC & CEC	2/18/2020	Filed 2/14/20
21	M	EIA	January 861 filing (accounts, load, revenue)	EIA	2/28/2020	Filed 2/27/20
22		PCIA	Data Request No. ED-PCIA-19-3	CPUC	3/4/2020	Filed 3/4/20
23	M	CRRs	May 2020 Load Forecast for CRR Allocations	CAISO	3/12/2020	Filed 3/12/20
24		PCIA	Supplemental Data Request No. ED-PCIA-19-3	CPUC	3/13/2020	Completed 3/6/20
25	A	RA	Historical Load & Customer Count for 2021 Year-Ahead RA Process	CPUC & CEC	3/16/2020	Filed 3/13/20
26	M	RA	May T-45 RA	CPUC & CEC	3/17/2020	Filed 3/16/20
27	M	RA	May RA Month-Ahead Waiver Request	CPUC	3/17/2020	Filed 3/16/20
28	M	RA	June-December Load Migration Forecast	CPUC & CEC	3/17/2020	Filed 3/16/20
29	M	RA	May T-45 RA	CAISO	3/17/2020	Filed 3/16/20
30	M	EIA	February 861 filing (accounts, load, revenue)	EIA	3/31/2020	Filed 3/27/20

Key	
AMI	Advanced Metering Infrastructure
CAISO	California Independent System Operator
CAM	Cost Allocation System
CARB	California Air Resources Board
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
EIA	Energy Information Administration
ERRA	Energy Resource Recovery Account
GHG	Greenhouse Gas
IRP	Integrated Resource Plan
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