

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: November 3, 2020

Approved

[Signature]

Date

11/3/2020

INFORMATION

**SUBJECT: Q3 2020 (Q1 FY 2020-2021) 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 July 1, 2020 and September 30, 2020, SJCE submitted 33 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted 4 CPUC data requests related to CPUC RPS and PCIA compliance proceedings.

HONORABLE MAYOR AND CITY COUNCIL

November 3, 2020

Subject: Q3 2020 (Q1 FY 2020-2021) San Jose Clean Energy Power Procurement and Regulatory Compliance Report

Page 2

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

During the time period of July 1, 2020 and September 30, 2020, SJCE has participated in eight California Public Utility Commission (CPUC) regulatory proceedings, including the Integrated Resource Planning (IRP) rulemaking (R. 16-02-007), the Renewable Portfolio Standard (RPS) rulemaking (R.18-07-003), 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) 2020 Energy Resource Recovery Account (ERRA) rulemaking (A.19-06-001), the Pacific Gas and Electric Company's (PG&E) General Rate Case (GRC) application (A. 18-12-009), the De-energization Proceeding (R.18-12-005), the Wildfire Mitigation Plan Proceeding (R.18-10-007), and the Direct Access Proceeding (R.19-03-009).

Power Procurement

SJCE entered into 17 short-term agreements during the first quarter of FY 2020-2021. SJCE entered into 11 purchase agreements worth a total of \$5,436,841. Power sales accounted for six agreements worth \$820,164. The net cost for the 17 agreements to SJCE is \$4,616,677.

SJCE does not intend to purchase more power supplies than it needs. Resource Adequacy (RA) procurement has been challenging. SJCE bought some annual supplies that are more than our need in some months to comply with our summer load requirements with the intention of selling the excess to the extent possible. In Q1 FY 2020-2021, SJCE entered into six agreements 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 Q3 2020 (Q1 FY 2020-2021) Power Transactions
Attachment 2: San José Clean Energy Q3 2020 (Q1 FY 2020-2021) Compliance Filings

ATTACHMENT 1 - San José Clean Energy Q3 2020 (Q1 FY 2020-2021) Power Transactions

Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	20-113-25	7/29/2020	Algonquin Power Sanger LLC	Resource Adequacy	2021	\$ 1,429,230
2	20-113-32	9/22/2020	Central Coast Community Power	Resource Adequacy	2021	\$ 133,120
3	20-113-36	9/16/2020	Elk Hills Power, LLC	Resource Adequacy	2021	\$ 325,000
4	20-113-33	8/4/2020	Monterey Bay Community Power	Resource Adequacy	2020	\$ 3,300
5	20-113-34	9/8/2020	Nextera Energy Marketing, LLC	Resource Adequacy	2021	\$ 124,200
6	20-113-42	9/16/2020	Nextera Energy Marketing, LLC	Resource Adequacy	2021	\$ 42,300
7	20-113-31	7/9/2020	Pacific Gas and Electric Company	Resource Adequacy	2020	\$ 864,000
8	20-113-39	9/17/2020	Pacific Gas and Electric Company	Resource Adequacy	2021-2022	\$ 1,856,190
9	20-113-40	9/17/2020	Pacific Gas and Electric Company	Resource Adequacy	2021	\$ 498,400
10	20-113-27	8/10/2020	Southern California Edison	Resource Adequacy	2020	\$ 28,914
11	20-113-35	9/1/2020	The City of Palo Alto	Resource Adequacy	2021	\$ 132,187
						\$ 5,436,841

Sales

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
12	20-199-15	9/22/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ (585,000)
13	20-199-13	9/10/2020	East Bay Community Energy Authority	Resource Adequacy	2020	\$ (31,250)
14	20-199-09	8/4/2020	Monterey Bay Community Power	Resource Adequacy	2020	\$ (82,500)
15	20-199-11	9/17/2020	Pacific Gas and Electric Company	Resource Adequacy	2021	\$ (92,500)
16	20-199-06	8/10/2020	Southern California Edison	Resource Adequacy	2020	\$ (28,440)
17	19-113-50-A	8/10/2020	Southern California Edison	Resource Adequacy	2020	\$ (474)
						\$ (820,164)

Net Cost
\$ 4,616,677

ATTACHMENT 2 - San José Clean Energy Q2 2020 Compliance Filings
As of 09/30/2020

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Status
1	A	RPS	Proposed (Draft) 2020 RPS Procurement Plan	CPUC	7/6/2020	Submitted 7/6/20
2	M	CRRs	September 2020 Load Forecast for CRR Allocations	CAISO	7/9/2020	Submitted 7/9/20
3	M	RA	September T-45 RA	CAISO	7/18/2020	Submitted 7/18/20
4	A	PSD	PSD Report submitted to CEC	CEC	7/20/2020	Submitted 7/20/20
5	M	RA	September T-45 RA (with local and flex true-up)	CPUC & CEC	7/20/2020	Submitted 7/18/20
6	M	RA	September RA Month-Ahead Waiver Request	CPUC	7/20/2020	Submitted 7/18/20
7	M	RA	October Load Migration Forecast	CPUC & CEC	7/20/2020	Submitted 7/18/20
8	M	EIA	June 861 filing (accounts, load, revenue)	EIA	7/31/2020	Submitted 7/28/20
9	Q	Energy Surcharge	Q2 2020 Energy Resources Surcharge Return & Payment due	CDTFA	7/31/2020	Submitted 7/28/20
10	A	CRRs	2021 CRR Annual Allocation Process: Historical Load	CAISO	7/31/2020	Submitted 7/28/20
11	A	RPS	2019 RPS Compliance Report	CPUC	8/3/2020	Submitted 8/3/20
12	A	Green-e	Historical Product Content Label sent to customers (or request extension)	CRS	8/7/2020	Submitted 9/24/20
13	M	CRRs	October 2020 Load Forecast for CRR Allocations	CAISO	8/13/2020	Submitted 8/12/20
14	Q	QFER	Q2 2020 1306B – QFER (accounts, load, revenue)	CEC	8/15/2020	Submitted 8/12/20
15	A	RA	Final 2021 Load Forecast for Year-Ahead RA	CPUC & CEC	8/17/2020	Submitted 8/14/20
16	M	RA	October T-45 RA (with local and flex true-up)	CPUC & CEC	8/17/2020	Submitted 8/14/20
17	M	RA	October RA Month-Ahead Waiver Request	CPUC	8/17/2020	Submitted 8/14/20
18	M	RA	November Load Migration Forecast	CPUC & CEC	8/17/2020	Submitted 8/14/20
19	M	RA	October T-45 RA	CAISO	8/17/2020	Submitted 8/14/20
20	A	Green-e	RY2019 Verification Audit for Green-e	CRS	8/31/2020	Submitted 9/4/20
21	M	EIA	July 861 filing (accounts, load, revenue)	EIA	8/31/2020	Submitted 8/26/20
22	A	RPS	WREGIS: Compliance Report & Attestation	CEC & CPUC	9/1/2020	Submitted 8/31/20
23	A	PSD	SJCE-PG&E rate comparison mailed to customers	CPUC	9/1/2020	Submitted 7/9; 7/13; 7/15
24	A	IRP	2020 Integrated Resource Plan	CPUC	9/1/2020	Submitted 9/1/20
25	M	CRRs	November 2020 Load Forecast for CRR Allocations	CAISO	9/10/2020	Submitted 9/9/20
26	A	Green-e	Marketing compliance review materials due	CRS	9/14/2020	Submitted 9/11/20
27	M	RA	November T-45 RA (with local and flex true-up)	CPUC & CEC	9/17/2020	Submitted 9/17/20
28	M	RA	December Load Migration Forecast	CPUC & CEC	9/17/2020	Submitted 9/17/20
29	M	RA	November T-45 RA	CAISO	9/17/2020	Submitted 9/17/20
30	A	Green-e	RY2019 Verification Audit for Green-e	CRS	9/18/2020	Submitted 9/4/20
31	M	RA	January-March Load Migration Forecast	CPUC & CEC	9/24/2020	Submitted 9/25/20
32	M	EIA	August 861 filing (accounts, load, revenue)	EIA	9/30/2020	Submitted 9/28/20

Data Requests

1	A	RPS	Data Request: Workforce Development & Diversity	CPUC	8/17/2020	Submitted 8/18/20
2	Q	PCIA	PCIA RA Adder Data Request	CPUC	8/21/2020	Submitted 8/21/20
3	Q	PCIA	PCIA RPS Adder Data Request (ED-PCIA-20-1)	CPUC	8/21/2020	Submitted 8/21/20
4	A	Green-e	Marketing compliance review materials due	CRS	8/31/2020	Submitted 9/11/20

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
CRS	Center for Resource Solutions
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