

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: January 28, 2021

Approved



Date

01/29/21

INFORMATION

SUBJECT: SAN JOSÉ CLEAN ENERGY Q4 2020 (Q2 FY 2020-2021) SAN JOSÉ 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 October 1, 2020 and December 31, 2020, SJCE submitted 30 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted responses to two California Public Utilities Commission (CPUC) data requests to the CPUC related to and the Power Charge Indifference Adjustment.

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

During the time period of October 1, 2020 to December 31, 2020, SJCE participated in eleven CPUC regulatory proceedings, including 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. 19-11-009), the Pacific Gas and Electric Company's 2021 Energy Resource Recovery Account rulemaking (A.20-07-002), the Expedited Application of Pacific Gas and Electric Company Indifference Adjustment Trigger (A.20-09-014), the Pacific Gas and Electric Company's General Rate Case application (A. 19-11-019), the De-energization Proceeding (R.18-12-005), the Wildfire Mitigation Plan Proceeding (R.18-10-007), the Disconnections Proceeding (R.18-07-005), and the Direct Access Proceeding (R.19-03-009).

Power Procurement

SJCE entered into 39 short-term agreements during the first quarter of FY 2020-2021. SJCE entered into 26 purchase agreements worth a total of \$26,250,563. Power sales accounted for 13 agreements worth \$9,420,457. The net cost for the 39 agreements to SJCE is \$16,830,106.

SJCE does not intend to purchase more power supplies than it needs. Resource Adequacy 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 Q2 FY 2020-2021, SJCE entered into 13 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 Q4 2020 (Q2 FY 2020-2021) Power Transactions

Attachment 2: San José Clean Energy Q4 2020 (Q2 FY 2020-2021) Compliance Filings

ATTACHMENT 1 - San José Clean Energy Q4 2020 (Q2 FY 2020-2021) Power Transactions

Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	19-108-04-1	10/8/2020	Morgan Stanley Capital Group Inc.	Renewable Energy	2020-2021	\$ -
2	20-108-02-1	10/21/2020	Portland General Electric	Renewable Energy	2020-2021	\$ -
3	20-112-24	11/20/2020	Shell Energy North America (US), L.P.	Conventional Energy	2021	\$ 2,193,000
4	20-112-25	11/24/2020	Nextera Energy Marketing, LLC	Conventional Energy	2021	\$ 455,000
5	20-112-26	12/23/2020	ConocoPhillips Company	Conventional Energy	2021	\$ 320,313
6	20-112-27	12/3/2020	NRG Power Marketing LLC	Conventional Energy	2021	\$ 269,280
7	20-112-29	12/15/2020	NRG Power Marketing LLC	Conventional Energy	2021	\$ 1,332,128
8	20-112-30	12/23/2020	ConocoPhillips Company	Conventional Energy	2021	\$ 478,400
9	20-113-30	10/8/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ 2,088,000
10	20-113-37	10/16/2020	Southern California Edison	Resource Adequacy	2021	\$ 792,000
11	20-113-41	10/21/2020	Silicon Valley Clean Energy	Resource Adequacy	2021	\$ -
12	20-113-43	10/21/2020	San Diego Gas & Electric	Resource Adequacy	2021	\$ 3,148,850
13	20-113-44	10/16/2020	Southern California Edison	Resource Adequacy	2021	\$ 433,200
14	20-113-45	10/28/2020	Silicon Valley Clean Energy	Resource Adequacy	2021	\$ 684,810
15	20-113-46	10/21/2020	OhmConnect	Resource Adequacy	2021	\$ 348,750
16	20-113-47	10/26/2020	Direct Energy	Resource Adequacy	2021	\$ 113,634
17	20-113-48	10/16/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ 3,105,000
18	20-113-49	10/29/2020	Southern California Edison	Resource Adequacy	2021-2022	\$ 3,519,602
19	20-113-50	10/21/2020	Pacific Gas and Electric Company	Resource Adequacy	2021	\$ 120,000
20	20-113-51	10/21/2020	Pacific Gas and Electric Company	Resource Adequacy	2021-2022	\$ 4,477,712
21	20-113-52	10/28/2020	Central Coast Community Energy	Resource Adequacy	2021	\$ 130,860
22	20-113-53	10/29/2020	Southern California Edison	Resource Adequacy	2022	\$ 1,938,420
23	20-113-54	10/29/2020	City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF	Resource Adequacy	2021	\$ 11,935
24	20-113-55	10/29/2020	OhmConnect	Resource Adequacy	2021	\$ 269,500
25	20-113-56	10/30/2020	East Bay Community Energy Authority	Resource Adequacy	2021	\$ 4,770
26	20-113-57	10/29/2020	City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF	Resource Adequacy	2022	\$ 15,400
Total Cost of Purchases:						\$ 26,250,563

Sales

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
27	20-199-08	10/8/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ (1,287,000)
28	20-199-10	10/16/2020	Southern California Edison	Resource Adequacy	2021	\$ (603,900)
29	20-199-12	10/6/2020	Northern California Power Authority	Resource Adequacy	2021	\$ (341,250)
30	20-199-14	10/16/2020	Silicon Valley Clean Energy	Resource Adequacy	2021	\$ -
31	20-199-16	10/13/2020	City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF	Resource Adequacy	2021	\$ (435,000)
32	20-199-17	10/16/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ (2,700,000)
33	20-199-18	10/27/2020	Silicon Valley Clean Energy	Resource Adequacy	2021	\$ (559,810)
34	20-199-19	10/30/2020	Clean Power Alliance of Southern California, a California joint powers authority	Resource Adequacy	2020	\$ (1,325,250)
35	20-199-20	10/29/2020	Southern California Edison	Resource Adequacy	2022	\$ (1,666,170)
36	20-199-21	10/21/2020	Pacific Gas and Electric Company	Resource Adequacy	2021	\$ (135,177)
37	20-199-22	10/28/2020	Central Coast Community Energy	Resource Adequacy	2021	\$ (211,500)
38	20-199-23	10/29/2020	City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF	Resource Adequacy	2022	\$ (15,400)
39	20-199-24	11/3/2020	Valley Energy Authority	Resource Adequacy	2021	\$ (140,000)
Total Revenue from Sales:						\$ (9,420,457)

Net Cost
\$ 16,830,106

Attachment 2 - San José Clean Energy Q4 2020 (Q2 FY 2020-2021) Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1		IRP	IRP RDT spreadsheet nomenclature revisions	CPUC	10/5/2020	Submitted 10.6.20
2	A	CRRs	2021 CRR Annual Allocation - Tier 2 Window Closes	CAISO	10/7/2020	Submitted 10.7.20
3	M	CRRs	December 2020 Load Forecast for CRR Allocations	CAISO	10/8/2020	Submitted 10.9.20
4	-	RA	Citation No. E-4195-0052 RA fine due	CPUC	10/12/2020	Submitted certified mail on 10/2. Delivery to the CPUC was scheduled for 10/5.
5	M	RA	December T-45 RA	CAISO	10/17/2020	Submitted 10.16.20
6	M	RA	December T-45 RA (with local and flex true-up)	CPUC & CEC	10/19/2020	Submitted 10.16.20
7	M	RA	January Load Migration Forecast	CPUC & CEC	10/19/2020	Submitted 10.16.20
8	A	CRRs	2021 CRR Annual Allocation - Tier 3 Window Closes	CAISO	10/20/2020	Submitted 10.20.20
9		IRP	IRP RDT spreadsheet GWh value revisions	CPUC	10/20/2020	Submitted 10.20.20
10	M	EIA	September 861 filing (accounts, load, revenue)	EIA	10/30/2020	Submitted 10.28.20
11	A	RA	2021 Year Ahead RA Filing	CPUC & CEC	11/2/2020	Submitted 11.2.20
12	Q	Energy Surcharge	Q3 2020 Energy Resources Surcharge Return & Payment due	CDTFA	11/2/2020	Submitted 10.26.20
13	M	CRRs	January 2021 Load Forecast for CRR Allocations	CAISO	11/12/2020	Submitted 11.12.20
14	Q	QFER	Q3 2020 1306B – QFER (accounts, load, revenue)	CEC	11/15/2020	Submitted 11.13.20
15	M	RA	January T-45 RA	CPUC & CEC	11/17/2020	Submitted 11.16.20
16	M	RA	February Load Migration Forecast	CPUC & CEC	11/17/2020	Submitted 11.16.20
17	M	RA	January T-45 RA	CAISO	11/17/2020	Submitted 11.16.20
18	M	RA	January T-45 RA Waiver (if necessary)	CPUC & CEC	11/17/2020	Submitted 11.17.20
19	-	RPS	WREGIS Report			Submitted 12.18.20
20	M	EIA	October 861 filing (accounts, load, revenue)	EIA	11/30/2020	Submitted 11.27.20
21	A	RA	Multiyear Capacity Documentation Summary Template and 2022/2023 Contracts	CPUC	11/30/2020	Submitted 11.19.20
22	-	DAC - Green Tariff	Submit Tier 3 AL draft re DAC - Green Tariff	CPUC	11/30/2020	Submitted 11.30.20
23	M	CRRs	February 2021 Load Forecast for CRR Allocations	CAISO	12/10/2020	Submitted 12.9.20
24	M	RA	February T-45 RA	CPUC & CEC	12/18/2020	Submitted 12.18.20
25	M	RA	March-June Load Migration Forecast	CPUC & CEC	12/18/2020	Submitted 12.18.20
26	M	RA	February T-45 RA	CAISO	12/18/2020	Submitted 12.18.20
27	M	RA	February T-45 RA Waiver (if necessary)	CPUC & CEC	12/18/2020	Submitted 12.18.20
28	M	EIA	November 861 filing (accounts, load, revenue)	EIA	12/31/2020	Submitted 12.21.20
29	A	PSD	Power Content Label mailed to Customers and CEC	CEC	12/31/2020	Submitted 12.18.20
30	A	PSD	Independent audit of PSD Report, Power Content Label	CEC	12/31/2020	Submitted 12.18.20

Data Requests

1	Q	PCIA	PCIA-RA Adder Q3 Data Request	CPUC	10/9/2020	Submitted 10.9.20
2	Q	PCIA	Data Request No. ED-PCIA-20-2	CPUC	10/12/2020	Submitted 10.12.2020

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