

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: February 10, 2022

Approved



Date

02/11/22

INFORMATION

SUBJECT: SAN JOSÉ CLEAN ENERGY Q4 2021 (Q2 FY 2021-2022) 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, 2021 and December 31, 2021, SJCE submitted 27 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations. SJCE also submitted two data requests to the California Public Utilities Commission (CPUC), one related to the Power Charge Indifference Adjustment and one related to the Renewable Portfolio Standard.

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

During the time period of October 1, 2021 to December 31, 2021, SJCE participated in sixteen CPUC regulatory proceedings directly, as part of informal coalitions of joint Community Choice Aggregation programs, or through CalCCA as a member of this organization. These proceedings include 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. 21-10-002), the Pacific Gas and Electric Company's 2021 Energy Resource Recovery Account (ERRA) rulemaking (A.20-07-002), Pacific Gas and Electric Compliance Review of Portfolio Allocation Balancing Account (PABA) and ERRA Entries (A.20-02-009), Pacific Gas and Electric Compliance Review of PABA and ERRA Entries 2021 (A.21-03-008), 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 Disconnections proceeding (R.18-07-005), the Summer 2021 Emergency Reliability rulemaking (R. 20-11-003), Customer Bill Debt Accumulation During Covid-19 (R. 21-02-014), the Supplier Diversity rulemaking (R. 21-03-010), the Provider of Last Resort (POLR) rulemaking (R.21-03-011), the Energy Efficiency rulemaking (R. 13-11-005) and the High Distributed Energy Resources Future rulemaking (R. 21-06-017).

Power Procurement

SJCE entered into 34 short-term agreements during the second quarter of FY 2021-2022. SJCE entered into 20 purchase agreements worth a total of \$146,428,830.80. Power product sales accounted for 14 agreements worth \$8,142,825. The net cost for the 34 agreements to SJCE is \$138,286,005.80.

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 2021 (Q2 FY 2021-2022) Power Transactions
Attachment 2 San José Clean Energy Q4 2021 (Q2 FY 2021-2022) Compliance Filings

ATTACHMENT 1 - San José Clean Energy Q4 2021 (Q2 FY 2021-2022) Power Transactions

Short-term Purchases

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	21-108-03	11/18/2021	MCE Clean Energy	Renewable Energy	2021-2024	\$ 1,683,143.30
2	21-112-22	10/5/2021	Shell Energy North America (US), L.P.	Conventional Energy	2022-2024	\$ 37,022,880.00
3	21-112-23	10/12/2021	Direct Energy	Conventional Energy	2022-2023	\$ 14,676,650.00
4	21-112-24	10/12/2021	Morgan Stanley Capital Group Inc.	Conventional Energy	2022	\$ 14,651,100.00
5	21-112-25	10/12/2021	Morgan Stanley Capital Group Inc.	Conventional Energy	2023	\$ 11,799,720.00
6	21-112-26	10/19/2021	TransAlta Energy Marketing (U.S.) Inc.	Conventional Energy	2022	\$ 3,942,873.75
7	21-112-27	10/19/2021	TransAlta Energy Marketing (U.S.) Inc.	Conventional Energy	2022	\$ 1,665,573.75
8	21-112-28	10/19/2021	Nextera Energy Marketing, LLC	Conventional Energy	2023	\$ 12,001,200.00
9	21-112-29	10/26/2021	ConocoPhillips Company	Conventional Energy	2022	\$ 925,000.00
10	21-112-30	10/26/2021	Nextera Energy Marketing, LLC	Conventional Energy	2022	\$ 4,129,087.50
11	21-112-31	10/26/2021	ConocoPhillips Company	Conventional Energy	2022	\$ 15,297,150.00
12	21-112-32	10/26/2021	Nextera Energy Marketing, LLC	Conventional Energy	2022	\$ 9,556,952.50
13	21-112-33	11/18/2021	ConocoPhillips Company	Conventional Energy	2021	\$ 1,329,900.00
14	21-112-34	11/23/2021	Mercuria Energy America LLC	Conventional Energy	2021	\$ 1,888,600.00
15	21-113-15	10/1/2021	Pioneer Community Energy	Resource Adequacy	2022	\$ 1,938,000.00
16	21-113-17	10/26/2021	City of Santa Clara, dba Silicon Valley Power	Resource Adequacy	2022	\$ 322,380.00
17	21-113-18	12/7/2021	Chevron Power Holdings	Resource Adequacy	2023-2024	\$ 9,660,000.00
18	21-113-19	10/25/2021	East Bay Community Energy Authority	Resource Adequacy	2022	\$ 600,000.00
19	21-113-20	10/26/2021	City of Santa Clara, dba Silicon Valley Power	Resource Adequacy	2022	\$ 473,620.00
20	21-113-21	10/27/2021	Exelon Generation Company, LLC	Resource Adequacy	2022	\$ 2,865,000.00

Total Cost of Purchases: \$ 146,428,830.80

Short-term Sales

21	21-199-12	10/4/2021	Pioneer Community Energy	Resource Adequacy	2022	\$ (1,938,000.00)
22	21-199-14	10/12/2021	Peninsula Clean Energy	Resource Adequacy	2021	\$ (17,875.00)
23	21-199-15	10/26/2021	City of Santa Clara, dba Silicon Valley Power	Resource Adequacy	2022	\$ (308,000.00)
24	21-199-16	10/12/2021	Central Coast Community Energy	Resource Adequacy	2022	\$ (409,500.00)
25	21-199-17	10/25/2021	East Bay Community Energy Authority	Resource Adequacy	2022	\$ (720,000.00)
26	21-199-18	10/14/2021	Northern California Power Authority	Resource Adequacy	2022	\$ (208,000.00)
27	21-199-19	11/2/2021	High Desert Power Project LLC	Resource Adequacy	2022	\$ (96,250.00)
28	21-199-20	11/1/2021	San Diego Community Power	Renewable Energy	2021	\$ (861,250.00)
29	21-199-21	12/16/2021	Calpine Energy Services L.P.	Resource Adequacy	2022	\$ (883,500.00)
30	21-199-22	10/27/2021	Exelon Generation Company, LLC	Resource Adequacy	2022	\$ (1,576,000.00)
31	21-199-23	10/29/2021	San Diego Community Power	Resource Adequacy	2022	\$ (382,500.00)
32	21-199-24	12/20/2021	Calpine Energy Services L.P.	Resource Adequacy	2022	\$ (219,450.00)
33	21-199-25	12/9/2021	Peninsula Clean Energy	Resource Adequacy	2022	\$ (67,500.00)
34	21-199-27	12/9/2021	Pioneer Community Energy	Renewable Energy	2021	\$ (455,000.00)

Total Revenue from Sales: \$ (8,142,825.00)

Net Cost
\$ 138,286,005.80

Attachment 2 - San José Clean Energy Q4 2021 Compliance Filings

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Submitted
1	A	PSD	Power Content Label Audit	CEC	10/01/21	Submitted 09/30/21
2	A	CRRs	2022 CRR Annual Allocation Process: Tier 2 window closes	CAISO	10/06/21	Submitted 10/06/21
3	M	CRRs	December 2021 Load Forecast for CRR Allocations	CAISO	10/07/21	Submission Close Date 10/07/21
4	-	IRP	Update to 2020 IRP	CPUC	10/15/21	Submitted 10/14/21
5	M	MARA	December T-45 RA	CAISO	10/17/21	Submitted 10/15/21
6	M	MARA	December T-45 RA (with local and flex true-up)	CPUC & CEC	10/18/21	Submitted 10/15/21
7	M	MARA	January Load Migration Forecast	CPUC & CEC	10/18/21	Submitted 10/15/21
8	A	CRRs	2022 CRR Annual Allocation Process: Tier 3 window closes	CAISO	10/19/21	Submitted 10/19/21
9	M	EIA	September 861 filing (accounts, load, revenue)	EIA	10/29/21	Submitted 10/25/21
10	A	YARA	2022 Year Ahead RA Filing	CAISO	10/29/21	Submitted 10/29/21
11	Q	Energy Surcharge	Q3 2021 Energy Resources Surcharge Return & Payment	CDTFA	11/01/21	Submitted 10/27/21
12	A	YARA	2022 Year Ahead RA Filing	CPUC	11/01/21	Submitted 11/01/21
13	M	YARA	2022 Year Ahead RA Waiver	CPUC	11/01/21	Submitted 11/01/21
14	M	CRRs	January 2022 Load Forecast for CRR Allocations	CAISO	11/11/21	Submission Close Date 11/15/21
15	Q	QFER	Q3 2021 Form 1306B – QFER (accounts, load, revenue)	CEC	11/15/21	Submitted 11/09/21
16	M	MARA	January T-45 RA	CPUC & CEC	11/17/21	Submitted 11/17/21
17	M	MARA	January T-45 RA Waiver Request	CPUC	11/17/21	Submitted 11/17/21
18	M	MARA	February Load Migration Forecast	CPUC & CEC	11/17/21	Submitted 11/17/21
19	M	MARA	January T-45 RA	CAISO	11/17/21	Submitted 11/17/21
20	M	EIA	October 861 filing (accounts, load, revenue)	EIA	11/30/21	Submitted 11/28/21
21	A	PSD	PG&E Rate Comparison Mailer	CPUC	12/01/21	Completed July 2021
22	M	CRRs	February 2022 Load Forecast for CRR Allocations	CAISO	12/09/21	Submitted 12/08/21
23	M	MARA	February T-45 RA	CAISO	12/18/21	Submitted 12/17/21
24	M	MARA	February T-45 RA	CPUC & CEC	12/20/21	Submitted 12/17/21
25	M	MARA	February T-45 RA Waiver Request	CPUC	12/20/21	Submitted 12/20/21
26	M	MARA	March-June Load Migration Forecast	CPUC & CEC	12/20/21	Submitted 12/17/21
27	M	EIA	November 861 filing (accounts, load, revenue)	EIA	12/31/21	Submitted 12/23/2021

Data Requests

1	Q	RPS	PCIA RPS Adder Data Request (Q3 reporting)	CPUC	10/01/21	Submitted 10/01/21
2	Q	RA	PCIA RA Adder Data Request (Q3 reporting)	CPUC	10/08/21	Submitted 10/08/21

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
EIA	Energy Information Administration
ERRA	Energy Resource Recovery Account
GHG	Greenhouse Gas
IEPR	Integrated Energy Policy Report
IRP	Integrated Resource Plan
MARA	Month Ahead Resource Adequacy
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
YARA	Year Ahead Resource Adequacy