

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
Related Procurement Processes

Rulemaking 20-05-003

**LONG LEAD-TIME RESOURCE PROCUREMENT OBLIGATION DEADLINE
EXTENSION REQUEST FOR SAN JOSÉ CLEAN ENERGY**

PUBLIC VERSION

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Assistant Director of San José Clean Energy

February 1, 2023

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In accordance with Ordering Paragraph 5 of the California Public Utilities Commission’s (“Commission”) Decision (“D.”) 21-06-035, *Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026)* and the Commission’s *Filing Requirements Overview for February 1, 2023, IRP Filing & Data Request Requirements*, the City of San José, administrator of San José Clean Energy (“SJCE”) requests a compliance extension for 9.66 MW of its firm, zero-emitting generation capacity. SJCE executed contracts to meet its compliance obligation but 9.66 MW of SJCE’s firm, zero-emitting generation capacity may not reach commercial operation before the June 1, 2026 procurement deadline. SJCE is the Community Choice Aggregator (“CCA”) administered by the City of San José.

As part of its compliance filing, a load-serving entity (“LSE”) may request an extension by February 1, 2023 that extends the compliance deadline until June 1, 2028.¹ An LSE can seek an extension if it shows “a good faith effort to procure these resources.”² To demonstrate the good faith effort to procure LLT resources to meet the June 1, 2026 procurement deadline directed in D.21-06-035, SJCE submits the following documentation for the capacity at risk of

¹ A request for extension of LLT resource procurement up to June 1, 2028 was authorized in Ordering Paragraph 5 of D.21-06-035.

² D.21-06-035, p. 4.

delayed commercial operation as part of its February 1, 2023 IRP Procurement Compliance Filing as well as in the body of this request:

1. Evidence of a Solicitation³
2. An Executed Contract⁴
3. Site Control Documents⁵

D.21-06-035 set SJCE's individual procurement minimum obligation for 2026 long lead-time ("LLT") resources at 43 MW.⁶ LLT procurement obligations include a requirement for long-duration storage as well as firm, zero-emitting generation resources. As a member of California Community Power ("CC Power"), SJCE participated in the October 25, 2021 firm clean energy resources request for offers, seeking up to 200 MW of firm clean energy resources with deliveries beginning no later than June 1, 2026, pursuant to D.21-06-035.⁷ This solicitation resulted in two joint contracts with geothermal resources where SJCE's share is 2.26 MW and 24.5 MW, respectively.

The portion of geothermal capacity that is at risk of delayed commercial operation was contracted as a portfolio of geothermal resources, where up to eight projects are expected to contribute to SJCE's share of contracted capacity. Through regular communication with the counterparty, SJCE has been notified that an estimated 9.66 MW of contracted geothermal capacity is likely to slip past the June 1, 2026 procurement deadline for LLT resources as a result

³ See California Community Power 2021 Request for Offers for Firm Clean Energy Resources: https://cacommunitypower.org/wp-content/uploads/2021/10/CCPower-FCR-RFO-Due-12-13-21_digital.pdf.

⁴ See Attachment B-7 of SJCE's February 1, 2023 IRP Procurement Compliance filing

⁵ D.21-06-035, p. 38; see Attachment B-11 of SJCE's February 1, 2023 IRP Procurement Compliance filing

⁶ D.21-06-035, p. 56

⁷ See California Community Power 2021 Request for Offers for Firm Clean Energy Resources, *supra* note 3.

of the need for transmission upgrades. The projected commercial online date for this delayed geothermal capacity is currently 10/01/2027. SJCE seeks extension until June 1, 2028 in case additional unforeseen delays occur, but SJCE currently expects this capacity to reach commercial operation before this date.

The table below illustrates SJCE’s potential LLT resource procurement delay among the requirements for the June 1, 2026 procurement deadline. Milestone documentation for SJCE’s LLT resource obligation are provided in the February 1, 2023 Procurement Track Compliance Filing and Response to Data Request.

Table 1: SJCE’s Progress Toward the 2026 Long Lead-Time Procurement Obligation

| 2026 Long Lead-Time Resource Requirements | 2026 Procurement Obligation (Sept NQC MW) | Contracted Capacity to Meet June 1, 2026 Deadline (Sept NQC MW) | Capacity at Risk of Delayed Commercial Operation (Sept NQC MW) |
|--|--|--|---|
| Long-Duration Storage | 21.5 | 23 | N/A |
| Firm, Zero-Emitting Generation | 21.5 | 26.76 | 9.66 |

At this time, SJCE respectfully requests an extension of 9.66 MW of the LLT resource procurement obligation ordered in D.21-06-035 until June 1, 2028.

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Respectfully submitted,

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