



# POWER PROCUREMENT, ACCEPTANCE OF CARBON-FREE ALLOCATIONS, AND INTEGRATED RESOURCE PLAN TIME CHANGE

April 7, 2020

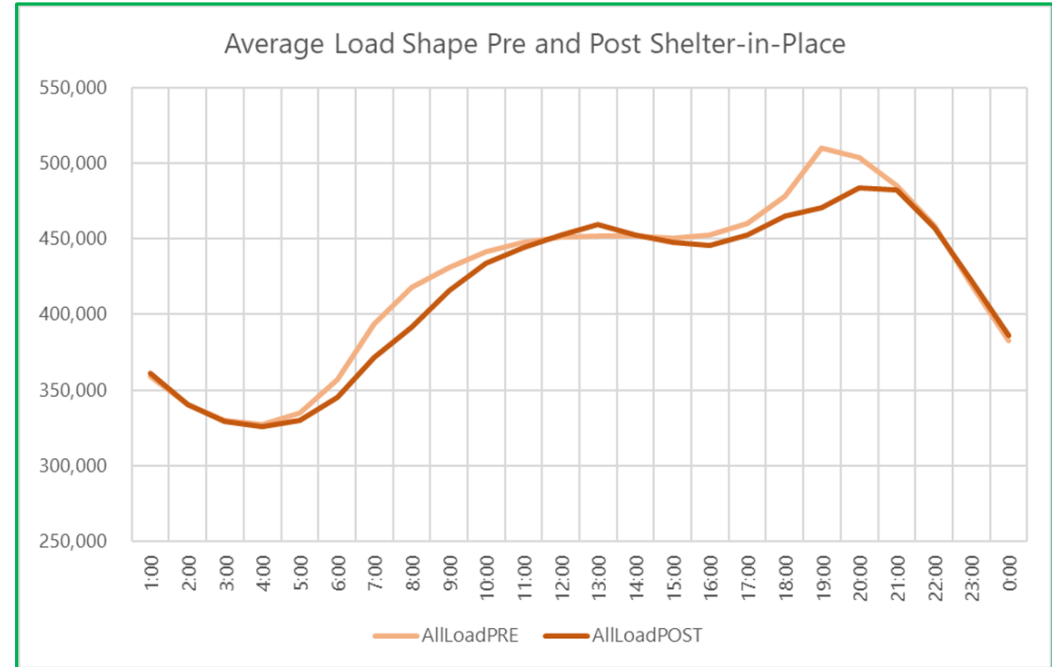
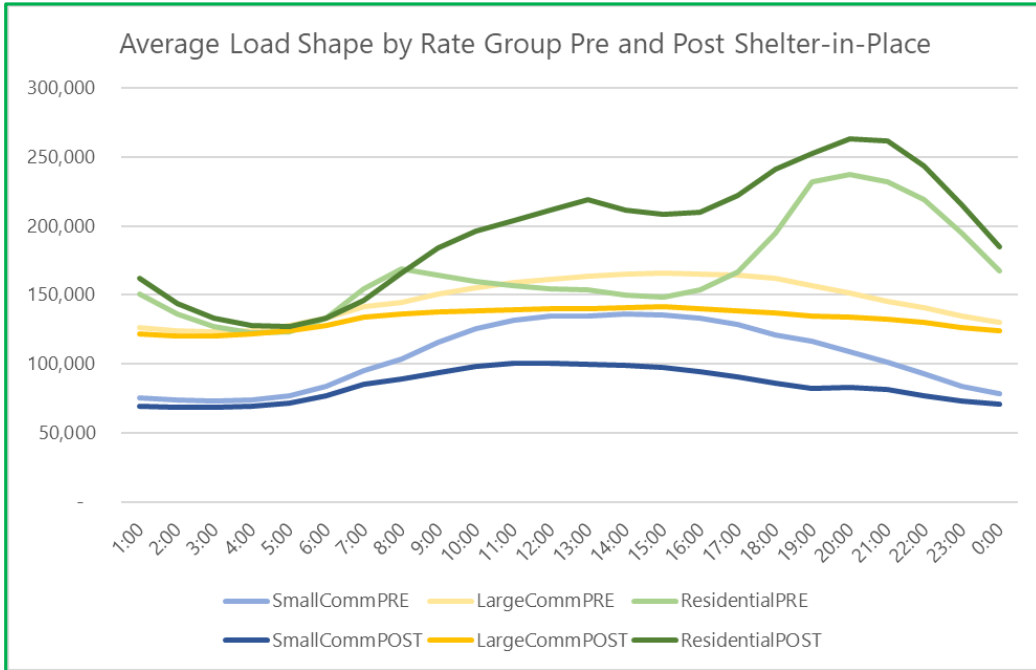
Presented by:  
Lori Mitchell, Director  
Community Energy Department

# COVID-19 INITIAL IMPACTS

---

- Shelter in Place Impacts
- Average Load Decline: -6.12%
  - Week 1 (3/17 – 3/22): -4.72%
  - Week 2 (3/23 – 3/26): -7.87%
- Greatest Single Day Load Decline: -9.08%
- Residential Load Increasing, Commercial Load Decreasing
- Continuing to monitor impacts
- Recessions typically result in ~5% load reduction

# LOAD SHAPE CHANGES



Pre = average of every day between 2/9 - 3/7 (excluding Daylight's Saving)

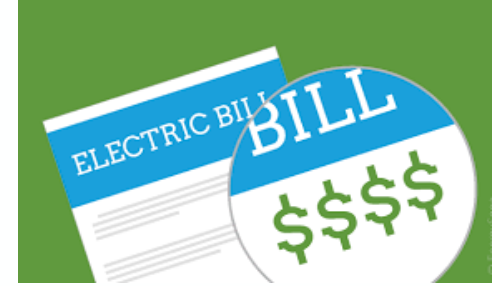
Post = average of every day between 3/17 - 3/26

*Data is not weather normalized*



# CUSTOMER RESOURCES

- Extended bill payment plans available for customers (max 12 months) – contact PG&E
- CPUC actions
  - Moratorium on utility disconnections
  - Proposal to accelerate October ~\$60 California Climate Credit into May and June customer bills
  - April ~\$60 credit is going onto bills as scheduled
- SJCE created a page (<https://www.sanjosecleanenergy.org/discount-programs>) with resources to help residents save on their electricity bills
  - CARE/FERA – currently enrolling customers with verbal confirmation of recent unemployment, income status.
  - Low Income Home Energy Assistance Program (LIHEAP)
  - Energy Savings Assistance Program
  - Critical Home Repair Program
  - Several Electric Vehicle purchase assistance programs



# PG&E PAYMENT PLAN – CASH FLOW IMPACTS

		Current State				Pro-rata Proposed				
	Bill/ Payment Amount	PG&E Current	PG&E Past Due	CCA Current	CCA Past Due	PG&E Current	PG&E Past Due	CCA Current	CCA Past Due	Total Due
Bill		\$245		\$115		\$245		\$115		\$360
Initial Payment	\$72	(\$49)		(\$23)		(\$49)		(\$23)		\$288
Bill	\$120	\$82	\$196	\$38	\$92	\$82	\$196	\$38	\$92	\$408
Payment 1	(\$144)	\$0	(\$144)	\$0	\$0	\$0	(\$98)	\$0	(\$46)	\$264
Bill	\$120	\$82	\$133	\$38	\$131	\$82	\$180	\$38	\$84	\$384
Payment 2	(\$144)	\$0	(\$133)	\$0	(\$11)	\$0	(\$98)	\$0	(\$46)	\$240
Bill	\$120	\$82	\$82	\$38	\$158	\$82	\$163	\$38	\$77	\$360
Payment 3	(\$144)	\$0	(\$82)	\$0	(\$62)	\$0	(\$98)	\$0	(\$46)	\$216
Bill	\$120	\$82	\$82	\$38	\$134	\$82	\$147	\$38	\$69	\$336
Payment 4	(\$144)	\$0	(\$82)	\$0	(\$62)	\$0	(\$98)	\$0	(\$46)	\$192
Bill	\$120	\$82	\$82	\$38	\$110	\$82	\$131	\$38	\$61	\$312
Payment 5	(\$144)	\$0	(\$82)	\$0	(\$62)	\$0	(\$98)	\$0	(\$46)	\$168
Bill	\$120	\$82	\$82	\$38	\$86	\$82	\$114	\$38	\$54	\$288
Payment 6	(\$144)	\$0	(\$82)	\$0	(\$62)	\$0	(\$98)	\$0	(\$46)	\$144
<b>Total</b>		<b>\$82</b>	<b>\$0</b>	<b>\$38</b>	<b>\$24</b>	<b>\$82</b>	<b>\$16</b>	<b>\$38</b>	<b>\$8</b>	

- Current rules allow PG&E to be paid first for residential customers that fall behind on payments (doesn't apply to Commercial accounts)
- Engaging at the CPUC to change process

# CURRENT AUTHORIZATION

- Authorization Cycle:
  - Seek updated Short & Medium Term Authorization each Spring after obtaining ROC authorization.
  - ROC approved this request for authorization in January 2020.
- Currently Approved:
  - **Energy \$410M**
    - Energy, GHG-Free, RPS, and CAISO Costs
  - **RA \$462M**
  - **Long-Term Renewables \$1,130M**

## Currently Approved: \$ Millions

	Energy	RA	Long-Term RE	Total
2020	\$ 252	\$ 50	\$ -	\$ 302
2021	\$ 128	\$ 55	\$ 30	\$ 213
2022	\$ 30	\$ 55	\$ 50	\$ 135
2023	\$ -	\$ 56	\$ 50	\$ 106
2024	\$ -	\$ 56	\$ 50	\$ 106
2025*	\$ -	\$ 10	\$ 50	\$ 60
2026*	\$ -	\$ 10	\$ 50	\$ 60
2027*	\$ -	\$ 10	\$ 50	\$ 60
2028*	\$ -	\$ 10	\$ 50	\$ 60
2029*	\$ -	\$ 10	\$ 50	\$ 60
2030*	\$ -	\$ 10	\$ 50	\$ 60
2031*	\$ -	\$ 10	\$ 50	\$ 60
2032*	\$ -	\$ 10	\$ 50	\$ 60
2033*	\$ -	\$ 10	\$ 50	\$ 60
2034*	\$ -	\$ 10	\$ 50	\$ 60
2035*	\$ -	\$ 10	\$ 50	\$ 60
2036*	\$ -	\$ 10	\$ 50	\$ 60
2037*	\$ -	\$ 10	\$ 50	\$ 60
2038*	\$ -	\$ 10	\$ 50	\$ 60
2039*	\$ -	\$ 10	\$ 50	\$ 60
2040*	\$ -	\$ 10	\$ 50	\$ 60
2041*	\$ -	\$ 10	\$ 50	\$ 60
2042*	\$ -	\$ 10	\$ 50	\$ 60
2043*	\$ -	\$ 10	\$ 50	\$ 60
2044*	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	\$ 410	\$ 462	\$ 1,130	\$ 2,002

# RISK MANAGEMENT REGULATIONS: COVERAGE THRESHOLDS

---

	Minimum Coverage	Maximum Coverage
Rolling One Year forward	65-80%	115%
Rolling Two and Three Years forward	30%	80%
Rolling Four Years forward and beyond	0%	70%

# RECOMMENDED AUTHORITY 2020-2043

2020-2026 Energy, low carbon, renewables and CAISO costs:  
Current \$690M; **Add \$393.3M**; New Total \$1,083.3M

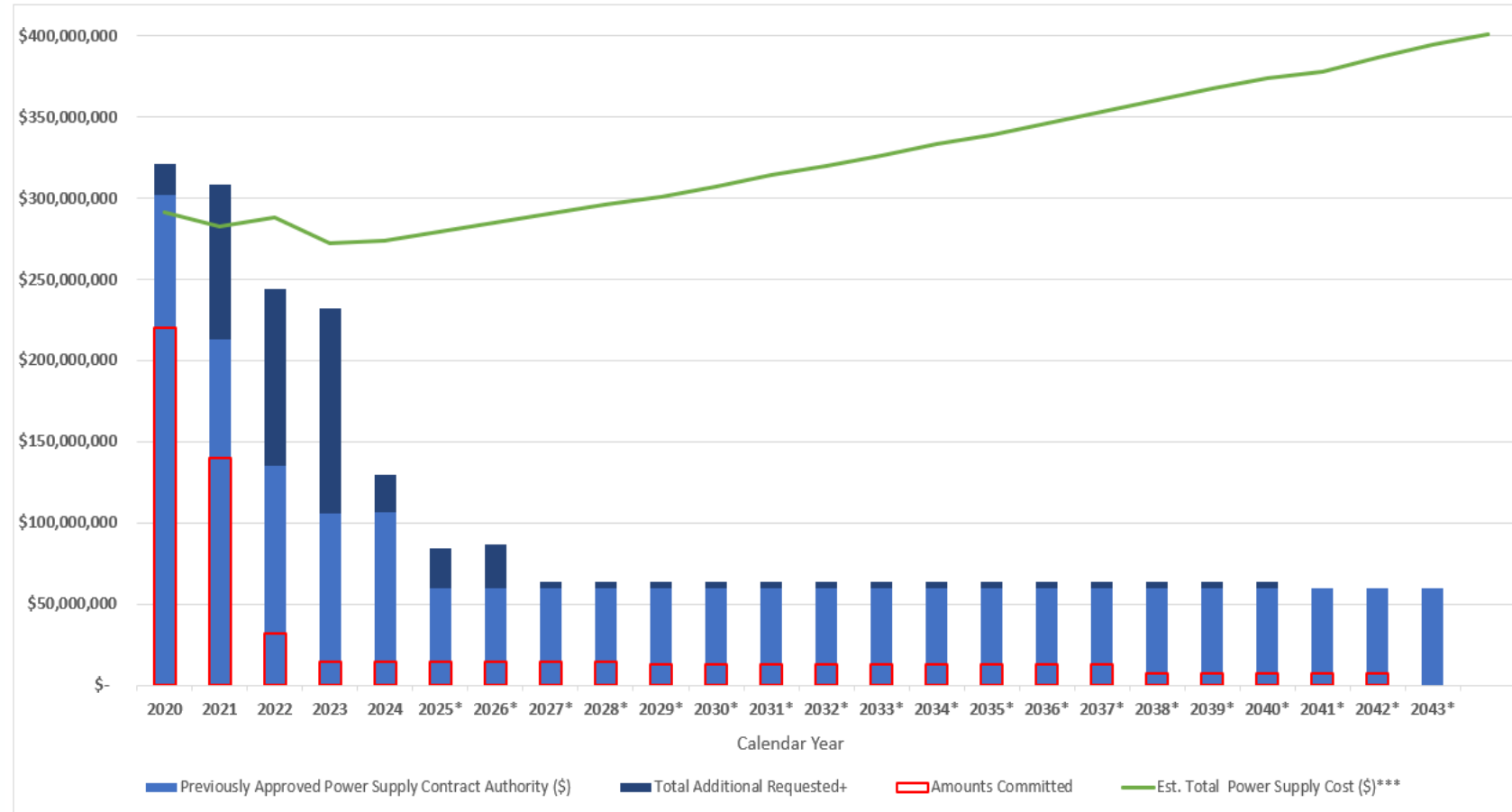
Period	% OF NEED	CURRENTLY AUTHORIZED	ADDITIONAL AUTHORIZED	TOTAL AUTHORIZED
2020-2021	115	\$410M	\$107.6M	\$517.6M
2022-2023	80	\$130M	\$221.8M	\$315.8M
2024-2026	30	\$150M	\$63.9	\$213.9M

2020-2043 RA: Current \$461.8M; **Add \$76.2M**; New Total \$538M

Period	PRODUCT	CURRENTLY AUTHORIZED	ADDITIONAL AUTHORIZED	TOTAL AUTHORIZED
2020-2043	Standard required RA	\$461.8M	\$5.2M	\$467M
2021-2043	Incremental RA		\$71M	\$71M



# COUNCIL PROCUREMENT AUTHORIZATION



# RECOMMEND ACCEPTING PG&E LOW CARBON PRODUCTS FROM PG&E (HYDRO AND NUCLEAR)

---

- SJCE Power Mix: 2020 86% Low Carbon; Goal: 2021 Carbon Neutral (ClimateSmart)
- Currently, CCA customers pay for PG&E's excess carbon-free power (large hydro and nuclear) in PCIA but get no credit on CCA Power Content Labels (PCL).
- PG&E proposes to correct this (currently for 2020 only).
  - CCAs may accept or reject credit for PG&E large hydro, nuclear, both or neither.
  - Nuclear comprises ~ 2/3 of PG&E carbon free power.
- PG&E will produce the same amount of nuclear power whether or not CCAs accept the allocation. 2025-2026 closure of Diablo Canyon will not be affected.
- SJCE would save up to \$6.5M in 2020, and \$12M in 2021 by accepting the hydro & nuclear allocation.

# IRP: CHANGE OF TIMING

---

- Subsection B of Resolution No. 78711 requires the Community Energy Department to present San José Clean Energy's Integrated Resource Plan (SJCE IRP) for City Council approval in March every even year.
- This year, key CPUC inputs required for IRP are delayed, and IRP filing deadline has been delayed.
- Recommend changing Subsection B of Resolution No. 78711 to allow Community Energy Department to present SJCE IRP to Council prior to submitting it to the California Public Utilities Commission.



**QUESTIONS?**