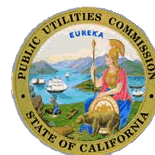


**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development of, California Renewables
Portfolio Standard Program.

Rulemaking 15-02-020

**2018 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN
OF SAN JOSÉ CLEAN ENERGY**

Andrew B. Brown
Ellison Schneider Harris & Donlan LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Telephone: (916) 447-2166
Facsimile: (916) 447-3512
Email: abb@eslawfirm.com

August 20, 2018

*Attorneys for the City of San José, on behalf
of San José Clean Energy*

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I. INTRODUCTION

In accordance with the California Public Utilities Commission's ("Commission") June 21, 2018 *Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2018 Renewables Portfolio Standard Procurement Plans* ("ACR"), the July 10, 2018 *Assigned Commissioner's Corrected Ruling of the Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2018 Renewables Portfolio Standard Procurement Plans Dated June 21, 2018* ("Assigned Commissioner's Corrected Ruling"), the July 13, 2018 *Email Ruling of Administrative Law Judge Robert M. Mason III, Granting the City of San José Motion to Submit Their Proposed 2018 RPS Procurement Plans*, and the May 21, 2014 *Administrative Law Judge's Ruling on Renewable Net Short* ("RNS Ruling"), San José Clean Energy ("SJCE") hereby submits this 2018 Renewables Portfolio Standard Procurement Plan ("RPS Procurement Plan"). As directed by the Assigned Commissioner's Corrected Ruling, this RPS Procurement Plan addresses sections 5.1-5.6, 5.8, and 5.11-5.13 of the Assigned Commissioner's Corrected Ruling.

SJCE notes that certain issues and requests in these sections of the Assigned Commissioner's Corrected Ruling apply to the other retail sellers (electrical corporations and

electric service providers), and do not extend to Community Choice Aggregators (“CCAs”). SJCE is nevertheless voluntarily responding to these ACR sections in the interest of transparency and in order to collaborate with the Commission. The submission of this RPS Procurement Plan pursuant to the Assigned Commissioner’s Corrected Ruling, however, should not be construed as a waiver of the right to assert that components of Senate Bill (“SB”) 350 or in Commission decisions and rulings on RPS Procurement Plan submittals, do not extend to CCAs, and SJCE reserves the right to challenge any such assertion of jurisdiction over these matters.

SJCE is California's largest single-jurisdiction CCA program, located within the City of San José (“City”). The San José City Council governs SJCE, sets policy, and oversees general operations. SJCE will enroll customers in two phases. In the first phase starting in September 2018, SJCE will enroll municipal accounts and potentially some early adopters. In the second phase starting in March 2019, SJCE will enroll the rest of the accounts within the City. Following completion of SJCE's phase-in plan, SJCE will be serving nearly 300,000 residential, commercial, and municipal accounts with aggregate annual retail electricity sales approximating 5,000 gigawatt hours.

For phase one, SJCE plans to supply a minimum of 40 percent renewable energy to its customers while offering a voluntary 100 percent renewable energy option for early adopters. SJCE is in the process of negotiating contracts for RPS power for phase one during 2018. SJCE has not yet finalized the power mix for the second phase. It will do this once it has received and assessed responses to current solicitations. For purposes of this RPS Procurement Plan, SJCE is using the same assumptions it used to prepare the Integrated Resource Plan (“IRP”) it filed with the Commission on August 1, 2018. The IRP assumed that for phase two and beyond, SJCE will

provide 10 percent more RPS energy than required by state law and 100 percent GHG free power by 2021. These assumptions are prospective since SJCE is only now in the midst of procurement.

II. RPS PROCUREMENT PLAN

5.1. Assessment of RPS Portfolio Supplies and Demand - § 399.13(a)(5)(A)

SJCE expects to meet all of its RPS compliance obligations. The exact portfolio characteristics selected may vary depending on solicitation responses, City policy, state law, technological improvements, preferences of the community, or other developments. To manage this future uncertainty, SJCE will estimate customer demand, and structure its procurement efforts to balance customer demand with resource commitments. This examination of customer demand and market developments will help meet planned procurement for the period in the 2018 RPS Procurement Plan. As part of its forecasting, planning, and procurement processes, SJCE will also consider the deliverability characteristics of its resources (including the resource's dispatchability and available capacity) and review the respective risks associated with short- and long-term purchases. These efforts will lead to a more diverse resource mix, address grid integration issues, and provide value to the local community.

This is SJCE's first RPS Procurement Plan. Since submitting its Implementation Plan to the Commission on September 18, 2017, SJCE has refined its load projections and supply projections. In addition, in February 2018, San Jose City Council unanimously adopted Climate Smart San Jose, a concrete plan that incorporates fresh, new thinking on urban sustainability and charts an economy-wide strategy. On June 26, 2018, San Jose City Council adopted the SJCE 2018 IRP Criteria based on SJCE's Implementation Plan and Climate Smart San Jose. On August 1, 2018, SJCE filed an IRP with the Commission that incorporates updated load and

supply information and is consistent with these criteria. This RPS Procurement Plan is consistent with the IRP.

A quantitative description of SJCE's forecast is attached to the RPS Procurement Plan as Appendix A. Because SJCE is only now commencing to procure power, this procurement plan is prospective.

5.2. Project Development Status Update - § 399.13(a)(5)(D)

SJCE is only now finalizing agreements for RPS power for phase one. SJCE does not expect to contract for renewables under development for phase one. SJCE issued a solicitation on August 10, 2018 for RPS and GHG-free power to serve its phase two customers. Responses are not due until August 24, 2018. Thus, SJCE does not have any contracts with renewables that have not been built at this time.

5.3. Potential Compliance Delays - § 399.13(a)(5)(B)

SJCE does not anticipate any compliance delays at this time. SJCE will identify and address any compliance issues that arise in subsequent RPS Procurement Plans.

5.4. Risk Assessment - § 399.13(a)(5)(F)

SJCE is only now finalizing agreements for RPS power for phase one and soliciting RPS power for phase two. For phase one, SJCE does not expect to contract for renewables that have not been built, though SJCE may contract with new renewables for phase two. SJCE does not currently anticipate any particular risk that any eligible renewable energy resource under contract will not be built or that construction will be delayed; these risks may arise with respect to phase two contracts and will be addressed through appropriate contract provisions. Moreover, the possibility always exists that electricity will not be delivered as required under a contract for new or existing resources. As noted in section 399.13(a)(5)(A), and the Assigned Commissioner's

Corrected Ruling, generation variability and resource availability may impact the amount of future electricity delivered. SJCE considers these potential risks in forecasting as well as during procurement review and decision-making.

5.5. Quantitative Information - § 399.13(a)(5)(A), (D) and (F)

SJCE has provided a quantitative assessment to support the qualitative descriptions provided in this RPS Procurement Plan, which is attached as Appendix A. As noted earlier, because SJCE is only now undertaking procurement, the figures in the RPS Procurement Plan are entirely prospective.

5.6 “Minimum Margin” of Procurement - - § 399.13(a)(4)(D)

As stated above, SJCE intends to launch phase one with 40 percent renewables which is above the state law requirement of 29 percent renewables in 2018 and 31 percent renewables in 2019. For phase two and thereafter, SJCE’s IRP and this RPS Procurement Plan set forth a plan to provide 10 percent more renewables than required by state law. The base product offering for phase two will be finalized by the City Council after review of responsive bids. SJCE will track variability in forecasted versus actual load and generation and will utilize long- and short-term contracts to ensure it has sufficient renewables to meet state requirements and SJCE’s commitments to its customers.

5.8. Consideration of Price Adjustment Mechanisms - § 399.13(a)(5)(E)

As noted above, SJCE does not expect to contract for renewables that have not been built for phase one. For phase two and beyond, consistent with SB 350, SJCE will evaluate the prospects of incorporating price adjustments in contracts with online dates more than 24 months after the date of contract execution. As noted in the Assigned Commissioner’s Corrected Ruling,

such price adjustments could include price indexing to key components or to the Consumer Price Index.

5.10 Cost Quantification

This section is not required for CCAs but the ACR requests CCAs to voluntarily respond. SJCE is only now finalizing agreements for phase one and has not received bids for phase two. Accordingly, SJCE is not providing cost information.

5.11. Important Changes to Plans Noted

SJCE has no previous plan and therefore no important changes to note. As noted in Section 5.1, this RPS Procurement Plan is based on SJCE's IRP and contains updated load and supply forecasts, and assumptions about the supply mix. Like the IRP, this RPS Procurement Plan is prospective; City Council has not yet considered or adopted a supply mix for phase two. This will take place after SJCE receives and evaluates responses to its power solicitation for phase two.

5.12. Redlined Copy of Plans Required

SJCE has no previous plan and therefore is not providing a redlined copy of changes.

5.13. Safety Considerations

SJCE holds safety as a top priority. There are no unique safety issues related to SJCE's procurement of resources. Since SJCE does not own, operate, or control generation facilities, there are no present safety considerations to report.

Dated: August 20, 2018

Respectfully submitted,

/s/

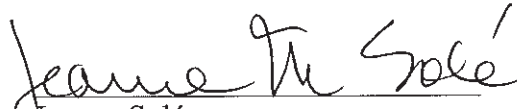
Andrew B. Brown
Ellison Schneider Harris & Donlan LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Telephone: (916) 447-2166
Facsimile: (916) 447-3512
Email: abb@eslawfirm.com

*Attorneys for the City of San José, on behalf of
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VERIFICATION

I am an officer of the reporting corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.
Executed on August 20, 2018 at San José, California.


Jeanne Solé
Deputy Director of Power Resources
San José Clean Energy

Appendix A: Renewable Net Short Template Quantitative Assessment.

	C	D	E	F	O	P	Q	R	S	T
1	San José Clean Energy 2018 RNS Calculation Sheet									
2										
3	Variable	Calculation	Item	Deficit from RPS prior to Reporting Year	2017 Actual	2018 Forecast	2019 Forecast	2020 Forecast	2017-2020	2021 Forecast
4			Forecast Year		-	-	-	-	CP3	-
5	Annual RPS Requirement									
6	A		Bundled Retail Sales Forecast (LTPP) (GWh)			36,945	3,766,464	4,666,077	8,469,486	4,544,936
7	B		RPS Procurement Quantity Requirement (%)		27.0%	29.0%	31.0%	33.0%	33.0%	33.0%
8	C	A*B	Gross RPS Procurement Quantity Requirement (GWh)		-	10,714	1,167,604	1,539,805	2,794,930	1,499,829
9	D		Voluntary Margin of Over-procurement (GWh)			4,286	417,512	493,204	838,195	694,401
10	E	C+D	Net RPS Procurement Need (GWh)		-	15,000	1,585,116	2,033,010	3,633,126	2,194,230
11	RPS-Eligible Procurement									
12	Fa		Risk-Adjusted RECs from Online Generation (GWh)		-	15,000	1,585,116	2,033,010	3,633,126	2,194,230
13	Faa		Forecast Failure Rate for Online Generation (%)							
14	Fb		Risk-Adjusted RECs from RPS Facilities in Development							
15	Fbb		Forecast Failure Rate for RPS Facilities in Development (%)							
16	Fc		Pre-Approved Generic RECs							
17	Fd		Executed REC Sales							
18	F	Fa + Fb +Fc - Fd	Total RPS Eligible Procurement (GWh)		-	15,000	1,585,116	2,033,010	3,633,126	2,194,230
19	F0		Category 0 RECs		-	-	-	-	-	-
20	F1		Category 1 RECs			15,000	1,585,116	2,033,010	3,633,126	2,194,230
21	F2		Category 2 RECs							
22	F3		Category 3 RECs							
23	Gross RPS Position (Physical Net Short)									
24	Ga	F-E	Annual Gross RPS Position (GWh)		-	-	-	-	-	-
25	Gb	F/A	Annual Gross RPS Position (%)		#DIV/0!	40.6%	42.1%	43.6%	42.9%	48.3%
26	Application of Bank									
27	Ha	H - Hc (from previous year)	Existing Banked RECs above the PQR		-	-	-	-	-	-
28	Hb		RECs above the PQR added to Bank		-	-	-	-	-	-
29	Hc		Non-bankable RECs above the PQR							
30	H	Ha+Hb	Gross Balance of RECs above the PQR		-	-	-	-	-	-
31	Ia		Planned Application of RECs above the PQR towards RPS Compliance							
32	Ib		Planned Sales of RECs above the PQR							
33	J	H-Ia-Ib	Net Balance of RECs above the PQR		-	-	-	-	-	-
34	J0		Category 0 RECs		-	-	-	-	-	-
35	J1		Category 1 RECs		-	-	-	-	-	-
36	J2		Category 2 RECs							
37	Expiring Contracts									
38	K		RECs from Expiring RPS Contracts							
39	Net RPS Position (Optimized Net Short)									
40	La	Ga + Ia - Ib - Hc	Annual Net RPS Position after Bank Optimization (GWh)		-	-	-	-	-	-
41	Lb	(F + Ia - Ib - Hc)/A	Annual Net RPS Position after Bank Optimization (%)		#DIV/0!	40.6%	42.1%	43.6%	42.9%	48.3%
42	Note: Fields in grey are protected as Confidential under CPUC Confidentiality Rules									
43	Note: Values are shown in GWs									

