

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AMENDING THE SAN JOSE CLEAN ENERGY GREEN TRANSPORTATION PROGRAM (A) TO INCLUDE THE OFFERING OF PG&E'S NET BILLING TARIFF FOR COMMERCIAL CUSTOMERS TO ELIGIBLE GREEN TRANSPORTATION PROGRAM PARTICIPANTS, EFFECTIVE UPON PG&E'S IMPLEMENTATION OF THE NET BILLING TARIFF FOR COMMERCIAL CUSTOMERS IN 2026; AND (B) BEGINNING NO LATER THAN NOVEMBER 1, 2025, AND CONTINUING UNTIL PG&E'S NET BILLING TARIFF BECOMES AVAILABLE TO COMMERCIAL CUSTOMERS (ANTICIPATED IN APRIL 2026), OFFERING INTERIM EXPORT COMPENSATION OF SIX CENTS PER KILOWATT-HOUR (\$0.06/KWH) FOR SURPLUS ELECTRICITY GENERATED BY ELIGIBLE GREEN TRANSPORTATION PROGRAM PARTICIPANTS THROUGH REGENERATIVE BRAKING

WHEREAS, the City of San José ("City") City Council approved the San José Clean Energy ("SJCE") Green Transportation Program on May 14, 2024, to provide public transportation traction power customers, such as VTA and Caltrain, with 100% emissions-free electricity at a discounted rate; and

WHEREAS, the program supports the Climate Smart San José plan and the City's goal of carbon neutrality by 2030; and

WHEREAS, 100% emissions-free electricity allows those customers to obtain Low Carbon Fuel Standard credits by claiming lower carbon intensity for their traction power; and

WHEREAS, this effectively reduces operating costs for these customers; and

WHEREAS, in 2022, the California Public Utilities Commission adopted Decision 22-12-056, establishing the Net Billing Tariff (“NBT”) as the successor to the Net Energy Metering 2.0 program for solar customers; and

WHEREAS, NBT is already in effect for residential customers and is scheduled to be extended to commercial customers by PG&E in 2026; and

WHEREAS, SJCE will mirror PG&E’s timeline and tariff offering to ensure consistency and fairness for customers across its service area; and

WHEREAS, the Caltrain Electrification Project, part of the Caltrain Modernization Program, aimed to modernize the commuter rail line between San Francisco and San José, focusing on electrification and improved service; and

WHEREAS, this included: electrifying the 51-mile corridor using an overhead catenary system, replacing diesel-powered trains with electrified trains; and

WHEREAS, regenerative braking is a key feature of the new electric trains, returning some energy to the grid during deceleration, enhancing efficiency, and reducing the carbon footprint; and

WHEREAS, the City has been a strong supporter of Caltrain’s efforts to electrify its fleet, including initial support for Caltrain’s pursuit of federal funding for its electrification project; and

WHEREAS, in the fall of 2024, Caltrain staff expressed an interest in obtaining energy export credit for the energy they are returning to the grid through regenerative braking and have expressed to City staff their desire to have SJCE provide that as an offering; and

WHEREAS, while NBT has been available to SJCE customers since its implementation, the Green Transportation Program did not previously specify the option for participants to combine this tariff with their participation; and

WHEREAS, this resolution formalizes that eligibility;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The San José Clean Energy Green Transportation Program is hereby amended:

- A. To include the offering of PG&E's Net Billing Tariff for commercial customers to eligible Green Transportation Program participants, effective upon PG&E's implementation of the Net Billing Tariff for commercial customers in 2026; and
- B. Beginning no later than November 1, 2025, and continuing until PG&E's Net Billing Tariff becomes available to commercial customers (anticipated in April 2026), offering interim export compensation of six cents per kilowatt-hour (\$0.06/kWh) for surplus electricity generated by eligible Green Transportation Program participants through regenerative braking.

ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk