



Memorandum

TO: TRANSPORTATION AND
ENVIRONMENT COMMITTEE

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: August 23, 2023

Approved

Date

8/28/23

**SUBJECT: CLEAN ENERGY COMMUNITY ADVISORY COMMISSION ANNUAL
REPORT AND WORK PLAN**

RECOMMENDATION

Accept the Clean Energy Community Advisory Commission Annual Report for Fiscal Year 2022-2023 and Work Plan for August - December 2023 to comply with the City Municipal Code pertaining to Boards and Commissions.

BACKGROUND

In FY 2010-2011, to restructure the staff support of boards and commissions, the City Council began requiring each of the City's Boards and Commissions to submit an annual work plan to the Council for review and approval. Documents are to be submitted in the approved City Clerk format.

The work plan provides the City Council with details regarding the Commission activity. The work plan identifies specific topics, allowing direct and concise direction to the members of the bodies while managing the time of the City support staff. Items on the work plan must clearly align to the Commission's purpose and be consistent with City policies. Once approved, the Commission may not engage in activities not on the work plan without approving a modified work plan.

On October 24, 2017, the City Council adopted Ordinance No. 30013 establishing the Clean Energy Community Advisory Commission. The Council Appointment Advisory Commission shall review all applicants and make a nomination to the City Council. Per Sections 2.08.2110 and 2.08.2120 of the San José Municipal Code, the commission shall consist of nine (9) members and whenever possible, at least six (6) members shall have expertise in one (1) of the following categories: community outreach, policy advocacy, clean energy programs, industry, labor, education, not-for-profits, environmental associations, and advocacy organizations.

ANALYSIS

The Commission meets every other month and has the following functions, powers, and duties:

- Advise and make recommendations to the City Council and the City Manager, or designee, on all aspects of San José Clean Energy (SJCE) start-up and operations;
- Provide feedback and input on the development of clean energy program strategy and operating principles or models;
- Inform the prioritization and development of energy programs;
- Identify areas of concern and innovative opportunities for reducing carbon emissions;
- Monitor best practices of other community choice energy programs, legislative and regulatory issues, and new energy developments;
- Be liaisons to the community for purposes of advocacy and outreach.

During FY 2022-23 the Commission met every other month via video conference in 2022 and in person in 2023. The in-person meetings were held at City Hall and had a virtual option for those who could not attend in person. No commissioners participated from remote locations.

At the July 13, 2023 meeting, the Commission approved the FY 2022-23 Annual Report to be presented to the City Council Transportation and Environment Committee. Highlights of the Annual Report including the Commissions' recommendations are summarized below:

- Received a briefing, gave comments, and provided a recommendation for the SJCE 2022 Integrated Resource Plan. The Commission agreed with the staff recommendation to file the California Public Utilities Commission Compliant Portfolio that achieves slightly lower emissions than SJCE's proportional share of 25 MMT by 2035. The Commission also agreed with the staff recommendation to use the more aggressive City Carbon Neutral Portfolio as a procurement guide to meet the City's goal to be carbon neutral by 2030.
- Received a briefing, gave comments, and provided a recommendation for the SJCE cost-of-service summary report for 2023 rates. The Commission agreed with staff recommendations to offer GreenSource at a lower cost than 2022 and maintain renewable energy content at 60 percent, maintain TotalGreen's premium relative to GreenSource, and increase the discount for SJ Cares from five percent to 10 percent below GreenSource.
- Received a briefing, gave comment, and provided a recommendation on staff's report on the benefits and risks of San José provided electric distribution service using Downtown

West as a case study. The Commission advised the City Council to seek additional, independent review of the benefits and risks of City provided electric service. The City Council will receive a recommendation during the October 3, 2023 Council meeting.

- Received a briefing, gave comment, and provided a recommendation for the SJCE Programs Roadmap. The Commission agreed with the staff recommendation that in the near term, before SJCE builds its operational reserves, SJCE should continue to manage existing programs and develop new educational pilots and programs that largely leverage external funding to set the groundwork for future program success.
- Received a briefing, gave comment, and provided a recommendation for the new citywide Climate Advisory Commission. The Commission recommended seats on the new commission be filled by San José residents who represent a balance of community members and experts. The Commission also advised increasing the total number of seats to 11 and allowing commissioners, City staff, and the public to nominate candidates for the positions.
- The Commission created the Goal Generating Ad-Hoc Committee to evaluate the goals of SJCE and develop recommendations for SJCE's clean energy goals, long duration dispatchable storage, and market risk.

At the July 13, 2023 meeting, the Commission approved the Work Plan for FY 2023-24 to be presented to the City Council Transportation and Environment Committee. The Work Plan sets a schedule for the Commission to meet every other month through January 2024 and focuses on the following items:

- San José Municipal Code revision to form a municipal electrical utility;
- SJCE legislative update;
- SJCE outreach and advocacy strategies;
- Long-term resource procurement;
- 2024 power mix and rates;
- Onboard new Climate Advisory Commission members;
- Review FY 22-23 energy program outcomes.

On May 2, 2023, the City Council approved the formation of a new Climate Advisory Commission. The Clean Energy Community Advisory Commission will merge with the Climate Advisory Commission to form one commission in January 2024. The Environmental Services Department will serve as the primary facilitator for the new commission with support from the departments of Community Energy, Transportation, and Planning, Building, and Code Enforcement.

August 23, 2023

Subject: Clean Energy Community Advisory Commission Annual Report and Work Plan

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COORDINATION

This memorandum has been coordinated with City Attorney's Office.

/s/

LORI MITCHELL

Director, Community Energy

For questions, please contact Zach Struyk, Assistant Director, at Zachary.Struyk@sanjoseca.gov.

ATTACHMENT

Attachment A – Clean Energy Community Advisory Commission 2022-2023 Annual Report

Attachment B – Clean Energy Community Advisory Commission 2023-2024 Work Plan