

RESOLUTION NO.

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ESTABLISHMENT OF THE COMMUNITY ENERGY DEPARTMENT'S PEAK REWARDS PROGRAM FOR THE 2023 CALENDAR YEAR**

**WHEREAS**, on August 8, 2017, the Council of the City of San José ("City") approved an ordinance establishing San José Clean Energy, the City's Community Choice Aggregation program ("SJCE"), and amending Title 26 of the San José Municipal Code ("Code") to create the Community Energy Department ("Department") to administer and manage the program; and

**WHEREAS**, under sections 26.40.010 and 26.40.040 of the Code, the Department may provide energy efficiency, rate assistance, and other energy programs as approved by the City Council to SJCE customers; and

**WHEREAS**, on March 9, 2021, the City Council accepted SJCE's Programs Roadmap, which offers a vision of the types of customer programs SJCE will evaluate and choose over the next several years; and

**WHEREAS**, the Programs Roadmap includes distributed energy resources programs that focus on resources on the customer side of the utility meter (or "behind the meter"), such as rooftop solar, home energy storage, and demand response; and

**WHEREAS**, demand response programs compensate SJCE's commercial and residential customers for reducing their energy use during energy-saving events, which include grid emergencies when overall electricity demand is projected to be greater than available supply, and are a cost-effective way to meet demand while improving grid resiliency, reducing greenhouse gas emissions, and helping avert rolling blackouts; and

**WHEREAS**, the Department recommends offering a commercial demand response program from May through October 2023, called the Peak Rewards Program, that will have staff target outreach to the top 1,000 commercial customers according to usage during periods of peak electricity demand on the grid (peak usage) and conduct direct outreach to the top 100 commercial customers by peak usage to encourage them to enroll in the program; and

**WHEREAS**, the Department will offer technical support, through its consultant Energeia USA Inc., to participants to identify opportunities for saving energy during demand response events; and

**WHEREAS**, between May and October 2023, the Department expects to call up to six energy-saving events each month, which would be triggered by temperature, projected electricity market prices, and/or state predictions for grid emergencies and last for two or four hours; and

**WHEREAS**, the Department plans to pay customers approximately between \$0.50 and \$2.00 per kilowatt-hour reduced during such events, calculated against their baseline usage, and to aggregate payments and apply them as bill credits on a monthly or quarterly basis; and

**WHEREAS**, the total expected cost for the 2023 Peak Rewards Program is approximately \$325,000 and may be offset either partially or completely by reduced power procurement costs and/or reduced regulatory compliance obligations;

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

The establishment of the Community Energy Department's Peak Rewards Program for the 2023 calendar year is hereby approved.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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MATT MAHAN  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk