RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING SAN JOSE CLEAN ENERGY TO LAUNCH SERVICE TO NON-CITY SMALL COMMERCIAL CUSTOMERS IN JUNE 2019

WHEREAS, on August 29, 2017, the Council of the City of San José ("City") approved the San José Clean Energy ("SJCE") Implementation Plan discussing the funding strategy to obtain power supply contracts, established the SJCE Operating Fund, and approved the establishment of various revenue estimates and expenditure appropriations for City departments, including the Community Energy Department, to facilitate the initial operations of SJCE; and

WHEREAS, on November 7, 2017, the City Council approved an ordinance to add Title 26 to the San José Municipal Code to provide procedures for the operation and management of San José Clean Energy; and

WHEREAS, on January 30, 2018, the City Council approved September 1, 2018 as the launch date for electric generation service to Phase I customers, which includes City accounts, and March 1, 2019 as the launch date to Phase II customers, which includes residential and commercial accounts; and

WHEREAS, in the fall of 2018, the California Public Utilities Commission ("CPUC") approved a new methodology to calculate the Power Cost Indifference Adjustment ("PCIA"), and initial forecasts of this new methodology indicated that the PCIA charge for non-City small commercial customer accounts would be disproportionately higher than other customer classes; and

WHEREAS, on November 6, 2018, the City Council approved the launch of a reduced Phase II in February 2019, delaying the enrollment of non-City small commercial and

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residential net energy metered customers until SJCE could cost-effectively serve these customers while maintaining a 1% discount over Pacific Gas & Electric Company ("PG&E") rates; and

WHEREAS, on February 21, 2019, the CPUC approved Decision 19-02-023 on PG&E's Energy Resource Recovery Account ("ERRA") proceeding, which establishes the PCIA charge for 2019 and includes a PCIA for non-City small commercial customers that is in line with that of other rate classes and lower than SJCE forecasted; and

WHEREAS, based on this new CPUC ERRA decision, SJCE now expects that small commercial customers can be served cost effectively and desires to launch service to non-City small commercial customers in June 2019;

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

San José Clean Energy is hereby approved to launch service to non-City small commercial customers in June 2019.

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ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

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