

POWER PROCUREMENT, ACCEPTANCE OF CARBON-FREE ALLOCATIONS, AND INTEGRATED RESOURCE PLAN TIME CHANGE

April 7, 2020

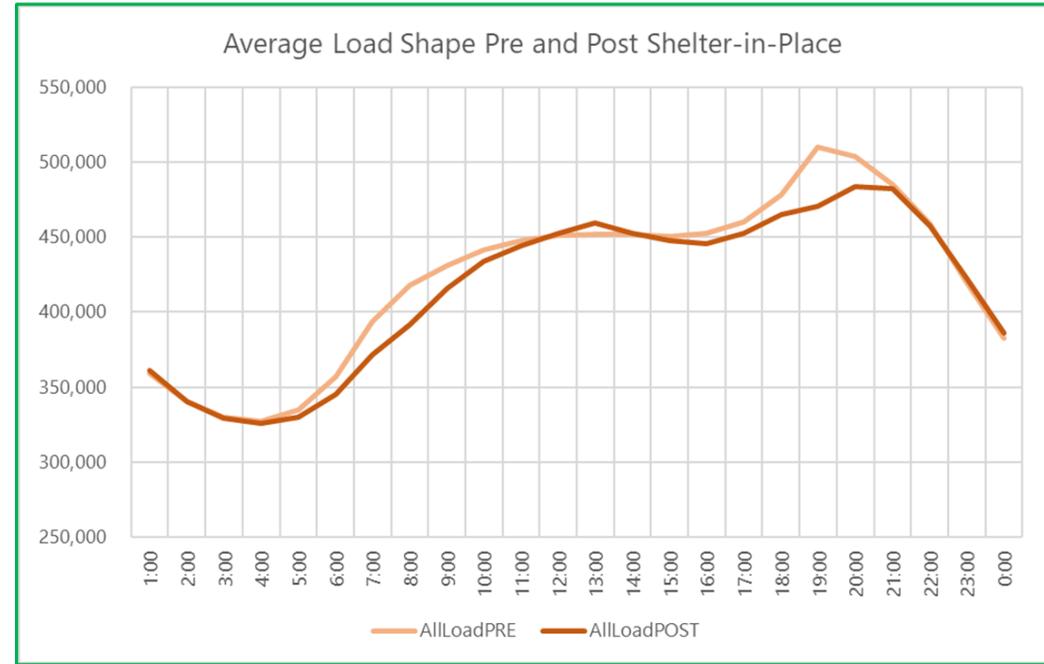
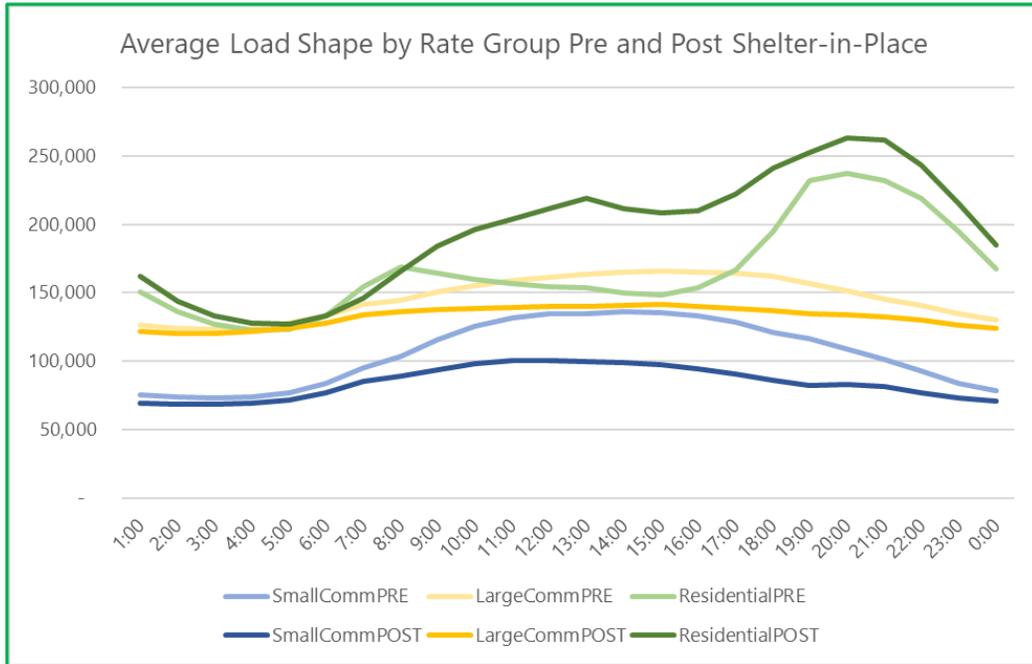


Presented by:
Lori Mitchell, Director
Community Energy Department

COVID-19 INITIAL IMPACTS

- Shelter in Place Impacts
- Average Load Decline: -6.12%
 - Week 1 (3/17 – 3/22): -4.72%
 - Week 2 (3/23 – 3/26): -7.87%
- Greatest Single Day Load Decline: -9.08%
- Residential Load Increasing, Commercial Load Decreasing
- Continuing to monitor impacts
- Recessions typically result in ~5% load reduction

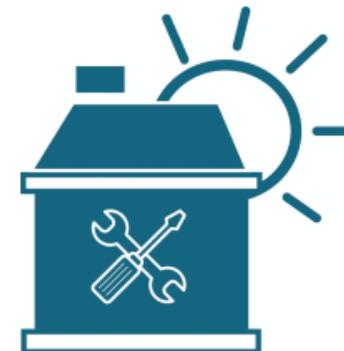
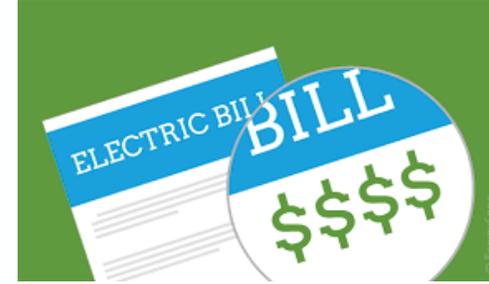
LOAD SHAPE CHANGES



Pre = average of every day between 2/9 - 3/7 (excluding Daylight's Saving)
 Post = average of every day between 3/17 - 3/26
Data is not weather normalized

CUSTOMER RESOURCES

- Extended bill payment plans available for customers (max 12 months) – contact PG&E
- CPUC actions
 - Moratorium on utility disconnections
 - Proposal to accelerate October ~\$60 California Climate Credit into May and June customer bills
 - April ~\$60 credit is going onto bills as scheduled
- SJCE created a page (<https://www.sanjosecleanenergy.org/discount-programs>) with resources to help residents save on their electricity bills
 - CARE/FERA – currently enrolling customers with verbal confirmation of recent unemployment, income status.
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Energy Savings Assistance Program
 - Critical Home Repair Program
 - Several Electric Vehicle purchase assistance programs



PG&E PAYMENT PLAN – CASH FLOW IMPACTS

| | Bill/ Payment Amount | Current State | | | | Pro-rata Proposed | | | | Total Due |
|-----------------|----------------------------|-----------------|------------------|----------------|-----------------|-------------------|------------------|----------------|-----------------|--------------|
| | | PG&E Current | PG&E Past Due | CCA Current | CCA Past Due | PG&E Current | PG&E Past Due | CCA Current | CCA Past Due | |
| Bill | | \$245 | | \$115 | | \$245 | | \$115 | | \$360 |
| Initial Payment | \$72 | (\$49) | | (\$23) | | (\$49) | | (\$23) | | \$288 |
| Bill | \$120 | \$82 | \$196 | \$38 | \$92 | \$82 | \$196 | \$38 | \$92 | \$408 |
| Payment 1 | (\$144) | \$0 | (\$144) | \$0 | \$0 | \$0 | (\$98) | \$0 | (\$46) | \$264 |
| Bill | \$120 | \$82 | \$133 | \$38 | \$131 | \$82 | \$180 | \$38 | \$84 | \$384 |
| Payment 2 | (\$144) | \$0 | (\$133) | \$0 | (\$11) | \$0 | (\$98) | \$0 | (\$46) | \$240 |
| Bill | \$120 | \$82 | \$82 | \$38 | \$158 | \$82 | \$163 | \$38 | \$77 | \$360 |
| Payment 3 | (\$144) | \$0 | (\$82) | \$0 | (\$62) | \$0 | (\$98) | \$0 | (\$46) | \$216 |
| Bill | \$120 | \$82 | \$82 | \$38 | \$134 | \$82 | \$147 | \$38 | \$69 | \$336 |
| Payment 4 | (\$144) | \$0 | (\$82) | \$0 | (\$62) | \$0 | (\$98) | \$0 | (\$46) | \$192 |
| Bill | \$120 | \$82 | \$82 | \$38 | \$110 | \$82 | \$131 | \$38 | \$61 | \$312 |
| Payment 5 | (\$144) | \$0 | (\$82) | \$0 | (\$62) | \$0 | (\$98) | \$0 | (\$46) | \$168 |
| Bill | \$120 | \$82 | \$82 | \$38 | \$86 | \$82 | \$114 | \$38 | \$54 | \$288 |
| Payment 6 | (\$144) | \$0 | (\$82) | \$0 | (\$62) | \$0 | (\$98) | \$0 | (\$46) | \$144 |
| Total | | \$82 | \$0 | \$38 | \$24 | \$82 | \$16 | \$38 | \$8 | |

- Current rules allow PG&E to be paid first for residential customers that fall behind on payments (doesn't apply to Commercial accounts)
- Engaging at the CPUC to change process

CURRENT AUTHORIZATION

- Authorization Cycle:
 - Seek updated Short & Medium Term Authorization each Spring after obtaining ROC authorization.
 - ROC approved this request for authorization in January 2020.
- Currently Approved:
 - **Energy \$410M**
 - Energy, GHG-Free, RPS, and CAISO Costs
 - **RA \$462M**
 - **Long-Term Renewables \$1,130M**

Currently Approved: \$ Millions

| | Energy | RA | Long-Term RE | Total |
|--------------|--------|--------|--------------|----------|
| 2020 | \$ 252 | \$ 50 | \$ - | \$ 302 |
| 2021 | \$ 128 | \$ 55 | \$ 30 | \$ 213 |
| 2022 | \$ 30 | \$ 55 | \$ 50 | \$ 135 |
| 2023 | \$ - | \$ 56 | \$ 50 | \$ 106 |
| 2024 | \$ - | \$ 56 | \$ 50 | \$ 106 |
| 2025* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2026* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2027* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2028* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2029* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2030* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2031* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2032* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2033* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2034* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2035* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2036* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2037* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2038* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2039* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2040* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2041* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2042* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2043* | \$ - | \$ 10 | \$ 50 | \$ 60 |
| 2044* | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 410 | \$ 462 | \$ 1,130 | \$ 2,002 |

RISK MANAGEMENT REGULATIONS: COVERAGE THRESHOLDS

| | Minimum Coverage | Maximum Coverage |
|---------------------------------------|------------------|------------------|
| Rolling One Year forward | 65-80% | 115% |
| Rolling Two and Three Years forward | 30% | 80% |
| Rolling Four Years forward and beyond | 0% | 70% |

RECOMMENDED AUTHORITY 2020-2043

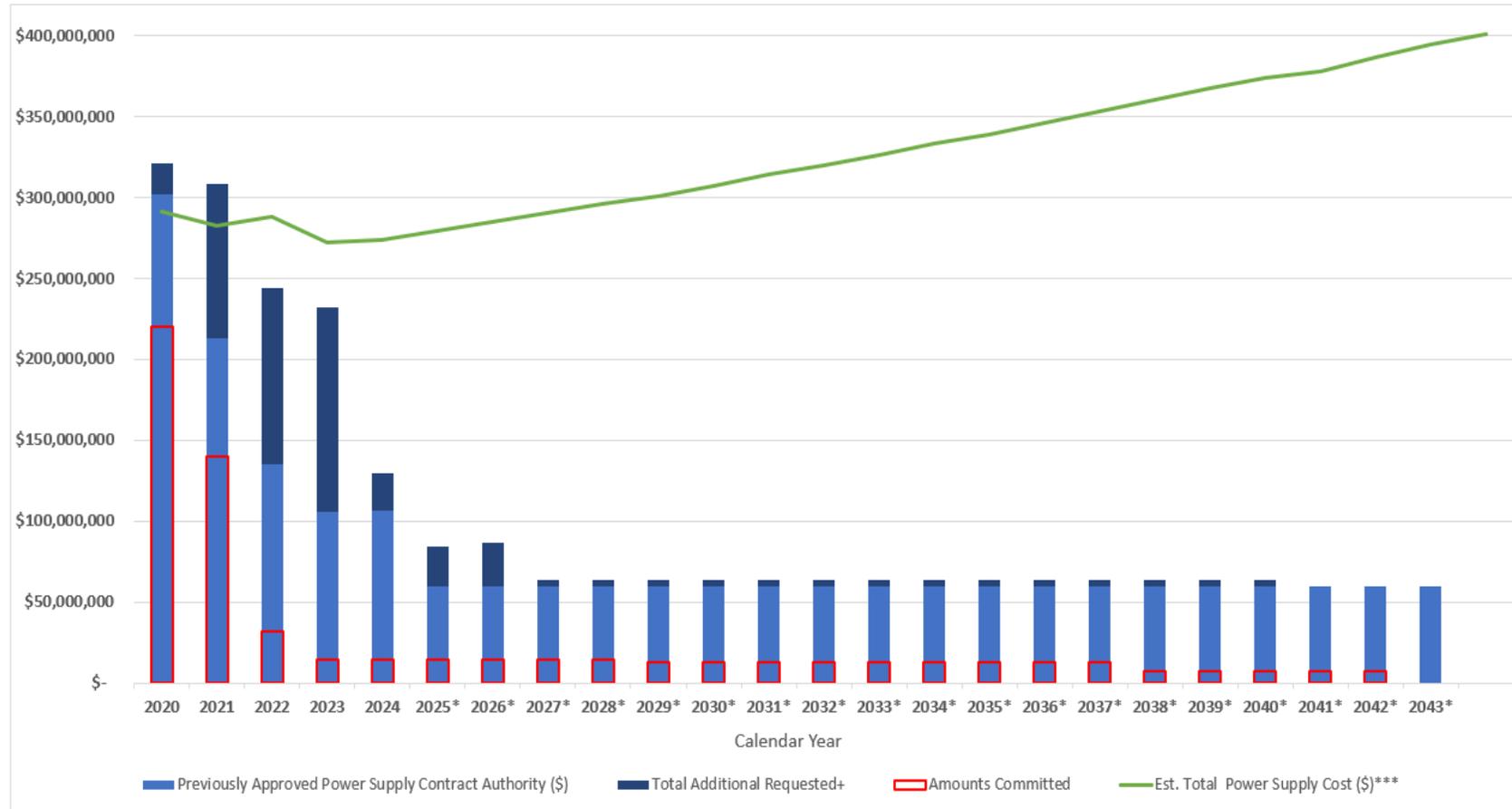
2020-2026 Energy, low carbon, renewables and CAISO costs:
Current \$690M; **Add \$393.3M**; New Total \$1,083.3M

| Period | % OF NEED | CURRENTLY AUTHORIZED | ADDITIONAL AUTHORIZED | TOTAL AUTHORIZED |
|-----------|-----------|----------------------|-----------------------|------------------|
| 2020-2021 | 115 | \$410M | \$107.6M | \$517.6M |
| 2022-2023 | 80 | \$130M | \$221.8M | \$315.8M |
| 2024-2026 | 30 | \$150M | \$63.9 | \$213.9M |

2020-2043 RA: Current \$461.8M; **Add \$76.2M**; New Total \$538M

| Period | PRODUCT | CURRENTLY AUTHORIZED | ADDITIONAL AUTHORIZED | TOTAL AUTHORIZED |
|-----------|----------------------|----------------------|-----------------------|------------------|
| 2020-2043 | Standard required RA | \$461.8M | \$5.2M | \$467M |
| 2021-2043 | Incremental RA | | \$71M | \$71M |

COUNCIL PROCUREMENT AUTHORIZATION



RECOMMEND ACCEPTING PG&E LOW CARBON PRODUCTS FROM PG&E (HYDRO AND NUCLEAR)

- SJCE Power Mix: 2020 86% Low Carbon; Goal: 2021 Carbon Neutral (ClimateSmart)
- Currently, CCA customers pay for PG&E's excess carbon-free power (large hydro and nuclear) in PCIA but get no credit on CCA Power Content Labels (PCL).
- PG&E proposes to correct this (currently for 2020 only).
 - CCAs may accept or reject credit for PG&E large hydro, nuclear, both or neither.
 - Nuclear comprises ~ 2/3 of PG&E carbon free power.
- PG&E will produce the same amount of nuclear power whether or not CCAs accept the allocation. 2025-2026 closure of Diablo Canyon will not be affected.
- SJCE would save up to \$6.5M in 2020, and \$12M in 2021 by accepting the hydro & nuclear allocation.

IRP: CHANGE OF TIMING

- Subsection B of Resolution No. 78711 requires the Community Energy Department to present San José Clean Energy's Integrated Resource Plan (SJCE IRP) for City Council approval in March every even year.
- This year, key CPUC inputs required for IRP are delayed, and IRP filing deadline has been delayed.
- Recommend changing Subsection B of Resolution No. 78711 to allow Community Energy Department to present SJCE IRP to Council prior to submitting it to the California Public Utilities Commission.



QUESTIONS?