

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING (1) THE CITY MANAGER OR HIS DESIGNEE TO JOIN SAN JOSE CLEAN ENERGY TO THE NEW JOINT POWERS AUTHORITY (CALIFORNIA COMMUNITY POWER OR “CC POWER”) AND EXECUTE THE CALIFORNIA COMMUNITY POWER AGENCY JOINT POWERS AGREEMENT, AND (2) THE CITY OF SAN JOSE TO PAY A SHARE OF CC POWER’S ANNUAL COSTS IN AN AMOUNT NOT TO EXCEED THE CONTRACT AUTHORITY OF THE CITY MANAGER FOR THE CORRESPONDING FISCAL YEAR, SUBJECT TO THE APPROPRIATION OF FUNDS

WHEREAS, Silicon Valley Clean Energy, Central Coast Community Energy (formerly Monterey Bay Community Energy), and Peninsula Clean Energy (“PCA”) are leading an effort to form California Community Power (“CC Power”), a Joint Powers Authority (“JPA”) comprised of several Community Choice Aggregation (“CCA”) entities; and

WHEREAS, the creation of CC Power is intended to address concerns of regulatory agencies and industry stakeholders, which claim that the CCA model breaks up the industry into entities that are too small to contract for large infrastructure projects, and to facilitate transactions with developers of large energy projects, which prefer to engage with one single entity rather than entering into several smaller arrangements with different parties; and

WHEREAS, CC Power may develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide projects and energy related programs and services for the use of and by those of its members that contract to participate in and pay for any such projects, programs or services; and

WHEREAS, CC Power would initially focus on contracting for larger resources than would typically be available to a single or smaller collection of CCAs, and future efforts

could evolve to offer additional services and opportunities beyond energy procurement such as wholesale energy services, scheduling coordination, and billing; and

WHEREAS, by executing the California Community Power Agency Joint Powers Agreement (“CC Power Agreement”), San Jose Clean Energy (“SJCE”) would become a member of the new JPA, hold one seat on the JPA board, and have one vote for board decisions; and

WHEREAS, CC Power would provide options for SJCE to participate in projects that may not be otherwise possible; assist with SJCE’s Resource Adequacy (“RA”) compliance requirements; and allow joint CCA procurement that could help avoid an investor owned utility (“IOU”) central procurement regulatory mandate, which would intrude in SJCE’s procurement autonomy; and

WHEREAS, as a member of CC Power, SJCE will have the option (but not the obligation) to participate in any specific projects, programs or services through the execution of a Project Agreement, subject to further City Council approval; and

WHEREAS, as a member of CC Power, SJCE would be responsible for its share of CC Power’s modest general and administrative costs, estimated to be between \$80,000 and \$230,000 annually, with SJCE’s share estimated to be between \$10,000 and \$30,000; and

WHEREAS, the California Public Utilities Commission (“CPUC”), the California Energy Commission (“CEC”), and the California Independent System Operator (“CAISO”), among other key industry players, have identified long duration storage projects as critical to maintain grid reliability,

WHEREAS, on August 25, 2020, City Council approved an Integrated Resource Plan (“IRP”) for SJCE, which discussed the importance of continuing to explore market opportunities to add competitive long-duration storage; and

WHEREAS, CC Power would allow member CCAs to contract more effectively for long-duration storage projects because it would create economies of scale needed to support larger projects; and

WHEREAS, on May 1, 2018, the City Council approved the Energy Risk Management Policy (“Policy”), which created a Risk Oversight Committee (“ROC”) responsible for overseeing compliance with the Policy; and

WHEREAS, on December 10, 2020, the ROC approved SJCE’s recommendation to join CC Power, subject to approval by City Council; and

WHEREAS, the City Council desires to authorize the City Manager or his/her designee to execute the CC Power Agreement and thereby join SJCE to CC Power, and to authorize the City to pay a share of CC Power’s annual costs in an amount not to exceed the contract authority of the City Manager for the corresponding Fiscal Year, subject to the appropriation of funds;

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

The City Manager or his/her designee is authorized to join the San José Clean Energy to the new Joint Powers Authority, California Community Power or “CC Power”, and execute the California Community Power Agency Joint Powers Agreement provided as Attachment 1 to the staff memorandum to Council, and to pay a share of CC Power’s

annual costs in an amount not to exceed the contract authority of the City Manager for the corresponding Fiscal Year, subject to the appropriation of funds.

ADOPTED this ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk