



File #190997
Received in Committee
10/30/19
[Signature]

File 190997: CleanPowerSF Resource Adequacy Contract

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CleanPowerSF Update

- Enrollment stats to date:
 - Green Customers: 372,083
 - Super Green Customers: 6,862
 - Opt-out & Retention %: 3.6% & 96.4%
- Energy supply:
 - 50% RPS-eligible renewable portfolio in 2020 for Green Product
 - Emissions rate 87% below citywide 1990 levels
- Next steps for program:
 - Conducting Integrated Resource Planning process now
 - Contract approval from local RFO to Board

Resource Adequacy

- Resource adequacy (RA) is a State requirement applicable to all entities that provide electric service to customers, including CleanPowerSF.
- The requirement is intended to ensure sufficient electric generation resources are available to meet unusually high levels of customer demand.



RA Compliance Changes - 2019

- CPUC recently adopted new compliance requirements:
 - Requires three year compliance, instead of one year.
 - Require RA to be procured in a large number of geographic areas.
- **CleanPowerSF's RA compliance report for the 2020-2022 period is due to the CPUC on October 31, 2019.**



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CleanPowerSF RA Procurement

- SFPUC put out multiple solicitations for offers for RA since April:
 - SFPUC executed RA contracts with several suppliers, but not enough supply to procure sufficient amounts of RA for the 2020 through 2022 time period.
- CleanPowerSF had to participate in PG&E's 2019 Multi-Year RA solicitation that was issued on July 31, 2019.
 - PG&E holds most, if not all, of the remaining market supply
 - CleanPowerSF submitted a bid on August 6th

Retroactive Approval

- Due to the time sensitive nature of this transaction, the General Manager was required to sign in advance of Board approval
 - **September 12th**: CleanPowerSF received an offer from PG&E
 - **September 18th**: PG&E's imposed deadline for contract execution
- CPUC requires complete RA supply compliance by **October 31st**
- Without the RA capacity this contract provides, CleanPowerSF may face fines and charges up to \$30 million

Going Forward

- SFPUC is coordinating with other CCAs and other state electricity market participants to propose a long-term solution to problems in the RA capacity market and regulatory framework.
- Working through the California Community Choice Association, the SFPUC contributed to the development of a “Central Buyer” proposal for RA capacity.
- This proposal was submitted to the California Public Utilities Commission in August and is currently pending review.

Right Now – Today’s Action

- Asking for amendments:
 - When the legislation was submitted, CleanPowerSF was participating in So Cal Edison and PG&E’s September RA solicitations and there was a possibility that CleanPowerSF would enter into additional agreements that would require Board approval.
 - However, neither PG&E or So Cal Edison accepted CleanPowerSF’s offers as submitted.
 - Amendments remove these agreements from legislation.
- Asking for Committee to move forward amended legislation to the full Board, with a positive recommendation.



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Thank you!

Questions?





Timeline

Action	Date
SFPUC issues first RA solicitation for upcoming year	April 29, 2019
PG&E issues multi-year RA solicitation	July 31, 2019
SFPUC issues second RA solicitation	August 2, 2019
SFPUC submits bid to PG&Es solicitation	August 6, 2019
SFPUC issues third RA solicitation	August 28, 2019
PG&E awards RA supply to SFPUC	September 12, 2019
PG&E's required deadline for contract execution	September 18, 2019
CPUC deadline for CleanPowerSF year ahead RA compliance report	October 31, 2019

CleanPowerSF Energy Sources

ENERGY RESOURCES	CleanPowerSF Green	CleanPowerSF SuperGreen	2018 CA Power Mix**
Eligible Renewable	48%	100%	31%
<i>Biomass & Biowaste</i>	1%	0%	2%
<i>Geothermal</i>	10%	0%	5%
<i>Eligible Hydroelectric</i>	0%	0%	2%
<i>Solar</i>	1%	0%	11%
<i>Wind</i>	36%	100%	11%
Coal	0%	0%	3%
Large Hydroelectric	40%	0%	11%
Natural Gas	0%	0%	35%
Nuclear	0%	0%	9%
Other	0%	0%	<1%
Unspecified sources of power*	11%	0%	11%
TOTAL	100%	100%	100%

