

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 23-0203

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has jurisdiction over and operates and maintains the City and County of San Francisco (City) municipal electric distribution and service facilities; and

WHEREAS, Hetch Hetchy Power provides electric service to City departments; and

WHEREAS, The vast majority of Hetch Hetchy Power customers are small loads that can take service at secondary voltage levels; and

WHEREAS, In 2017, PG&E started refusing to allow the City to take service at secondary voltages unless the loads were under 75 kilowatts (kW). Typically, PG&E will connect its own retail loads that are up to 3 megawatts (MW) at secondary voltages; and

WHEREAS, In 2019, the City filed a complaint against PG&E with the Federal Energy Regulatory Commission (FERC) in which the City alleged that PG&E consistently refused to allow the City to interconnect its customers at secondary voltage unless the total electricity demand was less than 75 kW. The City alleged that PG&E refused to allow the City to take secondary voltage service for some 30 MWs of City load; and

WHEREAS, FERC denied the City's complaint without a hearing; and

WHEREAS, The City requested rehearing, which FERC denied. Then the City appealed FERC's decision to the United States Court of Appeals for the D.C. Circuit. On appeal, the court overturned FERC's denial of the complaint. The court vacated FERC's order and remanded the matter to FERC for further proceedings; and

WHEREAS, On remand from the D.C. Circuit, FERC granted San Francisco's complaint and ordered the matter be set for hearing and settlement procedures before a FERC Administrative Law Judge; and

WHEREAS, The City and PG&E have agreed to settle this matter. In exchange for the City dismissing its complaint and waiving any claim for monetary relief, PG&E has agreed to allow the City to interconnect 30 megawatts of secondary voltage service over the next five years. The loads must be metered and in one of the following categories: (1) existing points of delivery interconnected to PG&E at secondary voltage that undergo changes (e.g., an increase in electric demand or other change in electric service), (2) City departments or related public entities, or (3) private entities using City-owned property. Only 5 MWs of the 30 MW cap may be used to serve private entities on City-owned property; and

WHEREAS, Pursuant to San Francisco Administrative Code section 10.24, the Board of Supervisors must approve the settlement of this claim; and

WHEREAS, This action does not constitute a "project" under the California Environmental Quality Act (CEQA) Guidelines Section 15378(a) because there would be no physical change in the environment; and

WHEREAS, The settlement must also be approved by the FERC; now, therefore, be it

RESOLVED, That this Commission finds that the terms of the settlement are reasonable and will benefit the San Francisco Public Utilities Commission and City departments that are its customers; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager to seek Board of Supervisors approval of the settlement; and be it

FURTHER RESOLVED, That, upon approval of the Board of Supervisors, this Commission hereby authorizes the General Manager to execute such documents that may be necessary to effectuate the settlement approved herein, to enter into any amendments or modifications to the such documents that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City or materially diminish the benefits to the City; are necessary or advisable to effectuate the purposes and intent of the resolution; and are in compliance with all applicable laws, including the City Charter; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager to work with PG&E to obtain any required approval of the settlement from FERC that is necessary under federal law.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of November 14, 2023.


Secretary, Public Utilities Commission