

1 [Re-Affirming City Support to Acquire PG&E Assets]

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3 **Resolution re-affirming the City's continued efforts to acquire the Pacific Gas & Electric**
4 **Company (PG&E) assets necessary to provide clean, green, and affordable electric**
5 **power delivery and service in San Francisco and ensure system reliability,**
6 **sustainability, and safety.**

7
8 WHEREAS, On December 20, 2025, a fire at a PG&E substation located at 8th and
9 Mission Streets caused a citywide blackout that affected over 130,000 customers from the
10 Richmond and Sunset Districts to Chinatown and South of Market, impacting small
11 businesses, seniors, people living with disabilities, public transit delays, and station closures
12 during the holiday week; and

13 WHEREAS, Approximately 5,000 impacted customers in the Richmond District and
14 Civic Center were without power before the Christmas holidays, and subsequent unplanned
15 power outages have continued to impact small businesses and residents, forcing businesses
16 to suddenly shutter during one of the busiest seasons of the year; and

17 WHEREAS, The PG&E substation at 8th and Mission Streets has a history of fires,
18 including one in December 2003, in which the company was penalized \$6,500,000 by state
19 regulators after it was determined that the company failed to follow its own internal
20 recommendations, including the installation of smoke detectors, fire barrier penetration
21 sealing, and proper emergency response coordination with fire officials, following a similar fire
22 at the same substation in 1996; and

23 WHEREAS, The multitude of serious safety challenges PG&E's December 2025
24 outage inflicted on San Franciscans is emblematic of a decades-long pattern of safety failures
25 and negligence that resulted in devastating losses of life and property throughout California,

1 including the San Bruno gas pipeline explosion in September 2010, which killed 8 people and
2 injured 58 others, and numerous Northern California wildfires in October 2017 (Atlas,
3 Cascade, Cherokee, Nuns, Redwood Valley, Tubbs and other fires), November 2018 (Camp
4 fire), September 2020 (Zogg fire), and July-October 2021 (Dixie fire), which collectively killed
5 approximately 113 people; and

6 WHEREAS, While Californians continue to suffer from reliability and safety problems,
7 PG&E has demonstrated a persistent pattern of management failures and financial instability,
8 filing for Chapter 11 bankruptcy protection twice in 2001 and 2019; and

9 WHEREAS, Meanwhile, PG&E continues to prioritize the enrichment of senior
10 management even as the company continues to cause death and destruction across
11 California, with notable examples including the 2012 state investigation that concluded that
12 PG&E illegally diverted more than \$100 million from funds designed for safety operations to
13 executive compensation and bonuses; and

14 WHEREAS, In 2022, at the end of PG&E's five-year probation following the San Bruno
15 gas pipeline explosion, Federal Judge William Alsup concluded that "While on probation,
16 PG&E has gone on a crime spree and will emerge from probation as a continuing menace to
17 California" after setting at least 31 wildfires, burning nearly 1.5 million acres of land and over
18 24,000 structures, killing 113 Californians, and failing its commitment to prioritize safety over
19 profit for its executive management; and

20 WHEREAS, The City and County of San Francisco has sought to provide electric
21 service to all of San Francisco since at least 1913, has provided electric service to City
22 facilities since 1918, and launched CleanpowerSF to provide electric service for more than
23 380,000 residential and commercial customers since May of 2016; and

24 WHEREAS, The City and County of San Francisco is already providing more than 75%
25 of the electricity consumed in San Francisco through CleanPowerSF and its Hetch Hetchy

1 Power municipal utility, which includes all of the City's major infrastructure, including the San
2 Francisco International Airport (SFO), the San Francisco Zoo, public libraries, Muni, the
3 General Hospital, San Francisco City College, the DeYoung and Asian Art Museums, the
4 Ferry Building and other port facilities, public schools and public parks; and

5 WHEREAS, In a letter dated January 14, 2019, Mayor London Breed asked the San
6 Francisco Public Utilities Commission to prepare an analysis of the options for ensuring safe
7 and reliable electric service within the City, including the possibility of acquiring the PG&E
8 electric distribution and transmission infrastructure assets that serve the City (PG&E Assets);
9 and

10 WHEREAS, On April 9, 2019, the Board of Supervisors adopted Resolution
11 No. 174-19, on file with the Clerk of the Board of Supervisors in File No. 190367, which is
12 hereby declared to be a part of this resolution as if set forth fully herein, determining that the
13 public interest and necessity required changing the electric service provided in the City and
14 requesting the SFPUC to prepare a report on options for improving electric service in the City
15 through acquisition, construction, or completion of public utilities pursuant to Charter,
16 Section 16.101; and

17 WHEREAS, On May 13, 2019, the SFPUC submitted a report, on file with the Clerk of
18 the Board of Supervisors in File No. 190477, which is hereby declared to be a part of this
19 resolution as if set forth fully herein, to Mayor Breed and the Board of Supervisors (SFPUC
20 Report) analyzing three options for power independence, including (1) continued reliance on
21 PG&E for electricity distribution service; (2) targeted investments in electric grid infrastructure
22 to lessen the City's reliance on PG&E; and (3) full power independence through acquisition of
23 the PG&E Assets; and

24 WHEREAS, The SFPUC Report concluded that acquisition of the PG&E Assets was
25 the only option that would allow the City to meet its goals for affordable, safe, and reliable

1 service; protection of the environment and climate goals; transparency and public
2 accountability; workforce development; and equity; and

3 WHEREAS, The City has engaged a number of expert consultants to assist it with
4 analyzing the acquisition of the PG&E Assets, including in the areas of utility asset valuation,
5 finance, utility rates, labor, engineering, and operations; and

6 WHEREAS, On September 6, 2019, the City and County of San Francisco submitted to
7 PG&E a non-binding indication of interest (IOI), to acquire the PG&E Assets
8 for \$2,500,000,000 in connection with the PG&E bankruptcy cases, with the intention that
9 this \$2.5 billion would compensate PG&E for the value of its assets and provide funds that
10 could be used to benefit ratepayers or pay fire victims, and reiterated this offer in August
11 of 2020; and

12 WHEREAS, The asset purchase could be financed using revenue bonds approved by
13 the San Francisco Public Utilities Commission (SFPUC) and the Board of Supervisors under
14 Charter, Section 8B.124, and repaid from the revenue collected by providing electric service
15 throughout San Francisco; and

16 WHEREAS, On January 14, 2020, the Board of Supervisors adopted Resolution 30-20,
17 on file with the Clerk of the Board of Supervisors in File No. 200029, which is hereby declared
18 to be a part of this resolution as if set forth fully herein, conditionally approving the issuance of
19 up to \$3,065,395,000 of Power Enterprise Revenue Bonds to acquire certain Pacific Gas and
20 Electric Company electric distribution and transmission assets to provide affordable, safe, and
21 reliable electric service throughout the City, subject to the future satisfaction of six specified
22 conditions, including additional approvals by this Commission and the Board of Supervisors;
23 and

24 WHEREAS, On January 14, 2020, the SFPUC conditionally approved issuing revenue
25 bonds, through its Resolution No. 20-0011, on file with the Clerk of the Board of Supervisors

1 in File No. 200223, which is hereby declared to be a part of this resolution as if set forth fully
2 herein, to allow the City to acquire PG&E assets without drawing from its General Fund,
3 subject to the same conditions adopted by the Board of Supervisors; and

4 WHEREAS, On March 20, 2020, the Board of Supervisors of the City and County of
5 San Francisco, through Resolution No. 105-20, on file with the Clerk of the Board of
6 Supervisors in File No. 200223, which is hereby declared to be a part of this resolution as if
7 set forth fully herein, previously affirmed the City's support to acquire PG&E assets
8 conditioned on key conditions; and

9 WHEREAS, The City has consistently indicated that its pursuit of acquiring PG&E's
10 electric assets and any final approval of said acquisition would necessarily be predicated on
11 the City's ability to ensure that the following key priorities could be satisfied:

12 1) Financial Stability. City leaders will need to ensure that the City can afford to
13 purchase the electric assets, including financing the purchase price, transition costs,
14 maintenance and replacements over time, and financial reserves. This determination
15 will require confidence that the revenues will be more than adequate to cover these
16 costs while charging reasonable rates.

17 2) Support for Utility Workforces. San Francisco is committed to treating its
18 employees, those it can recruit from PG&E, and those who remain with PG&E fairly.
19 The City expects to recruit a talented workforce as part of this acquisition, by offering
20 stable careers with competitive pay and benefits, into its community-based and safety-
21 based workplace culture. The City has a long history of working productively with its
22 unionized workforce and will work in good faith to transition to City employment current
23 PG&E unionized employees who choose to make the transition.

1 3) Community and Worker Safety. The City is committed to providing safe and
2 reliable utility service and safe working conditions that protect employees and the
3 public.

4 4) Climate Change Prevention and Mitigation. The SFPUC already supplies over
5 70% of the electricity in San Francisco through its Hetchy Power and CleanPowerSF
6 programs, which both provide cleaner energy than PG&E at lower rates. Acquiring
7 PG&E's delivery assets would accelerate the City's ability to meet its ambitious
8 decarbonization and climate resiliency goals.

9 5) Affordability and Equity. Providing electric service that is more affordable for
10 customers, especially those in lower income and disadvantaged communities, and
11 better incorporates local needs is of utmost importance to the City. The SFPUC is an
12 industry leader in providing community benefits and prioritizing equity, inclusion, and
13 environmental justice in its programs. In addition, the City's analysis indicates that its
14 acquisition would not significantly impact PG&E customers outside of San Francisco,
15 because San Francisco is a small part of PG&E's service area, in terms of both size
16 and revenue.

17 6) Operational Excellence. Local control of the electric grid would allow San
18 Francisco to invest in its infrastructure and provide high-quality programs and services
19 in a way that prioritizes community involvement and engagement, with improved
20 accountability from a locally-elected Board of Supervisors and Mayor. The SFPUC
21 already provides electric transmission and distribution service, and is working to
22 identify and prepare for the increases in staff and service offerings that would be
23 necessary to provide service throughout San Francisco.

24 7) Improved Service to City Departments. The City started providing electric
25 distribution service to key facilities in 1918 and gradually increased that service, while

1 depending on PG&E to provide essential parts of the service. In recent years, PG&E
2 has obstructed service to City facilities by delaying connections and requiring
3 unnecessary, expensive facilities. The SFPUC will be able to provide more responsive,
4 efficient service that supports essential functions of the City;

5 WHEREAS, The City and County of San Francisco continues to move forward with
6 preparations to ensure that these priorities can and will be implemented successfully,
7 bolstered on the San Francisco Public Utility Commission's long track record of safe and
8 affordable water and power delivery; now therefore, be it

9 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
10 re-affirms its support for the City's efforts to acquire the PG&E assets necessary to provide
11 clean, green and affordable electric power delivery and service in San Francisco; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
13 Francisco re-affirms its commitment to the key priorities and conditions identified in this
14 subject Resolution and prior policy resolutions; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
16 Francisco directs the Clerk of the Board to transmit this Resolution to the San Francisco State
17 Legislative Delegation and the Governor's Office upon final adoption.