

# PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO.: 21-0121

WHEREAS, On December 8, 2020, to comply with state law and due to market conditions out of the SFPUC's control, SFPUC staff brought two power supply contracts to the Commission for approval after execution by the General Manager. One such contract was approved by the Commission on December 8, 2020 in Resolution 20-0239 and by the Board of Supervisors on December 15, 2020 through Resolution 580-20; and

WHEREAS, Resolution 580-20 states the General Manager will provide advance notification and an opportunity for consultation to the Commission and to the Board of Supervisors through a resolution if the General Manager believes that the SFPUC may be required to seek retroactive Board of Supervisor approval of power supply contracts; and

WHEREAS, Conditions have occurred that may require the execution of power supply contracts prior to required approvals, such as a need to meet regulatory compliance deadlines, which cannot be met on the standard approval process timeline; and

WHEREAS, State law requires load serving entities that provide electric service to customers, such as CleanPowerSF and Hetch Hetchy Power, to own or procure certain quantities of electricity-related products known as Resource Adequacy (RA); these requirements are set annually for each month of the following two year compliance period; and

WHEREAS, Under the California Public Utilities Commission's (CPUC) annual compliance schedule, in mid-July the CPUC provides a preliminary notice to each LSE of its required volumes for the next compliance period and in mid-September provides the final notice of the volumes each LSE is required to own or control under executed contracts by October 31; in past years the volumes have changed significantly between the preliminary and final notices; and

WHEREAS, CleanPowerSF issues multiple solicitations to obtain supplies throughout the year, but in the last three years CleanPowerSF has been unable to execute contracts to purchase sufficient supply or to sell excess supplies in a timeframe that allowed for Board of Supervisors and Commission approval of contracts prior to the compliance deadline, and CleanPowerSF has sought retroactive approval from the Commission and the Board of Supervisors for such contracts when necessary to meet regulatory requirements; and

WHEREAS, In 2021, CleanPowerSF has already issued five requests for offers for Resource Adequacy and submitted bids into four RFOs conducted by third parties and to date, CleanPowerSF has not obtained sufficient RA capacity supplies from these solicitations to meet its own forecast of its 2022 RA capacity requirements. CleanPowerSF plans to issue four additional RFOs prior to the compliance deadline and, based on experience from prior years, CleanPowerSF anticipates submitting bids into approximately ten additional RFOs conducted by third parties, many of which are expected to be issued as late as September for an RA compliance obligation due in October; and

WHEREAS, the General Manager has provided advance notification and an opportunity for consultation through Commission and Board of Supervisors resolutions as described in Board Resolution 580-20; and

WHEREAS, this approval does not constitute a project under the California Environmental Quality Act (CEQA) Guidelines Section 15378 because there would be no physical change in the environment; now, therefore, be it

RESOLVED, That the Commission acknowledges and accepts the General Manager's notice of the potential for retroactive approvals in 2021 pursuant to Board Resolution 580-20; and be it

FURTHER RESOLVED, That the Commission directs the General Manager to provide advance notification and an opportunity for consultation through a Board of Supervisors resolution as described in Board Resolution 580-20.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of July 27, 2021.*



---

*Secretary, Public Utilities Commission*