



Proposed Credit Agreement Amendment for CleanPowerSF Program

San Francisco Public Utilities Commission

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Summary

- The ordinance extends existing authority for the SFPUC to enter into credit agreements to provide liquidity support for power purchases, regulatory requirements, and other financial obligations
- Would extend the authority for 10 years
- No change is proposed in the \$150 million not-to-exceed amount or any other aspects of the authorization



Legislative History

Dates	Action
January 23, 2018	Board of Supervisors approved Ordinance 8-18, delegating to the General Manager authority to enter in credit agreement(s) for CleanPowerSF with a maximum term of six years and a maximum credit commitment of up to \$150,000,000.
January 23, 2018	The Commission approved resolution number 18-0012 authorizing the SFPUC to enter into a credit agreement and associated fee agreement with JP Morgan Chase Bank, with a not-to-exceed \$150,000,000 commitment and term of up to six years.
March 29, 2018	CleanPowerSF entered into a 5-year credit agreement, subsequently extended for an additional year expiring in March 2024 in an initial amount of \$75,000,000, but subsequently amended to \$20,000,000.
December 12, 2023	The Commission approved resolution number 23-0221 recommending this ordinance, amending Ordinance No. 8-18 extending the authorization of the General Manager to enter into agreements to provide credit support of the CleanPowerSF Program for a term of up to additional 10 years and not-to-exceed amount of \$150 million.

Why is Credit Support Needed?

Services of the San Francisco Public Utilities Commission

- Standby letters of credit secure certain payment obligations of CleanPowerSF and satisfy CPUC financial security requirements
- Credit facilities are used in lieu of posting cash to meet liquidity requirements providing more operating flexibility and an opportunity to earn more interest on cash reserves
- A revolving line of credit is also available to meet other working capital needs of CleanPowerSF if needed

CPUC Requirement

Services of the San Francisco Public Utilities Commission

- All community choice aggregation programs like CleanPowerSF are required by the CPUC to post a standby letter of credit for the benefit of the incumbent utility
- The requirement is in place to ensure that costs associated with returning customers to the incumbent utility will always be covered
- This requirement is expected to remain in place indefinitely and is expected to increase substantially pending a pending CPUC review process.



Thank you