

1 [Accept and Expend Grant - Retroactive - California Department of Community Services and
2 Development - \$1,244,798.66 and \$103,243.80]

3 **Resolution retroactively authorizing the San Francisco Public Utilities Commission to**
4 **accept and expend federal funds sourced by the State Budget Act and administered by**
5 **the California Department of Community Services and Development, in the total**
6 **amounts of \$1,244,798.66 and \$103,243.80 respectively, to assist eligible CleanPowerSF**
7 **and Hetch Hetchy Power residential customer accounts who accrued customer**
8 **account arrears due to the COVID-19 pandemic between March 4, 2020, through**
9 **December 31, 2021.**

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11 WHEREAS, On February 25, 2020, Mayor London N. Breed declared San Francisco to
12 be in a local state of emergency due to the threat of a novel (new) coronavirus (COVID-19),
13 posing serious health threats to the population; and

14 WHEREAS, On March 4, 2020, Governor Gavin Newsom declared a state of
15 emergency for all of California to protect against the threat of COVID-19; and

16 WHEREAS, On March 13, 2020, Mayor Breed issued a second supplement to Mayoral
17 Proclamation Declaring the Existence of a Local Emergency dated February 25, 2020, stating
18 that “the San Francisco Public Utilities Commission (SFPUC) shall suspend for 60 days: (a)
19 the discontinuation or shut off of water service for residents and businesses in the City for
20 non-payment of water and sewer bills, (b) the discontinuation or shut off of power service for
21 SFPUC Hetch Hetchy Power Customers in San Francisco for non-payment of power bills, (d)
22 the imposition of late payment penalties or fees for delinquent Hetch Hetchy Power Customer
23 accounts and (e) the return of delinquent CleanPowerSF Customers to PG&E generation
24 service for failure to pay CleanPowerSF charges”; and
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1 WHEREAS, On December 8, 2020, by Resolution No. 20-0238, the SFPUC authorized
2 an extension of the Shutoffs, Liens, and Fines Moratorium through June 30, 2021; and

3 WHEREAS, On April 17, 2021, by Resolution No. 21-0063, the SFPUC extended its
4 second suspension of shutoffs on water and power service due to late or non-payment and
5 the issuance of associated late penalties and fees through March 31, 2022; and

6 WHEREAS, The loss of income due to the global COVID-19 pandemic continues to
7 inhibit San Francisco residents and businesses from fulfilling their financial obligations
8 including public utility payments such as water, sewer, and Hetch Hetchy power charges; and

9 WHEREAS, On July 16, 2021, as part of Assembly Bill No. 135, the requirements of
10 the California Arrearage Payment Program (CAPP) were established; and

11 WHEREAS, The purpose of the CAPP is to address electric arrearages accumulated
12 during the pandemic and the state legislature allocated \$1 billion to electric utilities through
13 Assembly Bill No. 135; and

14 WHEREAS, Under the CAPP, the SFPUC applied for and received allocations
15 for applicable electric customer arrearages from the California Department of Community
16 Services and Development (CSD), in the amounts of \$2,423,598 for the CleanPowerSF
17 Community Choice Aggregator and \$1,218,136 for the Hetch Hetchy Power municipal utility,
18 for a total amount of \$3,641,734; and

19 WHEREAS, On June 7, 2022, by Resolution No. 267-22, the Board of Supervisors
20 retroactively approved and authorized the SFPUC to accept and expend the CAPP funding to
21 assist eligible residential and commercial customer accounts who accrued customer account
22 arrears due to the COVID-19 pandemic between March 4, 2020, through June 15, 2021; and

23 WHEREAS, On February 22, 2022, by Resolution No. 22-0043, the SFPUC extended
24 its third suspension of shut offs on water and power service through June 30, 2022, for
25 commercial customers, July 31, 2022, for residential customers not enrolled in the Customer

1 Assistance Program (CAP), and August 31, 2022, for residential customers enrolled in the
2 CAP; and

3 WHEREAS, On June 30, 2022, by Assembly Bill 205, the Legislature established the
4 2022 California Arrearage Payment Program (2022 CAPP), to be administered by the CSD;
5 and

6 WHEREAS, The 2022 CAPP authorizes utilities to apply for CAPP funds on behalf of
7 their customers, and requires the utility to use any funds received to offset residential electric
8 customer arrearages that were incurred between March 4, 2020, and December 31, 2021;
9 and

10 WHEREAS, The State Budget Act of 2022 appropriated \$1.2 billion in state General
11 Fund dollars to support the implementation of 2022 CAPP; and

12 WHEREAS, The Hetch Hetchy Power municipal utility and the CleanPowerSF
13 Community Choice Aggregator were eligible to apply for 2022 CAPP funding; and

14 WHEREAS, In August 2022, the SFPUC applied to the CSD for the 2022 CAPP and
15 submitted surveys to the State in early October 2022 with information on eligible residential
16 arrearages; and

17 WHEREAS, On September 13, 2022, by Resolution No. 22-0157, the SFPUC
18 extended its fourth suspension of shutoffs on water and power service ending in October 2022
19 to June 30, 2023, for residential customers benefiting from the 2022 CAPP as provided under
20 Government Code, Section 16429.10.; and

21 WHEREAS, The State released final allocations to electric utilities for CAPP funds on
22 November 22, 2022, allocating \$1,244,798.66 for CleanPowerSF and \$103,243.80 for Hetch
23 Hetchy Power; and

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1 WHEREAS, The SFPUC received the funds for Hetch Hetchy Power on December 5,
2 2022, and is required to apply these 2022 CAPP bill credits to their residential customer
3 accounts by February 5, 2023; and

4 WHEREAS, Funds for CleanPowerSF were provided directly to PG&E for application to
5 CleanPowerSF accounts; and

6 WHEREAS, Some accounts originally eligible for relief at the time of application
7 submission have paid off their arrearages or have become inactive and as a result, any
8 allocated amounts not applied to customer accounts will be returned to the State; and

9 WHEREAS, The SFPUC disbursed all funds for Hetch Hetchy Power in early January
10 2023 to ensure adherence to State guidelines, given the 60-day window of disbursement, and
11 the timely issuance of much needed debt relief to customers; and

12 WHEREAS, Due to this program rule, this item is being brought to the Board of
13 Supervisors retroactively and a delay or denial in approving the resolution will require the
14 SFPUC to reverse credits given to customers to pay off eligible customer electric
15 arrearages, resulting in continued debt owed to the SFPUC and burden on customers
16 impacted by the COVID-19 pandemic; and

17 WHEREAS, This grant does not include an Annual Salary Ordinance (ASO)
18 Amendment, and does not include funding for new staff members; and

19 WHEREAS, On January 24, 2023, the SFPUC Commission, by Resolution No. 23-
20 0022, recommended that the Board of Supervisors accept this grant; now, therefore, be it

21 RESOLVED, That the Board of Supervisors authorizes the SFPUC to retroactively
22 accept and expend grant funds in the amounts of \$1,244,798.66 and \$103,243.80, to pay off
23 residential customer arrears accrued between March 4, 2020, and December 31, 2021, under
24 Administrative Code, Section 10.170-1; and, be it

25 FURTHER RESOLVED, That the SFPUC General Manager is hereby authorized

1 and empowered to execute, deliver, and perform, in the name of the City and County of San
2 Francisco, all applications, contracts, agreements, amendments and payment requests
3 necessary to secure the State grant funds and implement and carry out the purposes
4 specified in the applicable grant application; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors ratifies any administrative
6 action taken to date with respect to these grants and grant funds.

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RECOMMENDED:

/s/_____

DENNIS HERRERA
General Manager of the SFPUC

APPROVED: /s/_____

LONDON BREED

APPROVED: /s/_____

BEN ROSENFELD
Controller