

LEGISLATIVE DIGEST

[Authorizing Agreements - Purchase of Electricity and Related Products and Services for CleanPowerSF - Public Utilities Commission]

Ordinance delegating authority under Charter, Section 9.118, to the General Manager of the Public Utilities Commission to enter into agreements with terms in excess of ten years or requiring expenditures of \$10,000,000 or more for power and related products and services required to supply San Francisco's community choice aggregation program, CleanPowerSF, subject to specified conditions, as defined herein; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code.

Existing Law

Section 9.118(b) of the Charter requires approval by the Board of Supervisors for agreements with an expected term longer than ten years or requiring expenditures of 10 million dollars or more.

The San Francisco municipal codes contain many contracting requirements for the procurement of goods and services. In certain instances, the Board of Supervisors may exempt contracts from these requirements via ordinance.

Amendments to Current Law

This ordinance would not amend current law.

Authority Granted

This ordinance would grant approvals for PUC to purchase electricity and related products and services for expanding CleanPowerSF service using agreements that deviate from the City's standard contracts. The ordinance would also allow the General Manager of the PUC to waive certain City contracting requirements if it is not feasible to include those requirements in these power contracts. The ordinance would also delegate the Board of Supervisors' authority under Charter section 9.118(b) to allow PUC to enter contracts that exceed ten years in duration or cost \$10 million or more.

The ordinance makes these approvals subject to several conditions, including the following: the contracts were obtained through a competitive solicitation, the PUC Commission must approve the contracts in a public meeting, and the contracts meet other conditions established by the PUC Commission including those related to rates, renewable energy content, and program expansion.

Background Information

The City, acting through the San Francisco Public Utilities Commission (PUC), has implemented a program called CleanPowerSF. Under this program, the City provides electricity to participating customers at prices similar to PG&E's prices. PG&E continues to deliver the energy. CleanPowerSF uses more renewable and greenhouse-gas free energy than PG&E does. This program is authorized by state law. See, e.g., Public Utilities Code § 366.2.

The PUC first launched CleanPowerSF service in 2016. To prepare for that initial launch, the Board of Supervisors approved similar ordinances granting purchasing authority. See Ordinance Nos. 75-15 and 223-15. CleanPowerSF currently has about 80,000 customers, and intends to expand the program to offer service throughout all of San Francisco over the next five years. The costs of CleanPowerSF contracts will be paid by revenues from the customers participating in the program.