

LEGISLATIVE DIGEST

[Authorizing Membership in Community Choice Aggregation Joint Powers Authority for CleanPowerSF]

Ordinance authorizing the Public Utilities Commission to become a member of a Joint Powers Authority consisting of Community Choice Aggregators for the purpose of joint purchases of electricity and related products and services; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code for contracts that do not otherwise require Board approval.

Existing Law

State law allows the City, upon authorization of the Board of Supervisors, to enter into a joint exercise of powers agreement with one or more other public agencies through which the contracting parties may jointly exercise any power common to them. See Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California commencing with Section 6500.

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

The ordinance does not amend current law.

Authority Granted

The ordinance would approve a joint powers authority agreement (JPA Agreement) that creates a joint powers authority (JPA) for community choice aggregators called the California Community Joint Powers Authority (CC JPA), including CleanPowerSF. The ordinance would authorize the General Manager of the Public Utilities Commission (PUC) to execute and implement the JPA Agreement.

The ordinance would waive certain City contracting requirements for contracts entered into by the PUC with the CC JPA for electricity-related goods and services if those contracts do not otherwise require Board approval under Charter Section 9.118 for contracts over 10 years or \$10,000,000 and amendments to contracts of more than \$500,000.

Background Information

The City, acting through the PUC, implemented a community choice aggregation program called CleanPowerSF. Through CleanPowerSF, the City provides clean, affordable electricity supply to approximately 400,000 residents and businesses in the City at rates that are competitive with the rates of the incumbent investor-owned utility, Pacific Gas and Electric Company. The goals of CleanPowerSF are to provide affordable and reliable electricity services, invest in cleaner energy alternatives that advance the City's Greenhouse Gas reduction goals, and ensure long-term rate and financial stability.

CleanPowerSF and eight other community choice aggregators (CCAs) located primarily in Northern California (Participating CCAs) propose to participate in the joint procurement of electricity and electricity-related products and services through the creation of the CC JPA. The activities of the CC JPA could include (i) the construction, financing, or acquisition of wholesale power supplies, transmission facilities, resource adequacy, renewable and environmental attributes, and other services and goods needed to optimize the value of such resources, (ii) the bulk purchasing and/or financing of decarbonization products, including, but not limited to, heat pump water heaters, space heater heat pumps and electric vehicle charging services, and (iii) contracting for energy risk management, grid integration, and scheduling products and services.

The CC JPA is an independent public agency that is subject to the laws applicable to local government entities and the debts, liabilities, and obligations of the CC JPA are not the debts, liabilities, and obligations of any of the Participating JPAs.

i.e., n:\govern\as2013\1200339\00848008.doc [doc locator code goes HERE]