

LEGISLATIVE DIGEST

Administrative Code - Purchase of Electric Facilities

Ordinance amending the Administrative Code to authorize the Public Utilities Commission to purchase utility infrastructure from customers that the Public Utilities Commission would otherwise be required to install, subject to specified conditions.

Existing Law

The City and County of San Francisco (“City”), through the Public Utilities Commission, operates a municipal electric utility, Hetch Hetchy Power (“PUC”). Administrative Code Section 99.5 authorizes PUC to contract with a developer for installation of utility facilities that the PUC would otherwise be required to install. Certain conditions apply to PUC’s use of this authority to acquire utility facilities.

Amendments to Current Law

The amendment authorizes PUC to purchase utility facilities that PUC would otherwise be required to install from a customer seeking PUC electric service, subject to certain requirements, including a written agreement that includes a workforce development program for new construction undertaken by the customer and assurance that the cost of the facilities will not exceed the expected cost if they were constructed by PUC. The amendment also specifies that contracts under Section 99.5 are exempt from Chapters 6 and 21 of the Administrative Code and authorizes PUC to accept and own the infrastructure constructed pursuant to Section 99.5.

Background Information

The existing authority in Section 99.5 has allowed the City to provide electric service to new developments in a more timely and cost-effective manner, due to efficiencies when a large construction project is already underway. Extending this authority to apply to facilities installed by a customer at a location not included in a development agreement will enable PUC to connect new electric loads more efficiently. This will improve PUC’s ability to serve new customers despite the current constraints in electric grid capacity and delays for customers seeking to connect to the electric system. This will support the electrification goals of the City’s Climate Action Plan and is consistent with the requirement of Sections 99.1- 99.3 that PUC provide greenhouse gas free electric service to new customers, whenever feasible.