

File No. 260302

Committee Item No. 4

Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date: April 27, 2026

Board of Supervisors Meeting:

Date: May 5, 2026

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract / DRAFT Mills Act Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>SFPUC Presentation – April 27, 2026</u> |
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Prepared by: John Carroll

Date: April 24, 2026

Prepared by: John Carroll

Date: May 1, 2026

Prepared by: _____

Date: _____

1 [Administrative Code - Purchase of Electric Facilities]

2

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

6

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

11

12 Be it ordained by the People of the City and County of San Francisco:

13

14 Section 1. General Background and Findings.

15 (a) The City and County of San Francisco (“City”), through the Public Utilities
16 Commission, operates a municipal electric utility, Hetch Hetchy Power (“PUC”). The PUC
17 provides 100% greenhouse gas free electricity from hydropower and other sources.

18 (b) Under Administrative Code Chapter 99 and City policy, PUC seeks to supply
19 electricity to all new developments and customers in the City, whenever feasible.

20 (c) Large electric customers are seeking PUC electric service due to stable rates,
21 reliable service, and expanding infrastructure. These customers include San Francisco Bay
22 Ferry (to electrify San Francisco ferries) and the Energy Center San Francisco Steam Loop (to
23 convert from gas to electric steam generators).

24 (d) Ordinance 65-21 enacted Administrative Code Section 99.5, to authorize PUC to
25 contract with developers for installation of utility facilities that the PUC would otherwise be required

1 to install. This authority has allowed the City to provide electric service to new developments in a
2 more timely and cost-effective manner.

3 (e) Extending the authority in Administrative Code Section 99.5 to authorize PUC to
4 purchase facilities from customers will enable PUC to connect loads more efficiently. PUC has
5 a ten-year capital program, including investments to deliver more clean power, support
6 increased housing density, serve new load, and meet electrification goals of the City's Climate
7 Action Plan. Given the scale of proposed new loads, the current constraints in electric grid
8 capacity, and interconnection delays, improving PUC's ability to connect customers is
9 important.

10 (f) Customers seeking PUC electric service for large projects can install electric facilities
11 as part of the work that is already ongoing at a project site. They can schedule the work so as
12 not to conflict with other construction, and to ensure completion in the timeframe required to
13 meet project schedules.

14 (g) In some cases, PUC can work with customers to install facilities with excess capacity
15 that PUC can use to serve other customers, minimizing the cost and disruption of piecemeal
16 construction in the public right of way.

17
18 Section 2. Chapter 99 of the Administrative Code is hereby amended by revising
19 Section 99.5, to read as follows:

20
21 **SEC. 99.5. CONTRACTING WITH DEVELOPERS TO INSTALL ELECTRIC**
22 **FACILITIES AT NEW DEVELOPMENTS.**

23 (a) The PUC may contract with developers that are subject to a development
24 agreement with the City to install utility facilities that the PUC would otherwise be required to
25 install, without competitive bidding, provided that:

1 (1) The PUC has determined it is feasible to provide power to the development
2 project, and the developer has agreed that the PUC will be the power provider for the project;

3 (2) The City has entered into a development agreement that (A) requires the
4 developer to complete infrastructure for the project; and (B) includes a workforce and job
5 creation program that, among other things, requires nondiscrimination and the payment of
6 prevailing wages; and

7 (3) The PUC has reasonably determined that the amount payable to the
8 developer for the PUC work is equal to, or less than, the amount the PUC would expect to pay
9 to perform the same work itself through its standard contracting process.

10 (b) The PUC may consider every contract entered into under subsection (a) of this
11 Section 99.5 as supplemental to the work required under the development agreement,
12 provided the PUC includes in the contract: (1) the nondiscrimination and workforce
13 requirements contained in the applicable development agreement, so that the work is
14 performed in the same manner and with the same workforce requirements as the other
15 infrastructure work to be completed by the developer under the development agreement; and
16 (2) a detailed description of the developer's scope of work and PUC's costs. The PUC may
17 exclude from the contract any City contracting requirements that were waived by the Board of
18 Supervisors in its approval of the applicable development agreement.

19 (c) The PUC may contract to purchase from a customer existing or newly constructed utility
20 facilities that PUC would otherwise be required to install, provided that:

21 (1) The PUC has determined it is feasible to provide power to the customer's project,
22 and the customer has agreed that the PUC will be the power provider for the project;

23 (2) The PUC and the customer have entered into an agreement that (A) describes the
24 facilities and each party's cost responsibility; and (B) for new construction, requires a workforce
25 development program that includes nondiscrimination in contracts, prevailing wages, local hire, and

1 first source hiring; and

2 (3) The PUC has reasonably determined that any amount payable to the customer for
3 the facilities is equal to, or less than, the amount the PUC would expect to pay to perform the same
4 work itself through its standard contracting process.

5 (d) The PUC is authorized to accept ownership of the facilities purchased under this Section
6 99.5 and any associated easements, unless an applicable law, regulation or tariff requires ownership
7 by a third-party electric utility.

8 (e) Contracts PUC enters under this Section 99.5 are exempt from the requirements of
9 Chapters 6 and 21 of the Administrative Code.

10
11 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
12 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
13 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
14 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
15 additions, and Board amendment deletions in accordance with the “Note” that appears under
16 the official title of the ordinance.

17
18 Section 4. Effective Date. This ordinance shall become effective at 12:00 a.m. on
19 the 31st day after enactment. Enactment occurs when the Mayor signs the ordinance, the
20 Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of
21 receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

22 APPROVED AS TO FORM:
23 DAVID CHIU, City Attorney

24 By: /s/
SANDY GOLDBERG
25 Deputy City Attorney

4915-1199-0420, v. 1

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.



San Francisco
**Water
Power
Sewer**

Services of the San Francisco
Public Utilities Commission

Hetch Hetchy
POWER

Ordinance Amending the Administrative Code – Purchase of Electric Facilities

*Presentation to the Land Use and Transportation
Committee, San Francisco Board of Supervisors*

April 27, 2026

Catherine Spaulding

*Deputy Assistant General Manager, Power Planning and
Capital Delivery, San Francisco Public Utilities
Commission*

Davidson Substation Transformer Placement

Background – Need for New Development

Strong demand for new electric infrastructure

- We are expecting a sharp uptick in electrical demand
- We need new substations, transmission and distribution upgrades

Need for a unified construction process

- Large load customers want Hetch Hetchy Power service ASAP as part of larger construction projects on their property
- Private sector partners are accustomed to constructing and turning over facilities to utilities as part of these larger construction projects

Opportunity for New Electrical Infrastructure

- Existing Admin Code authorizes PUC to acquire facilities constructed by a customer when there is a development agreement
- Proposed amendment provides PUC the same authorization when a customer builds a new facility with significant electric load, but a development agreement is not needed
- Facilitates City policy for PUC electric service to new customers whenever feasible
- Opportunity to capture efficiencies of construction that is already underway and be responsive to market conditions
- Otherwise, PUC may not be able to complete the project in the timeframe needed by the customer

Success of Admin Code 99.5 to Date

- In 2021, the Board of Supervisors added Section 99.5 to the Admin Code on contracting with developers with a development agreement to install facilities PUC will acquire
- This has been very successful – City standards and requirements have been met, infrastructure successfully delivered
- Proposed amendment would extend this authority to other customers with significant new load

Proposed Authority Maintains City Standards

- Amounts PUC will pay to the customer for facilities may not exceed what PUC would expect to pay to perform the same work itself
- The PUC and customer have entered into an agreement that describes scope of work and each party's cost responsibility
- Such an agreement includes equity, labor, and local economic participation requirements
- City is authorized to accept ownership of the facilities, after testing and inspection
- Construction will be performed by licensed contractors and comply with applicable City building and electrical standards

City maintains control and accountability for outcomes

Proposal is in the Public Interest

Expedite customer
and rate base
growth

Expand City-owned
electrical
infrastructure

City's housing
density and climate
action priorities

Cost and efficiency
savings

Equity, labor, and
local economic
participation
requirements in
contracting



Services of the San Francisco
Public Utilities Commission

Hetch Hetchy
POWER

Thank you

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Carroll, John \(BOS\)](#); [BOS Legislation, \(BOS\)](#); [BOS-Operations](#)
Subject: File No. 260302 - Barklee Sanders - 2 Letters
Date: Wednesday, April 22, 2026 2:25:55 PM
Attachments: [260302 Barklee Sanders - 2 Letters.pdf](#)

Hello Supervisors,

Please see the attached 2 letters from Barklee Sanders regarding:

File No. 260302: 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.

Sincerely,

Justice Alcantar
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Phone: (415) 554-5184 | Fax: (415) 554-5163
board.of.supervisors@sfgov.org | sf.gov/bos

From: [Barklee Sanders](#)
To: [Board of Supervisors \(BOS\)](#)
Subject: Resident comment on File No. 260302 (SFPUC Section 99.5) — requesting amendments before Land Use hearing
Date: Monday, April 20, 2026 12:59:47 AM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisor Mandelman and Office of Board President,

I am a resident of Treasure Island writing to ask that File No. 260302 — the proposed Section 99.5 of the San Francisco Administrative Code — not advance out of committee without the amendments summarized below.

I have published a detailed resident analysis of the ordinance at:

<https://www.treasureislandsfpoweroutages.com/blog#news-2026-04-15-sfpuc-99-5>

I would welcome your office's notes, corrections, or additions — especially on any factual points where the analysis has misread the ordinance. My aim is an accurate, constructive record that makes the Committee hearing more useful, not a public attack on the sponsor.

My core concern: Section 99.5 exempts a new category of SFPUC transactions from Chapters 6 and 21 of the Administrative Code. Those are the competitive-bidding and Office of Contract Administration oversight chapters. They are the same chapters former SFPUC General Manager Harlan Kelly Jr. was convicted of circumventing in 2023. Four years after the federal honest-services-fraud conviction, the ordinance would legalize, prospectively, the procurement pathway the jury criminalized — with the added twist that the contractor-selection decision moves to a private developer, which may put that decision outside the reach of the statute Kelly was prosecuted under.

One point I want to be explicit about: the amendments below must apply to every single Section 99.5 transaction — \$1 or \$100 million. No dollar threshold, no "above \$500,000" audit trigger, no "above \$5 million" Board trigger, no General Manager discretion exemption for smaller contracts. Thresholds are exactly the escape hatch the Kelly prosecution showed gets abused: a favored contractor's work gets sliced into just-under-the-threshold change orders and the oversight never triggers. The only way to close that path is to apply the rules uniformly.

Specifically:

1. Independent third-party cost audit for every Section 99.5 transaction — no dollar-value exemption.
2. SFPUC approval of contractor selection before construction begins, not just reimbursement at the end — on every transaction.
3. Developer disclosure of contractor relationships — prior work, ownership, affiliated entities — on every transaction.
4. Ethics Commission filing for each Section 99.5 transaction — every transaction.
5. Sunset clause — three years, then Board reauthorization required.

6. Full Board of Supervisors approval for every Section 99.5 transaction — no minimum dollar threshold, no General Manager discretion carve-out.
7. Anti-kickback certification from developer and contractor under penalty of perjury — every transaction.
8. Preserve the workforce protections already in the ordinance.

Treasure Island has had 537+ documented power outages since 1997. We support cleaner ownership of new electric infrastructure here. We are not opposed to the structural intent of this ordinance. We simply cannot afford — literally, 2,000 residents on trust lands already \$55.9 million in deficit cannot afford — a procurement model where the developer picks the contractor, the developer sets the price, and the SFPUC pays the bill on its own internal determination.

I would be glad to meet with your staff, provide any data I have on past outages, or revise the public analysis if I have any fact wrong. Please feel free to reply directly or share the link with colleagues.

Thank you for your time and your service.

Barklee Sanders
Treasure Island resident
barkleesanders@gmail.com

From: [Barklee Sanders](#)
To: [Board of Supervisors \(BOS\)](#)
Subject: Supplement — credential on File 260302 (SFPUC CAC Power Subcommittee Chair, D6)
Date: Monday, April 20, 2026 1:18:13 AM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Brief supplement to my email earlier today regarding File No. 260302 (SFPUC Section 99.5).

For accuracy and for the record, I should have identified myself in the capacity that bears directly on this ordinance:

I am the Chair of the SFPUC Citizens' Advisory Committee (CAC) Power Subcommittee, representing District 6 — the same district that includes Treasure Island. The SFPUC CAC is the formal advisory body established under the San Francisco Charter to advise the SFPUC Commission, General Manager, and the Board of Supervisors on SFPUC policy and operational matters. The Power Subcommittee has direct subject-matter jurisdiction over the kind of SFPUC procurement exemption that Section 99.5 would authorize.

I am also a former Treasure Island resident (roughly five years).

Nothing in the analysis or the requested amendments changes. My concerns about Section 99.5 — that it reverses, without public notice, the post-Kelly joint oversight recommendations from the Controller, City Attorney, and Ethics Commission — are offered both as a former Treasure Island resident and in my CAC oversight capacity.

Full resident / CAC analysis:

<https://www.treasureislandsfpoweroutages.com/blog#news-2026-04-15-sfpuc-99-5>

Please treat this credential as an additional data point when deciding whether to weigh in at the Land Use & Transportation Committee hearing. The amendments I am asking for apply to every Section 99.5 transaction regardless of dollar value — no \$500,000 audit threshold, no \$5,000,000 Board threshold, no GM-discretion carve-out. Threshold triggers are the exact escape hatch the Kelly trial record showed gets sliced into just-under-threshold change orders.

Thank you for your time.

Barklee Sanders
Chair, SFPUC Citizens' Advisory Committee — Power Subcommittee (representing District 6)
Former Treasure Island resident
barkleesanders@gmail.com

From: [Carroll, John \(BOS\)](#)
To: [Barklee Sanders](#); [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: RE: Supplement — credential on File 260302 (SFPUC CAC Power Subcommittee Chair, D6)
Date: Monday, April 20, 2026 10:10:00 AM
Attachments: [image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the Land Use and Transportation committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

- [Board of Supervisors File No. 260302](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

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From: Barklee Sanders <barkleesanders@gmail.com>
Sent: Monday, April 20, 2026 1:18 AM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Supplement — credential on File 260302 (SFPUC CAC Power Subcommittee Chair, D6)

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Former Treasure Island resident

barkleesanders@gmail.com

From: [Carroll, John \(BOS\)](#)
To: ["Barklee Sanders"](#); [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: RE: Resident comment on File No. 260302 (SFPUC Section 99.5) — requesting amendments before Land Use hearing
Date: Monday, April 20, 2026 10:10:00 AM
Attachments: [image001.png](#)

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-

[Board of Supervisors File No. 260302](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



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Sent: Monday, April 20, 2026 12:59 AM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Resident comment on File No. 260302 (SFPUC Section 99.5) — requesting amendments before Land Use hearing

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Thank you for your time and your service.

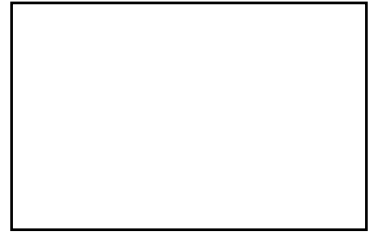
Barklee Sanders

Treasure Island resident

barkleesanders@gmail.com

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: