

[Administrative Code - Providing Electric Power to City Departments and New Developments]

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Ordinance amending the Administrative Code to clarify requirement for the City to provide electric service to City departments and facilities and to evaluate the feasibility of providing electric power to new developments and projects.

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

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

Section 1. The Administrative Code is hereby amended by revising Sections 99.1 and 99.2, to read as follows:

SEC. 99.1. FINDINGS.

(a) The Public Utilities Commission (PUC) has been providing clean power and other electric services to City departments and other entities for almost 100 years.

(b) The California Constitution, Article XI, Section 9, authorizes the City to provide electric service. The Raker Act (38 Stat. 242, 1913) requires the City to develop a hydroelectric system and authorizes power sales from it to any end use customer. Under Charter Section 8B.123, the PUC has exclusive charge of the City's energy supplies and utilities including, but not limited to, the hydroelectric facilities at Hetch Hetchy. Pursuant to that authority, the PUC should maximize the benefits of these energy supplies and utilities for the benefit of the people of San Francisco.

~~(c)A.~~ Section 16.101 of the Charter declares that it is the purpose and intention of the people of the City and County, when public interest and necessity demand, that public utilities shall be gradually acquired and ultimately owned by the City and County.

1 (d)B. In order to realize the benefits of the City's energy supplies and utilities and in
2 furtherance of Charter Section 16.101, the City should consider the feasibility of supplying
3 electricity to all new City developments, including, without limitation, military base reuse
4 projects, redevelopment projects, projects occupying any portion of public land, and projects
5 funded in whole or in part by local, State, or Federal funds and other City projects. The City has
6 typically provided electricity to these types of projects in addition to (i) City departments, facilities,
7 tenants, (ii) entities providing services on behalf of or in concert with the City, and (iii) other
8 governmental entities and nonprofits. The Board of Supervisors expects that the City will continue to
9 serve these types of projects.

10 (e) In addition to the types of projects identified in (d) above, certain other private projects
11 seeking City approvals, including but not limited to, new or substantial rehabilitation of more than 10
12 residential units or new or substantial rehabilitation of more than 10,000 square feet of occupiable
13 space, present good opportunities for City electric service. The City shall consider the feasibility of
14 supplying electricity to such projects where City electric service would benefit the City and the project
15 and where such service would be consistent with the PUC's resources, budget, business plans, and
16 priorities.

17 (f)C. The City's provision of electricity ~~to new City developments can~~ provides for clean,
18 reliable, and safe electric service as well as economic benefits to the City and the customer
19 new development project.

20 (g)D. The benefits of City-provided electric service ~~public power can~~ include local control,
21 lower rates, commitment to local communities, promotion of renewable energy and energy
22 efficiency, not-for-profit operations, public accountability, ~~local decision-making,~~ reliability of
23 service, and full attention to customer service, and the use of procedures and practices that are
24 protective of workers, the public, and the environment.

1 (h) The additional revenue provided by serving electricity to new customers can be used to
2 address the significant deferred maintenance for various power facilities, including substations,
3 hydroelectric generators, and street lights under the jurisdiction of the PUC for the benefit of San
4 Francisco.

5 ~~E. A public power utility would employ procedures and practices that are protective of its~~
6 ~~workers, the public and the environment.~~

7 **SEC. 99.2. REQUIREMENT TO STUDY FEASIBILITY.**

8 (a)A. The City PUC shall examine the feasibility of supplying electricity to all new City
9 developments, particularly those that would potentially yield the highest benefit to the City,
10 including, without limitation, military base reuse projects, redevelopment projects, projects
11 occupying any portion of public land, projects funded in whole or in part by local, State, or Federal
12 funds, and other City projects, and certain other private projects seeking City approvals.

13 (b)B. If, after considering the cost of providing service to a new project, the PUC deems
14 a project to be beneficial to the City, the project sponsor The City department or agency in charge of
15 the development project shall, in consultation work with the PUC San Francisco Public Utilities
16 Commission, to prepare an assessment of the feasibility of the City providing electric service to
17 the project development. The assessment shall include, but not be limited to, the following: (1)
18 electric load projection and schedule; (2) evaluation of existing electric infrastructure and new
19 infrastructure that will be needed; (3) analysis of purchase and delivery costs for electric
20 commodity as well as transmission and distribution services that will be needed to deliver
21 power to the development; (4) the potential for on-site generation and load reduction through
22 energy efficiency and demand response; (5) business structure cost analysis; and (6)
23 financial and cost recovery period analysis. The assessment shall determine whether the addition
24 of the new customer will benefit the City and its existing customers, considering the additional costs to
25 serve the new customer.

1 (c) Subject to required approvals and the assessment in Section 99.2(b), the PUC shall
2 supply electricity to new City developments and other projects, to the extent consistent with its
3 responsibility for the exclusive management, jurisdiction, and control of energy supplies and utilities of
4 the City as provided in Section 8B.121 of the Charter.

5 ~~C. The department or agency shall consider the timeline of the development project and~~
6 ~~submit its study of feasibility to the Board of Supervisors in a timely manner, with a copy to the San~~
7 ~~Francisco Public Utilities Commission.~~

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9 Section 2. The Administrative Code is hereby amended by adding Section 99.3 and
10 99.4, to read as follows:

11 **SEC. 99.3. ELECTRIC SERVICE TO CITY DEPARTMENTS AND FACILITIES**

12 (a) All City departments, including departments located in or on non-City-owned facilities
13 and properties, shall receive electric service from the PUC unless the PUC determines that such
14 service is not feasible or the City's lease or contract does not permit such service. All tenants in City
15 facilities or on City property shall receive electric service from the PUC unless the PUC determines
16 that such service is not feasible. Any lease, or sub-lease for a City facility or City property shall
17 include standard language identifying the PUC as the electric provider unless the PUC determines that
18 such service is not feasible.

19 (b) All City departments shall work with the PUC to plan for, design, and construct electric
20 infrastructure to determine the most beneficial means of constructing and funding infrastructure
21 needed for connection to the electric grid to maximize the long-term benefits and minimize costs to the
22 City.

23 **SEC. 99.4. COMMUNITY CHOICE AGGREGATION**

24 If and when a Community Choice Aggregation ("CCA") program in San Francisco is
25 implemented and serving customers, the PUC shall sell excess power supplies to the CCA, to

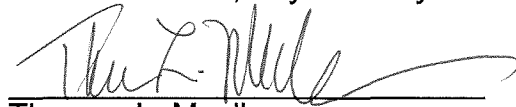
1 the extent feasible and consistent with good utility practice and the PUC's exclusive
2 jurisdiction under the Charter.

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4 Section 3. Effective Date. This ordinance shall become effective 30 days after
5 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
6 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
7 of Supervisors overrides the Mayor's veto of the ordinance.

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9 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
10 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
11 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
12 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
13 additions, and Board amendment deletions in accordance with the "Note" that appears under
14 the official title of the ordinance.

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17 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

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19 By:



Theresa L. Mueller
Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 140704

Date Passed: December 09, 2014

Ordinance amending the Administrative Code to clarify the requirement for the City to provide electric service to City departments and facilities and to evaluate the feasibility of providing electric power to new developments and projects.

November 24, 2014 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

November 24, 2014 Land Use and Economic Development Committee - RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

November 25, 2014 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Avalos, Breed, Campos, Chiu, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Cohen

December 09, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140704

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 12/9/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor
Date Approved