

1 [Affordable Housing Agreement - Pacific Gas and Electric Company - Term of Ten or More
2 Years]

3 **Resolution approving an agreement between the City and County of San Francisco and**
4 **Pacific Gas and Electric Company establishing requirements for certain affordable**
5 **housing projects to connect to the electric grid for a term of ten or more years, to**
6 **commence following approval by the Federal Energy Regulatory Commission.**

7
8 WHEREAS, The City and County of San Francisco (“City”), through the San Francisco
9 Public Utilities Commission (“SFPUC”), has been providing electric service to affordable
10 housing projects for decades; and

11 WHEREAS, In most cases, the SFPUC must obtain wholesale distribution service
12 from Pacific Gas and Electric Company (“PG&E”), pursuant to the terms and conditions of
13 PG&E’s Wholesale Distribution Tariff on file with the Federal Energy Regulatory Commission
14 (“FERC”), because the City does not own the electric distribution grid; and

15 WHEREAS, San Francisco housing costs are among the nation’s highest and most
16 unaffordable, with approximately one-third of households burdened with housing costs more
17 than 30 percent of their income, and 17 percent of renters “extremely rent-burdened,”
18 meaning they spent 50 percent or more of their household income on rent; and

19 WHEREAS, San Francisco addresses this housing crisis in several ways, including by
20 investing significant public funding to create new and preserve existing housing affordable to
21 low- and moderate-income households; and

22 WHEREAS, In the past, at most affordable housing projects the SFPUC has obtained
23 secondary voltage level service from PG&E; and

1 WHEREAS, In recent years, PG&E has required these and other projects to connect at
2 primary voltage levels, using large, expensive equipment designed for much larger projects;
3 and

4 WHEREAS, At many of the affordable housing projects being developed in San
5 Francisco, it is both cost-prohibitive and infeasible due to space constraints to install the
6 equipment necessary to obtain primary voltage electric service, therefore undermining San
7 Francisco’s strategies to address its affordable housing crisis; and

8 WHEREAS, The City and PG&E share a goal of supporting the development of high-
9 quality 100 percent affordable housing in San Francisco and providing its residents with
10 affordable electric service that will help protect vulnerable households and strengthen the
11 City’s diverse communities; and

12 WHEREAS, Under the terms of the agreement on file with the Clerk of the Board of
13 Supervisors in File No. 211053, PG&E has agreed to provide secondary-level wholesale
14 distribution service to SFPUC for new 100 percent affordable housing projects that are on
15 City-owned land, subject to certain conditions (“Agreement”); and

16 WHEREAS, The Agreement will enable the SFPUC to provide electric service to some
17 new affordable housing projects being developed in the next ten years or more; and

18 WHEREAS, The term of the Agreement is for ten years, but the SFPUC and PG&E
19 may agree to extend the term for up to an additional five years without additional approval by
20 this Board of Supervisors or the Public Utilities Commission; and

21 WHEREAS, The Agreement does not obligate the SFPUC to expend any City funds;
22 and

23 WHEREAS, On September 28, 2021, in Resolution No. 21-0153, the SFPUC approved
24 the Agreement and authorized the General Manager of the SFPUC to seek Board of
25 Supervisors’ approval of the Agreement; and

1 WHEREAS, Section 9.118(b) of the San Francisco Charter requires approval by the
2 Board of Supervisors (“Board”) for contracts in excess of ten years; and

3 WHEREAS, This Agreement will be submitted to the FERC for approval, if approved by
4 this Board of Supervisors, and will not become effective unless approved by the FERC; now,
5 therefore, be it

6 RESOLVED, That the Board approves the Agreement for a term of ten years or more
7 from the effective date of the Agreement; and, be it

8 FURTHER RESOLVED, That the Board further authorizes the SFPUC General
9 Manager to extend the term of the Agreement for up to an additional five years, subject to the
10 agreement of PG&E; and

11 FURTHER RESOLVED, That the Board further authorizes the SFPUC General
12 Manager to enter into any modifications and amendments to the Agreement that the General
13 Manager determines, in consultation with the City Attorney, are in the best interests of the City
14 and do not materially increase the obligations or liabilities of the City, are necessary or
15 advisable to effectuate the purposes of the Agreement, and are in compliance with all
16 applicable laws, including the City’s Charter; and, be it

17 FURTHER RESOLVED, That within 30 days of the Agreement being fully executed
18 by the parties, the SFPUC shall provide it to the Clerk of the Board for inclusion in the
19 official file.