

1 [Resolution]

2 [RESOLUTION URGING THE CALIFORNIA PUBLIC UTILITIES COMMISSION TO PROTECT
3 SAN FRANCISCO'S CITIZENS FROM EXTRAORDINARILY HIGH ELECTRICITY PRICES
4 RESULTING FROM DEREGULATION AS WELL AS URGING THAT EXISTING POWER PLANTS
5 AND INFRASTRUCTURE BE RETROFITTED AND MAINTAINED BEFORE NEW POWER PLANTS
6 ARE ERECTED]

7 WHEREAS, Affordable electric energy service is a basic necessity for
8 the health and safety of the San Francisco residents, particularly
9 vulnerable low income citizens, many of whom are seniors or disabled; and

10 WHEREAS, Assembly Bill 1890 of the California Legislature (AB 1890)
11 was promoted as a means to reduce California's electricity costs,
12 forecasting that a competitive marketplace would lower electric utility
13 rates by 10% to 20%; and

14 WHEREAS, Dramatic growth in the California economy has tremendously
15 increased demand for electricity during a period of very limited supply,
16 leading to extraordinary prices for electric energy procurement; and,

17 WHEREAS, AB 1890 included a temporary rate freeze to ease
18 California's transition to a competitive marketplace; and,

19 WHEREAS, Pacific Gas & Electric Company, procurer and distributor of
20 electric energy to San Francisco has asked the California Public Utilities
21 Commission (PUC) to remove the rate freeze, an action that has resulted in
22 doubling and tripling of electricity rates in the San Diego area; and,

23 WHEREAS, Extraordinary increases in energy costs are the opposite of
24 the AB 1890's stated goals, and low income citizens who currently spend a
25 disproportionately high percentage of their income on energy consumption

1 (estimated at 10%) may be overwhelmed if their energy costs increase to
2 between 20% and 30% of their income; and,

3 WHEREAS, Public purpose benefit programs originally included in AB
4 1890 will become increasingly important to low income citizens if
5 electricity rates increase in San Francisco as they have in the San Diefo
6 area; and

7 WHEREAS, The CPUC recently reduced the function and funding of the
8 Low Income Advisory Board; and

9 WHEREAS, Environmentally favorable methods for closing the supply/
10 demand gap, such as distributed solar photovoltaic generation and energy
11 efficiency improvement have not been implemented on a sufficient scale to
12 have the desired effect, and

13 WHEREAS, Innovative solutions to energy shortages, like the Summer
14 Initiative can rapidly close the supply/demand gap, simultaneously reduce
15 consumer's overall energy cost while protecting California's long term
16 environmental interests; and

17 WHEREAS, Investor-owned utilities have existing agreements with the
18 CPUC that should not allow for lifting the rate freeze under the present
19 circumstances; and

20 WHEREAS, The San Francisco Board of Supervisors recognizes the
21 importance of protecting citizens from the unintended negative
22 consequences of the deregulation process; now, therefore be it

23 RESOLVED, that the San Francisco Board of Supervisors urges the CPUC
24 not to grant requests to lift the electric rate freeze, particularly
25

1 because it is an action proven in San Diego to overwhelm the resources of
2 low income citizens, many of whom are seniors or disabled; and be it

3 FURTHER RESOLVED that the San Francisco Board of Supervisors urges
4 the CPUC to assure the delivery of essential electric energy to the
5 maximum number of eligible low income citizens through discounts and
6 programs by all prudent means including reinstating the full spectrum of
7 activities undertaken by the Low Income Advisory Board; and be it

8 FURTHER RESOLVED that the San Francisco Board of Supervisors urges
9 the CPUC to meet California's long term energy needs while protecting our
10 environment, with particular attention to global warming, by deriving
11 electricity supply from renewable sources, including distributed
12 generation in high density in high density centers like San Francisco; and
13 be it

14 FURTHER RESOLVED that the San Francisco Board of Supervisors urges
15 the CPUC to make choices for closing the supply/demand gap that follow the
16 model of the Summer Initiative, implementing streamlined programs,
17 targeted to present the California community with energy efficiency
18 improvement opportunities that are in customer's enlightened self interest
19 and in the best interests of California; and so be it

20 FURTHER RESOLVED that the San Francisco Board of Supervisors urges
21 the CPUC to hold the investor-owned utilities to the spirit and letter of
22 the existing agreements established to guide California through a smoother
23 transition to a competitive marketplace that the existing infrastructure
24 for the delivery of electrical power be upgraded so as to ensure greater
25 efficiency and maintenance of California's power plants.



City and County of San Francisco

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

Tails
Resolution

File Number: 002166

Date Passed:

Resolution urging the California Public Utilities Commission to protect San Francisco's citizens from extraordinarily high electricity prices resulting from deregulation as well as urging that existing power plants and infrastructure be retrofitted and maintained before new power plants are erected.

December 18, 2000 Board of Supervisors — ADOPTED

Ayes: 8 - Ammiano, Becerril, Bierman, Brown, Kaufman, Leno, Newsom, Yee
Absent: 3 - Katz, Teng, Yaki

File No. 002166

I hereby certify that the foregoing Resolution was ADOPTED on December 18, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.

December 28, 2000

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.

Gloria L. Young
Clerk of the Board

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002166