

1 [Electricity Resource Plan.]

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3 **Resolution endorsing the electricity resource plan for San Francisco**

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5 WHEREAS, The Energy Resources Conservation and Development Commission
6 (California Energy Commission) has recognized Southeast San Francisco as a minority
7 community entitled to environmental justice; and,

8 WHEREAS, All of the major electrical generating units in San Francisco are located in
9 Southeast San Francisco which includes Bayview, Hunters Point, Potrero Hill and Dogpatch
10 neighborhoods; and,

11 WHEREAS, Ordinance 124-01, adopted by the Board of Supervisors on May 29, 2001,
12 set forth minimum requirements for the protection of human health and the environment
13 related to proposals for new electric generation in Southeast San Francisco; and,

14 WHEREAS, The permanent closure of the Hunters Point power plant has long been a
15 community and City objective; and,

16 WHEREAS, The City entered an agreement with PG&E in 1998 to close Hunters Point
17 power plant as soon as it is not needed to ensure electric reliability; and

18 WHEREAS, Under the Clean Air Act, the Hunters Point power plant is subject to
19 expensive retrofits in 2005 that could result in its continued operation for years to come; and,

20 WHEREAS, Sufficient generation and load reduction alternatives should be
21 implemented by 2005 in order to avoid a retrofit of the Hunters Point power plant; and,

22 WHEREAS, San Francisco, a constrained transmission area because of its location at
23 the tip of a peninsula, has ongoing challenges maintaining energy reliability; and,

24 WHEREAS, Reliable electricity is critical to local residents, organizations, and the San
25 Francisco economy; and,

1 WHEREAS, Long-term energy planning can result in long-term cost savings to the City
2 and consumers; and,

3 WHEREAS, Ordinance 124-01 directed the Public Utilities Commission (PUC) and the
4 Department of the Environment (ENV) to develop an energy resource plan "to implement all
5 practical transmission, conservation, efficiency, and renewable alternatives to fossil fuel
6 generation" in San Francisco; and

7 WHEREAS, Between November 2001 and August 2002, the staff of PUC and ENV
8 hosted nine neighborhood meetings and three meetings with representatives of the San
9 Francisco business community to solicit input, and participated in public forums on energy
10 policy with energy experts, planners, and business and community leaders; and,

11 WHEREAS, Based upon these meetings and the technical assistance of Rocky
12 Mountain Institute, an independent consultant, the staff developed and distributed a draft
13 "Electricity Resource Plan" describing three scenarios to illustrate critical issues and possible
14 options for addressing them; and,

15 WHEREAS, Based on public input and findings determined after a year of research
16 and evaluation of San Francisco's electric resources, potential for demand reduction through
17 energy efficiency and peak electricity load control, prospects for renewable resources, and
18 opportunities for new, clean energy technologies, the staffs of PUC and ENV selected one
19 scenario to put forth as the Electricity Resource Plan (the Plan) for San Francisco; and,

20 WHEREAS, In August, 2002 the PUC and ENV submitted the Plan to the Board of
21 Supervisors; and,

22 WHEREAS, the Plan is on file with the Clerk of the Board of Supervisors in File No.
23 _____ which is hereby declared to be a part of this resolution as if set forth fully
24 herein; and,
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1 WHEREAS, A public hearing on the Plan was held before the Health and Human
2 Services Committee of the Board of Supervisors on September 19, 2002; and,

3 WHEREAS, The Plan identifies eight goals that were developed through public
4 comment and used to guide the Plan: maximize energy efficiency, develop renewable power,
5 assure reliable power, support affordable electric bills, reduce air pollution and prevent other
6 environmental impacts, support environmental justice, develop the local economy, and
7 increase local control over energy resources; and

8 WHEREAS, The Plan presents an overview of San Francisco's energy situation,
9 including a discussion of the existing transmission, generation, conservation, and renewable
10 resources that serve San Francisco and potential new resources that could serve San
11 Francisco; and,

12 WHEREAS, The Plan discusses potential actions that could reduce local air pollutants,
13 improve electric reliability, increase local control of energy resources, protect against price
14 spikes and accelerate the development of renewable energy technologies; and,

15 WHEREAS, The Plan discusses actions that can be implemented in a manner that
16 supports the development of local businesses and job opportunities; and,

17 WHEREAS, The Plan discusses actions that could allow for the closure of Hunters
18 Point power plant by 2005 by developing cleaner, more reliable fossil generation and other
19 resources to replace Hunters Point power plant; and

20 WHEREAS, Currently PG&E may only operate Hunters Point power plant when called
21 on to do so by the California Independent System Operator (ISO); and

22 WHEREAS, Further reductions in the operation of Hunters Point power plant would
23 reduce local and regional air pollution; and
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1 WHEREAS, The actions proposed in the plan are intended to be in the nature of
2 general recommendations requiring further detail, study, fiscal analysis and public review
3 before implementation of any specific action; and

4 WHEREAS, The Plan does not include analysis of costs or financing options for
5 potential projects; and

6 WHEREAS, The timelines for project development included in the Plan are estimates
7 which will require revision after additional study; and

8 WHEREAS, The Planning Department has not completed its review of the Plan to
9 determine compliance with environmental laws; and

10 WHEREAS, Implementation of any specific actions identified by the Plan will require
11 the cooperation of state agencies; and

12 WHEREAS, Implementation of any specific actions identified by the Plan will require
13 the commitment of City and State resources; now, therefore be it

14 RESOLVED, That the Board of Supervisors commends the staff of the PUC and ENV,
15 as well as members of the community, for participating in an unprecedented public process
16 and for producing an informative, visionary plan; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors adopts the Electricity Resource
18 Plan as a policy guideline to be used in proposing and implementing specific actions, subject
19 to the requirements necessary to comply with environmental laws, including an analysis of
20 alternatives and mitigations; and, be it

21 FURTHER RESOLVED, That the City should begin the work needed to develop and
22 implement specific actions identified in the plan; and, be it

23 FURTHER RESOLVED, That the PUC and ENV should establish a working group of
24 key City personnel and community stakeholders to prioritize projects that may be developed in
25 implementing the plan and to identify needed resources; and, be it

1 FURTHER RESOLVED, That the PUC and ENV, in conjunction with the Mayor's
2 Budget Office and the Board of Supervisors' Budget Analyst, shall develop a detailed fiscal
3 analysis of the Plan's recommendations; and, be it

4 FURTHER RESOLVED, That the PUC and ENV should report back to the Board of
5 Supervisors by May 1, 2003 on the progress of this effort, including a corresponding fiscal
6 analysis, based on the priorities of permanently closing the Hunters Point power plant,
7 ensuring the protection of human health and the environment, and providing reliable
8 electricity; and, be it

9 FURTHER RESOLVED, That the PUC and ENV should integrate implementation of the
10 Plan into their Fiscal Year 2003-2004 budget submissions to the Mayor and Board of
11 Supervisors; and, be it

12 FURTHER RESOLVED, That the PUC and ENV shall continue to involve residents,
13 community organizations, and businesses throughout future planning and implementation of
14 the Plan and shall create opportunities for citizen participation, especially in affected
15 communities; and, be it

16 FURTHER RESOLVED, That the City shall not operate new fossil fuel generation in
17 Southeast San Francisco beyond what is necessary for reliability testing prior to the
18 permanent shutdown of Hunters Point power plant as a source of fossil fuel generation; and,
19 be it

20 FURTHER RESOLVED, That the City urges the ISO to allow operation of the Hunters
21 Point power plant only when needed to prevent local blackouts; and, be it

22 FURTHER RESOLVED, That the PUC, ENV, and City Attorney should work with the ISO to
23 identify and implement additional means of reducing pollution by further limiting the operation
24 of the Hunters Point power plant until its closure at the earliest possible date.
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