

1 [Approving agreement to decommission power plants and withdrawal of bid]  
2 APPROVING AN AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY TO  
3 DECOMMISSION HUNTERS POINT POWER PLANT AND WITHDRAW CITY'S BID TO  
4 PURCHASE HUNTERS POINT POWER PLANT AND POTRERO POWER PLANT.

5 This entire section is new.

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

7 Section 1. Findings.

8 A. In response to the mandate of the California Legislature, as set forth in  
9 Assembly Bill 1890, and the direction of the California Public Utilities Commission, Pacific  
10 Gas and Electric Company ("PG&E") has elected to divert itself of the Hunters Point and  
11 Potrero Power Plants ("Power Plants") located in San Francisco.

12 B. The City has an interest in ensuring a reliable long-term supply of electricity to  
13 the City and its inhabitants, as well as an interest in protecting the local environment and the  
14 health and welfare of San Franciscans.

15 C. If the City does not acquire the Power Plants, they will be sold to third parties  
16 through an auction process, and the City will have only very limited control over the operator  
17 of the Power Plants.

18 D. Many citizens in the City have urged the San Francisco Public Utilities  
19 Commission ("SFPUC") and the Board of Supervisors to consider the purchase of the Power  
20 Plants so that the City can address issues of air pollution, public health impact, reliable  
21 electricity, energy conservation, and the use of alternative forms of energy.

22 E. Coincident with the SFPUC's selection of CMS/Wellhead as a partner to finance  
23 the purchase of the Power Plants, PG&E informed the City that it would no longer sell the  
24 Power Plants to the City through a negotiation, but rather that the City should purchase the  
25 Power Plants through the auction.

1 F. The City filed a motion with the California Public Utilities Commission to require  
2 that the auction of the power plant include in the bidding consideration of the direct price,  
3 other financial benefits for the rate payers and non-price factors.

4 G. PG&E has agreed to decommission the Hunters Point Power Plant if the City  
5 agrees to settle the above litigation by withdrawing its bid for the power plants.

6 Section 2. Settlement Agreement

7 The City agrees to settle the litigation now pending before the California Public Utilities  
8 Commission in the matter of Application of Pacific Gas and Electric Company for  
9 Authorization To Sell Certain Generating Plants And Related Assets Pursuant to Public  
10 Utilities Code Section 851, File No. A 98-01-008, pursuant to the terms of the attached and  
11 incorporated settlement agreement.

12  
13 APPROVED AS TO FORM:

14 LOUISE H. RENNE, City Attorney

15  
16  
17 By:

  
Deputy City Attorney

Board of Supervisors, San Francisco

Passed on First Reading

August 24, 1998

Ayes: Supervisors Ammiano Bierman  
Brown Kaufman Leno Medina Newsom  
Yaki Yee

Absent: Supervisor Katz Teng

§ Finally Passed

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§ September 14, 1998

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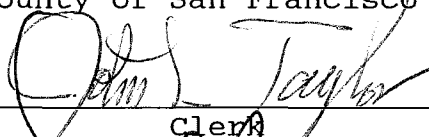
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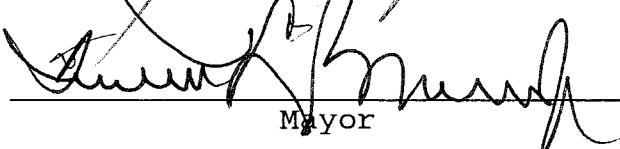
§ Ayes: Supervisors Ammiano Bierman  
§ Brown Katz Kaufman Leno Medina  
§ Newsom Teng Yaki

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§ Absent: Supervisor Yee

I hereby certify that the foregoing ordinance  
was finally passed by the Board of Supervisors  
of the City and County of San Francisco

  
\_\_\_\_\_  
Clerk

  
\_\_\_\_\_  
Mayor

File No.  
98-1256

SEP 18 1998

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Date Approved