

1 [Purchase of Renewable Electricity - Public Utilities Commission - Not to Exceed \$15,775,000]

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3 **Resolution authorizing the General Manager of the Public Utilities Commission to**
4 **enter into an agreement with Southern California Edison Company for CleanPowerSF**
5 **to purchase renewable energy for the period of January 1, 2020, through December 31,**
6 **2021, for a total cost of \$15,775,000.**

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8 WHEREAS, State law allows cities and counties to develop community choice
9 aggregation (CCA) programs, through which local governments supply electricity to serve the
10 needs of participating customers within their jurisdictions while the existing utility continues to
11 provide services such as customer billing, transmission, and distribution; and

12 WHEREAS, In May 2016, the San Francisco Public Utilities Commission (PUC)
13 launched a CCA program called CleanPowerSF to provide San Francisco residents and
14 businesses the option to receive cleaner, more sustainable electricity at rates comparable to
15 those offered by Pacific Gas & Electric Company (PG&E); CleanPowerSF uses clean and
16 renewable energy purchased from various facilities, including energy from Hetch Hetchy; and

17 WHEREAS, State law requires entities that provide electric service to customers,
18 including CCAs like CleanPowerSF, to meet certain requirements to provide electricity from
19 renewable energy sources; and

20 WHEREAS, To meet those requirements, CleanPowerSF has issued several
21 competitive solicitations for renewable energy supplies for 2020 and 2021; CleanPowerSF
22 has executed a number of agreements for renewable energy but has not been able to obtain
23 sufficient volumes of renewable energy to meet State law requirements for 2020 and 2021;
24 and

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1 WHEREAS, CleanPowerSF participated in a solicitation for renewable energy issued
2 by Southern California Edison Company (“SCE”); and

3 WHEREAS, SCE accepted CleanPowerSF’s bid for volumes that satisfy
4 CleanPowerSF’s remaining renewable energy obligations for 2020 and 2021; and

5 WHEREAS, CleanPowerSF has negotiated an agreement with SCE for renewable
6 energy for renewable energy supply for the period of January 1, 2020, through December 31,
7 2021, in the amount of \$15,775,000; and

8 WHEREAS, SCE requires the use of Edison Electric Institute (EEI) pro forma power
9 purchase contract for all short-term renewable energy contracts; that form agreement is on
10 file with the Clerk of the Board of Supervisors in File No. 190674; and

11 WHEREAS, In Ordinance Nos. 75-15, 223-15, and 8-18, the Board of Supervisors
12 authorized the PUC to use certain pro forma contracts, including the EEI pro forma power
13 purchase agreement, and to deviate from certain otherwise applicable contracting
14 requirements; and

15 WHEREAS, The agreement with SCE requires binding arbitration of any disputes
16 between the City and SCE; the Board of Supervisors in Ordinance No. 227-18 delegated to
17 the General Manager of the PUC the authority to enter into contracts to purchase electricity
18 that contain a binding arbitration provision, subject to certain conditions, all of which are
19 satisfied in this instance; and

20 WHEREAS, The San Francisco Public Utilities Commission will consider the SCE
21 agreement during its meeting on June 25, 2019; and

22 WHEREAS, Section 9.118(b) of the Charter requires the Board of Supervisors to
23 approve contracts that are estimated to cost \$10,000,000 or more; now, therefore, be it

24 RESOLVED, That the Board of Supervisors hereby authorizes the General Manager
25 of the Public Utilities Commission to execute an agreement with Southern California Edison

1 Company to purchase renewable energy in an amount not to exceed \$15,775,000 with the
2 term of January 1, 2020, through December 31, 2021; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the General
4 Manager of the Public Utilities Commission and the City Attorney to make amendments to
5 the agreement with SCE that do not materially increase the obligations or liabilities of the
6 City; and, be it

7 FURTHER RESOLVED, That within thirty days of the execution of the agreement by
8 all parties the General Manager of the Public Utilities Commission shall provide the final
9 agreement to the Clerk of the Board for inclusion in the official file.

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