

item #50 File No. 181242



CleanPowerSF Rates Hearing

Board of Supervisors

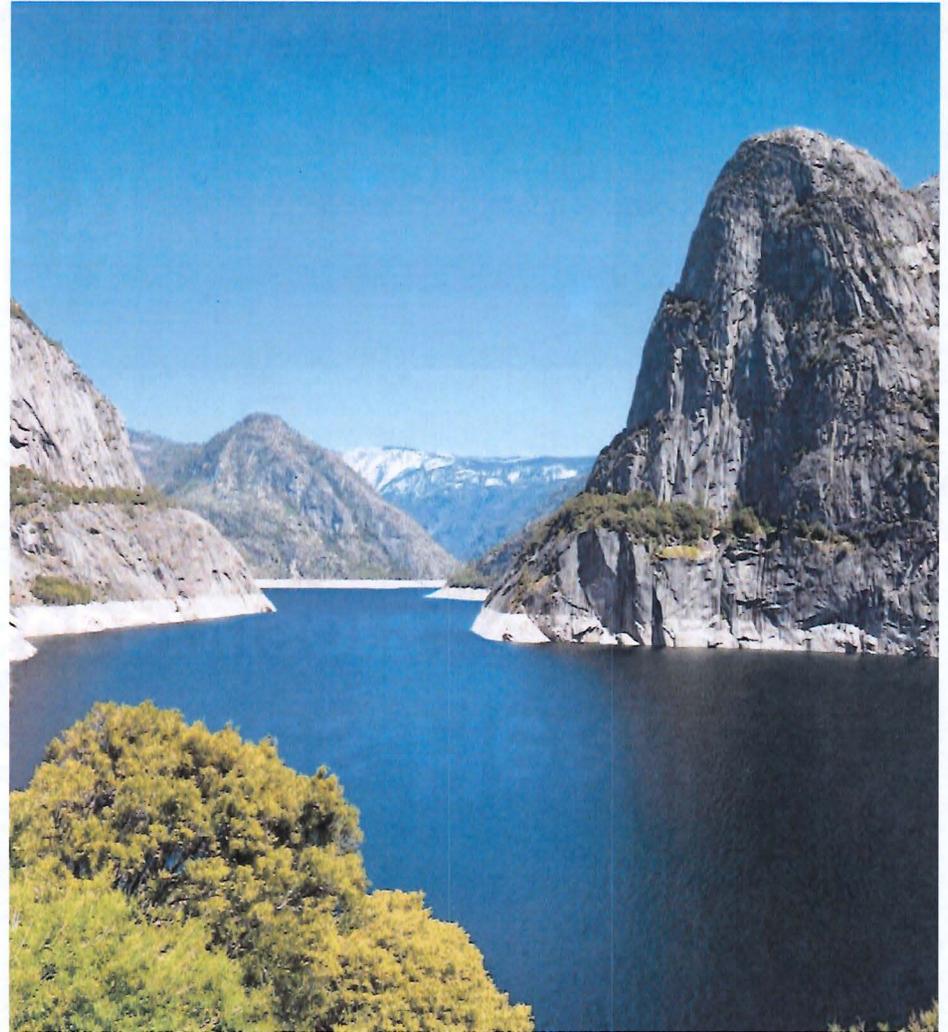
January 15, 2019

The CleanPowerSF logo, with "Clean" in green, "Power" in yellow, and "SF" in blue, all in a bold sans-serif font.



SFPUC Power Enterprise

- Is the local, publicly-owned electric utility of the City and County of San Francisco.
- Has been providing clean power to San Francisco for nearly 100 years.
- Now operates **CleanPowerSF**, San Francisco's community choice aggregation program.



We Operate Two Programs – Both Rely On PG&E to Distribute Power

1. Hetch Hetchy Power Electricity Service (Public Utility)



2. CleanPowerSF Electricity Service (CCA)





What is the CleanPowerSF Program?

- San Francisco's Community Choice Aggregation (CCA) program administered by the SFPUC
- CCA programs authorized by CA Assembly Bill 117 (Migden, 2002)
 - Allows a city or county to become the default electric supplier in its jurisdiction
- By statute, CCA is an opt-out program
 - CCA customers pay PG&E an on-going "exit fee" on their monthly bills to avoid "stranded costs"



CleanPowerSF Program Goals



Lead with **Affordable** and Reliable Service



Provide **Cleaner** Electricity Alternatives



Invest in **Local Renewable/Demand-Side** Projects and Local Jobs

While Providing for Long-Term Rate and Financial Stability

Balanced Program Design

Allows Delivery Across Competing Objectives While Providing Financial Stability



Customer Choices Under CleanPowerSF

Green

43% RENEWABLE

Lower carbon footprint than taking PG&E electric supply.

Goal is to be carbon-free by 2030.

SuperGreen



100% RENEWABLE

Optional upgrade to 100% renewable power.

No carbon footprint from electricity use.

Customers can upgrade (and downgrade) anytime!

Opt Out

33% RENEWABLE

You may elect to opt-out of CleanPowerSF at any time.

You will be subject to PG&E terms and conditions if you opt-out more than 60 days after CleanPowerSF service start.



CleanPowerSF Implementation

- Started serving customers in May 2016
- Now enrolled 117,000 accounts (about 30% of eligible accounts citywide)
- Plan to enroll 280,000 accounts in April 2019
 - Once completed, expecting to serve \approx 365,000 accounts (after opt-out)
- SFPUC enrollment policy requires that CleanPowerSF rates be projected to be at or below PG&E rates at the time of enrollment





Upcoming PG&E Rate Changes

- PG&E's rates are expected to change in early 2019
 - PG&E's exit fee is expected to increase for commercial customers and decrease for residential customers
 - PG&E's generation rates are projected to decrease for all customer classes
- Without rate action, all CleanPowerSF customers' costs will be higher than PG&E service



CPUC Decision on Exit Fee October 2018

An Open Letter to Members of the
California Public Utilities Commission

We Urge You to Put People
Over Corporate Profits

Signed:

London Breed
Mayor, City and County of San Francisco

Sam Liccardo
Mayor, City of San Jose

Libby Schaaf
Mayor, City of Oakland

Jeff Mahoney
Mayor, City of Alameda

Tom Blitt
Mayor, City of Richmond

Dan Taylor
Supervisor, Yolo County

Dear Commissioners:

As California hosts the Global Climate Action Summit, you consider the many ways local governments are advancing clean energy advancement in California. Public, transit, and community choice aggregation (CCA) programs in 15 counties across our state face uncertainty as you de

Update: Cpuc Approves Higher Electricity Fees For Customers Who Buy From Local Programs

Bay City News Service Published 8:30 pm PDT, Thursday, October 11, 2018



September 4, 2018

President Michael Picker
Commissioner Carla J. Peterman
Commissioner Liane M. Randolph
Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen

RE: California Public Utilities Commission Proposed Decision and Alternate Proposed Decision on the Power Charge Indifference Adjustment

The alternate proposal would roll back clean energy efforts by our communities, hit low-income customers the hardest, and reward

- City of Hockley: Sally Jonathan, Mayor, City of Palm Desert
- City of Campbell: Gene Hendricks, Mayor, City of Sunnyvale
- City of Davis: Harry Schwartz, Councilmember, City of Agoura Hills
- City of Manhattan Beach: Kevin McKnew, Councilmember, City of Santa Monica
- City of Rolling Hills Estates: Diana Mahmud, Councilmember, City of South Pasadena
- City of Colton: Aaron Peskin, Supervisor, City and County of San Francisco
- City of Colobias: Richard Kite, Mayor, City of Rancho Mirage
- City of San Francisco: Ted West, Councilmember, City of Rancho Mirage
- City of Rancho Mirage: Peter Hauss, Councilmember, City of Albany
- City of Albany: Clarine Martinez, Councilmember, City of Emeryville
- City of Emeryville: Bruce McPherson, Supervisor, County of Santa Cruz
- City of Albany: Laurence M. Hoy, Councilmember, City of Hillsborough
- City of Emeryville: Jeff Aaris, Councilmember, Town of Portola Valley
- City of Albany: Carole Groom, Councilmember, City of Albany

BIZ & TECH // BUSINESS

Marin, SF clean power customers could pay more under PG&E proposal

- City of San Bruno: Councilmember, Town of Loomis
- City of San Bruno: Catherine Sklaris, Supervisor, City and County of San Francisco
- City of Colton: Mark Landman, Mayor, City of Colton
- City of Pacifica: Amy Harrington, Vice Mayor, City of Sonoma
- City of Woodside: Amy O. Alarico, Councilmember, City of Robert Park
- City of Woodside: Bruce Okreggie, Councilmember, City of Lincoln



SFPUC Recommended Rate Action

- Reduce CleanPowerSF's Green Product rates by the amount PG&E's generation rates are expected to decrease
- Provide customer with a monthly bill credit to cover increases in PG&E's exit fees
- Authorize General Manager to finalize rates once PG&E's rates are known



Financial Impact of Action

- Reduces revenues
- Program will still recover costs and contribute to financial reserves, but at a lower level
- May impact program's ability to invest in more expensive local renewable energy projects



Potential Impacts of PG&E Notice

- PG&E stated to US Securities and Exchange Commission that it intends to file for bankruptcy on or about January 29, 2019
- Bankruptcy could disrupt flow of remittances to CleanPowerSF

PG&E bankruptcy coming this month

Legislature: No rush to come to the rescue of beleaguered utility

By John Wildermuth and J.D. Morris

Firm in turmoil: CEO out; claims pour in — but power staying on

By J.D. Morris

Sign up today at

www.CleanPowerSF.org

CleanPowerSF

Same Service • Cleaner Energy



San Francisco
Water
Power
Sawyer

