

AMENDED IN COMMITTEE  
10/30/2019

FILE NO. 190997

RESOLUTION NO.

1 [Purchase Agreement - Retroactive - Pacific Gas & Electric Company - Electricity-Related  
2 Products - Not to Exceed \$11,070,118]

3 **Resolution retroactively authorizing an agreement for CleanPowerSF to purchase**  
4 **electricity-related products from Pacific Gas & Electric Company for a term of January**  
5 **1, 2020 through December 31, 2022, for a total cost of \$11,070,118.**

6  
7 WHEREAS, State law allows cities and counties to develop community choice  
8 aggregation (CCA) programs, through which local governments supply electricity to serve the  
9 needs of participating customers within their jurisdictions while the existing utility continues to  
10 provide services such as customer billing, transmission, and distribution; and

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

17 WHEREAS, State law requires load serving entities (LSEs) that provide electric service  
18 to customers, such as CleanPowerSF and Hetch Hetchy Power, to own or procure certain  
19 quantities of an electricity-related product known as Resource Adequacy (RA); the RA  
20 compliance obligations include annual requirements established by the California Public  
21 Utilities Commission (CPUC) for specific quantities of different types of RA and specific  
22 quantities of RA located in a number of different geographical areas; and

23 WHEREAS, On July 26, 2019, the CPUC provided each LSE, including  
24 CleanPowerSF, with a preliminary notice of the estimated volumes of RA the LSE is required  
25 to own or procure for the 2020 through 2022 period; on September 20, 2019, the CPUC

1 provided final notice to each LSE, including CleanPowerSF, of the actual volumes of RA that  
2 the LSE is required to procure by October 31, 2019 in order to meet its RA compliance  
3 obligations for the period 2020 through 2022; and

4 WHEREAS, CleanPowerSF has issued multiple requests for offers for RA for the 2020  
5 through 2022 time period and has executed RA contracts with several suppliers, but the PUC  
6 has determined that in order to procure sufficient amounts of RA for the 2020 through 2022  
7 time period, CleanPowerSF has no choice but to contract with PG&E; and

8 WHEREAS, To timely meet state law requirements, the PUC executed an agreement  
9 with PG&E for RA supply for the period January 1, 2020 through December 31, 2022 in the  
10 amount of \$11,070,118; and

11 WHEREAS, PG&E requires the use of the Edison Electric Institute (EEI) form power  
12 purchase agreement for its RA purchase and sale agreements; that form agreement is  
13 already on file with the Clerk of the Board of Supervisors in File No. 190997; and

14 WHEREAS, In Ordinance Nos. 75-15, 223-15, and 8-18, the Board of Supervisors  
15 authorized the PUC to use certain pro forma contracts, including the EEI form power purchase  
16 agreement, for the purchase and sale of electricity and electricity related products including  
17 the PG&E agreement; and

18 WHEREAS, PG&E requires binding arbitration in its RA agreements; the Board of  
19 Supervisors in Ordinance No. 227-18 delegated to the General Manager of the PUC the  
20 authority to enter into contracts for electricity and electricity-related products that contain a  
21 binding arbitration provision, subject to certain conditions which are satisfied in this instance;  
22 and

23 WHEREAS, The PUC considered the agreement to purchase RA from PG&E during its  
24 public meeting on October 8, 2019; and

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

3           RESOLVED, That the Board of Supervisors hereby retroactively authorizes the  
4 General Manager of the Public Utilities Commission to enter into an RA agreement with  
5 Pacific Gas & Electric Company in an amount not to exceed \$11,070,118 with the term of  
6 January 1, 2020 through December 31, 2022; and, be it

7           FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
8 Manager of the Public Utilities Commission to make amendments to the agreements, as  
9 needed, that do not materially increase the obligations or liabilities of the City; and, be it

10          FURTHER RESOLVED, That within thirty (30) days of the agreement being fully  
11 executed by all parties, the Public Utilities Commission shall provide the final agreement to  
12 the Clerk of the Board for inclusion into the official file.