

# **PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

RESOLUTION NO. 24-0021

WHEREAS, The San Francisco Board of Supervisors (“Board”) established a Community Choice Aggregation (“CCA”) program in 2004 (Ordinance 86-04) and has implemented the program, called CleanPowerSF, through the work of the San Francisco Public Utilities Commission (“SFPUC” or “Commission”) in consultation with the San Francisco Local Agency Formation Commission (Ordinances 146-07, 147-07, and 232-09); and

WHEREAS, Hetch Hetchy Power serves its customers primarily with electricity generated by City-owned generation resources; CleanPowerSF serves its customers entirely with electricity purchased through wholesale market transactions; and

WHEREAS, Hetch Hetchy Power and CleanPowerSF must comply with state law and California Independent System Operator market rules, including requirements to procure renewable energy, Resource Adequacy capacity, and energy storage, and to contribute to grid reliability; and

WHEREAS, The SFPUC needs to engage in a continual process of buying and selling power and simultaneously negotiating a mix of short-, medium-, and long-term contracts for a diverse supply of energy and energy-related products with multiple suppliers, all in an expedited time frame consistent with regulatory deadlines in order to meet regulatory requirements, secure the best possible prices and terms, keep rates affordable and competitive, and manage portfolio risk; and

WHEREAS, To support the need of the Power Enterprise to conduct business at a commercial pace in competitive electricity markets, the Commission adopted Resolution No. 22-0109, conditionally authorizing the General Manager to execute energy supply contracts using specified form agreements and to seek Board of Supervisors approval, as necessary; and

WHEREAS, The Board of Supervisors and Mayor approved Ordinance No. 176-22 adding Chapter 21.43 to the Administrative Code, approving form electricity purchase and sales contracts and delegating authority to the General Manager under Charter Section 9.118 to execute power sales contracts having anticipated revenues exceeding \$1 million, subject to an annual revenue cap of \$10 million, for a period of three years through July 1, 2025; and

WHEREAS, Wholesale prices for electricity products have been significantly higher than expected since Chapter 21.43 of the Administrative Code was established due to several factors including armed conflict, supply chain disruptions, and delays to project permitting and grid interconnection, causing the value of sales contracts executed for the benefit of Hetch Hetchy Power and CleanPowerSF ratepayers to increase; and

WHEREAS, To facilitate timely and beneficial sales of excess power supplies, Staff seeks Commission approval to increase the annual revenue cap for use of the delegated authority to the General Manager to make sales of electricity products in excess of \$1 million, from \$10 million to \$20 million, and to seek approval from the Board of Supervisors, as necessary; and

WHEREAS, Adoption of this Resolution does not constitute a “project” under the California Environmental Quality Act (CEQA) Guidelines section 15378 because it does not involve any commitment to any specific contract or project that may result in a physical change in the environment; the form contracts require Sellers of electricity products to comply with the law and, for to-be-constructed projects, to complete environmental review and obtain all necessary permits prior to commercial operation and commencing delivery of electricity; now, therefore, be it

RESOLVED, That this Commission authorizes the General Manager to execute energy sales contracts using approved form agreements, and to seek Board of Supervisors approval, as necessary, to increase the \$10 million annual revenue cap for power sales contracts with revenues of \$1 million or more by \$10 million, for a total revenue cap of \$20 million per year, until July 1, 2025.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of January 23, 2024.*

  
Secretary, Public Utilities Commission