

LEGISLATIVE DIGEST

[Administrative Code - Providing Electric Power to City Departments and New Developments]

Ordinance amending the Administrative Code to clarify requirement for the City to provide electric service to City departments and facilities and to evaluate the feasibility of providing electric power to new developments and projects.

Existing Law

Administrative Code Sections 99.1 and 99.2 require the San Francisco Public Utilities Commission (PUC) to study the feasibility of the City providing electric power to all new City developments.

Amendments to Current Law

This ordinance clarifies that the requirement for feasibility studies in Chapter 99 of the Administrative Code applies to projects on public lands, projects developed with public funds, and private projects seeking City approvals.

The ordinance also clarifies that the purpose of the feasibility study is to determine whether serving the new development will benefit the City and its existing customers in light of the costs of serving the potential new customer.

The ordinance also creates Administrative Code Section 99.3, which specifies that all City departments and tenants of City properties and facilities shall receive electric service from the PUC. It also requires City departments to collaborate with the PUC to design, fund and construct any necessary infrastructure to maximize the long-term benefits to the City.

Background Information

The City, through the PUC, has been providing electric power to City facilities and other entities since the 1920s. The California Constitution (Article XI, Section 9) gives cities the right to provide electric service. The City's Charter (in Chapter 8B) gives the PUC exclusive jurisdiction to operate and manage the City's electric utility services. The Charter also (in section 16.101) states that the City should provide its own utility service if doing so serves the public interest.

Local governments operating public power utilities can provide reliable, responsive electric service to residents and businesses. Some of the benefits of public power utilities include competitive rates, efficient service (lowest cost consistent with reliability) and service consistent with community goals and sound business practices.

The PUC provides power that is generated primarily from the City's hydroelectric, solar and biogas facilities. Through the PUC, the City supplies clean energy to all of San Francisco's municipal facilities, services and customers, including the San Francisco International Airport, San Francisco General Hospital, MUNI, SF Police, and SF Fire. The PUC also provides electricity to residences and businesses in the redeveloped Hunters Point Shipyard and at Treasure Island. Electric services from the PUC cost the same as or less than the same service from PG&E. It also benefits the City by providing revenues that can be used to improve electric facilities and develop additional renewable energy resources, among other uses.

This ordinance provides greater direction regarding when the PUC should perform feasibility studies for new City projects and specifies that the PUC should evaluate providing service to private projects in certain circumstances, when serving those projects would be consistent with PUC resources, budget, business plans, and priorities. The PUC anticipates that there may be certain private projects where City electric service would provide a good opportunity to benefit both the City and the project. The PUC does not expect to provide electric service to most private projects seeking City approvals.

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