

LEGISLATIVE DIGEST

[Purchase and Sale of Electricity and Related Products and Services for CleanPowerSF - San Francisco Public Utilities Commission

Ordinance conditionally authorizing the San Francisco Public Utilities Commission (SFPUC) to enter into one or more agreements requiring expenditures of \$10,000,000 or more for electric power and related products and services to launch the City's community choice aggregation program, CleanPowerSF, and authorizing the General Manager of the SFPUC to deviate from certain otherwise applicable requirements of City law in such agreements.

Existing Law

Ordinance No. 75-15 authorized the General Manager of the SFPUC to (1) use certain pro forma contracts to purchase electricity; (2) deviate from certain requirements under City law in such contracts; and (3) within specified parameters, approve agreements with terms in excess of ten years or requiring expenditures of \$10,000,000 or more, for renewable and greenhouse-gas-free energy supplies from facilities in California.

Amendments to Current Law

The ordinance authorizes the General Manager of the SFPUC to enter into certain contracts for electric power and related products to launch the City's community choice aggregation (CCA) program, CleanpowerSF, and extends to such contracts the authorizations in Ordinance No. 75-15. The General Manager is authorized to enter into no more than one agreement for power per supplier with Calpine Energy Services, L.P., Constellation, and Morgan Stanley, requiring expenditures of \$10,000,000 or more, including amendments to such contracts with an impact of greater than \$500,000, provided that the total aggregate cost of any such agreement(s) may not exceed \$30 million a year. The General Manager is also authorized to enter into one or more credit agreements with JPMorgan Chase Bank for one or more letters of credit to secure termination payments for certain CCA contracts, requiring expenditures of \$10,000,000 or more including amendments to such contracts with an impact of greater than \$500,000, provided that the total aggregate value of such letter(s) of credit may not exceed \$40 million.

Background Information

After undertaking competitive processes for electric power and related products to launch CleanPowerSF, the SFPUC in its expert judgment determined that in order to obtain the best services for the best prices, it requires the additional authority set forth in the ordinance.