

LEGISLATIVE DIGEST

[Authorizing Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission]

Ordinance authorizing the Director of Transportation of the Municipal Transportation Agency (MTA) and the General Manager of the Public Utilities Commission (PUC) to enter into interconnection agreements with Pacific Gas and Electric Company (PG&E) for a solar power project at the MTA's Field Operations Facility for a term in excess of 10 years; authorizing the PUC's General Manager to enter into an interconnection agreement for Burton High School for a term in excess of 10 years; delegating authority to the PUC's General Manager, the MTA's Director of Transportation, and the heads of the San Francisco International Airport, Port of San Francisco, Fire Department, Police Department, Department of Public Health, Real Estate Division, and Recreation and Parks Department, or their respective designees, to enter into form interconnection agreements for solar projects with PG&E for terms in excess of 10 years, subject to specified conditions; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code, as defined herein.

Existing Law

Section 9.118(b) of the Charter requires approval by the Board of Supervisors for agreements with an expected term longer than ten years or requiring expenditures of 10 million dollars or more.

The San Francisco municipal codes contain many contracting requirements for the procurement of goods and services. In certain instances, the Board of Supervisors may exempt contracts from these requirements via ordinance.

Amendments to Current Law

This ordinance would not amend current law.

Background Information

The City requires renewable energy facilities on certain new building construction and has a goal to use electricity produced by renewable and greenhouse gas-free resources for all City electric needs served by the City's Public Utilities Commission ("PUC") by 2030. On-site, rooftop solar projects are critical to meeting these City goals and requirements. These solar projects require various different agreements (called interconnection agreements) with Pacific Gas & Electric ("PG&E") in order to connect to the electrical grid. These agreements have

terms of longer than ten years so require approval by the Board of Supervisors under Section 9.118(b) of the Charter. The Board of Supervisors has approved interconnection agreements for numerous solar projects in the past.

This ordinance would grant approval for the Municipal Transit Agency (“MTA”) and the PUC to enter into interconnection agreements with PG&E for two solar projects.

The ordinance would also delegate the Board of Supervisors’ authority under Charter section 9.118(b) to allow MTA, PUC, and other City departments to enter into interconnection agreements with PG&E that exceed ten years.

The ordinance makes this delegation of authority subject to several conditions specified in section 5, including the following: the agreements are necessary to connect solar projects to the grid, the solar projects and any fees and costs associated with the agreements (which are minimal) have been approved by the City department, and environmental review is not required or has been completed, including any necessary mitigation measures.

Finally, this ordinance would grant approval for PUC to enter into agreements that deviate from the City’s standard contracts. The ordinance would allow the General Manager of the PUC to waive certain City contracting requirements since it is not feasible to include those requirements in these agreements.