

1 [Requesting the San Francisco Public Utilities Commission to Report on Options for Improving
2 Electric Service through Acquisition, Construction, or Completion of Public Utility]

3 **Resolution determining that the public interest and necessity require changing the**
4 **electric service provided in San Francisco; and requesting a report from the San**
5 **Francisco Public Utilities Commission, under Charter, Section 16.101, on options for**
6 **improving electric service in San Francisco through acquisition, construction or**
7 **completion of public utility or utilities.**

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9 WHEREAS, The Board of Supervisors seeks to ensure reliable, safe, affordable, clean
10 electric service to all customers in San Francisco from a utility that is responsive to the needs
11 of its customers; and

12 WHEREAS, Pacific Gas & Electric Company's (PG&E) history raises questions about
13 whether the utility has the ability and commitment to provide such service; recent examples
14 that cause concern include the following:

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16 i. PG&E's safety violations in its electric and gas operations have caused
17 significant suffering, loss of life, and damage to property;
- 18 ii. PG&E's repeated failure to meet the obligations and manage the risks of its
19 business while remaining financially healthy, as demonstrated by PG&E's
20 current voluntary bankruptcy, its voluntary bankruptcy in 2001, and the
21 bankruptcies of several affiliates in 2003;
- 22 iii. PG&E's failure to provide safe and reliable electric service in San Francisco over
23 many years, including a major power outage in December 1998, three fires at
24 the Mission Substation between 1996 and 2003, and several incidents of
25 underground explosions throughout the City;

- 1 iv. PG&E’s primary focus on financial performance and public image and its failure
2 to develop an effective safety culture, as found in two reports prepared for the
3 California Public Utilities Commission;
- 4 v. PG&E’s retail rate increases that make its electric service among the most
5 expensive in the nation, with more increases expected as a result of the
6 bankruptcy; and
- 7 vi. PG&E’s consistent use of its monopoly status to delay, prevent, and increase
8 the cost of the wholesale service it is required to provide to the City under a tariff
9 approved by the Federal Energy Regulatory Commission, resulting in service
10 delays and increased costs to critical City facilities—including public schools,
11 affordable housing, health care facilities, streetlights and traffic controls, the
12 Port, and basic city infrastructure—and the disruption of services provided to the
13 public; and

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15 WHEREAS, Article XI, Section 9 of the California Constitution grants cities the right to
16 supply electricity if they choose to do so; and

17 WHEREAS, The City has been operating an electric utility since 1918, and has
18 considered several times expanding service to all customers in San Francisco, as envisioned
19 by the Raker Act (Pub. L. No 41, 38 Stat. 242 1913), which granted the City the right to
20 develop the Hetch Hetchy clean water and hydropower resources for the benefit of the people
21 of San Francisco; and

22 WHEREAS, For more than 100 years, San Francisco has been producing 100%
23 greenhouse gas-free electricity to power our essential city services: hospitals, parks, schools,
24 airport, public housing, and other city properties; and

1 WHEREAS, In 2016, despite years of opposition funded by PG&E, San Francisco
2 launched CleanPowerSF, to provide clean renewable energy to residents and businesses,
3 another incremental step toward energy independence; and

4 WHEREAS, According to climate scientists, we must take immediate steps to make the
5 difference between catastrophe and a clean new future and cut carbon pollution in half within
6 11 years; and

7 WHEREAS, The electric power sector is the largest contributor to U.S. global warming
8 emissions and currently accounts for approximately one-third of the nation's total emissions.
9 Natural gas, while producing lower emissions than coal or oil when used, nonetheless
10 generates high levels of air pollution and other environmental impacts through extraction and
11 production; and

12 WHEREAS, In a January 14, 2019 letter, on file with the Clerk of the Board of
13 Supervisors in File No. 190367, Mayor Breed asked the San Francisco Public Utilities
14 Commission (SFPUC) to evaluate in a preliminary report all options for changing how electric
15 service is provided to ensure a safe, clean and dependable power grid; and

16 WHEREAS, Section 16.101 of the Charter states: “It is the declared purpose and
17 intention of the people of the City and County, when public interest and necessity demand,
18 that public utilities shall be gradually acquired and ultimately owned by the City and County.
19 Whenever the Board of Supervisors, as provided in Sections 9.106, 9.107 and 9.108 of this
20 Charter, shall determine that the public interest or necessity demands the acquisition,
21 construction or completion of any public utility or utilities by the City and County, or whenever
22 the electors shall petition the Board of Supervisors, as provided in Sections 9.110 and 14.101
23 of this Charter, for the acquisition of any public utility or utilities, the Supervisors must procure
24 a report from the Public Utilities Commission thereon”; now, therefore, be it
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1 RESOLVED, That the Board of Supervisors determines that the public interest and
2 necessity require changing the electric service provided in San Francisco, and these changes
3 may include the acquisition of PG&E’s electrical system serving San Francisco, construction
4 of new facilities by the City, or completion of the City’s own electric system; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors requests a report from the
6 SFPUC within 45 days of this Resolution to help City policymakers and the public understand
7 and evaluate the City’s options.

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