

File No. 190367

Committee Item No. _____

Board Item No. 34

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: April 9, 2019

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|--------------------------|-------------------------------------|---------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Mayor's Letter - 01/14/19 |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
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Prepared by: Lisa Lew

Date: April 5, 2019

Prepared by: _____

Date: _____

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.**

8
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:

- 15
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

14

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

25

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
25

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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OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

January 14, 2019

Harlan L. Kelly Jr., General Manager
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 13th Floor
San Francisco, CA.94102

General Manager Kelly,

Over the past several years, a series of troubling issues have raised significant questions about the future of Pacific Gas & Electric (PG&E). The recent tragedies of the Northern California wildfires, departures of PG&E's Chief Executive Officer and senior executives, and the company's movement towards bankruptcy raise serious concerns about their ability to safely and reliably deliver services essential to the people of San Francisco.

The City, through the San Francisco Public Utilities Commission (SFPUC), has a proven 100-year track record of responsibly managing a large-scale power system that delivers clean Hetch Hetchy power. Yet, we rely on PG&E infrastructure to transmit and distribute energy to our customers. We must also work with PG&E to transmit and distribute energy available through our CleanPowerSF program, which by next April is set to have more than 360,000 accounts enrolled throughout San Francisco.

San Francisco will not continue to be a global economic leader without a dependable and clean power grid. We also need a dependable grid to meet our City's aggressive climate goals, which include transitioning our buildings and transportation sectors off dirty fossil fuels. I believe San Franciscans share these views as evident by their approval of Proposition A in June 2018. This measure now allows the SFPUC to issue revenue bonds for facilities to produce and deliver clean power, creating thousands of well-paying union jobs in the process.

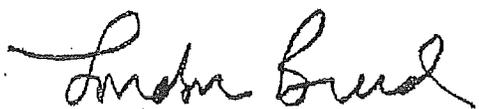
With these considerations in mind, I am requesting that the SFPUC prepare for the potential ramifications of PG&E's current instability by performing a detailed analysis of the current health of the electrical network and a robust feasibility study on the various potential outcomes, along with engaging with the appropriate state legislative and regulatory bodies. The analysis should evaluate all options, including the possibility of acquiring or building electrical infrastructure assets.

Within the next three months, I request that the agency issue a preliminary report on its findings along with a timeline for completing the more detailed analysis and recommendations. I look forward to seeing the results of this work and collaborating with the SFPUC, the City Attorney's

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

Office, and our Board of Supervisors on this critical and urgent issue.

Sincerely,

A handwritten signature in cursive script that reads "London Breed". The signature is written in dark ink and is positioned above the printed name.

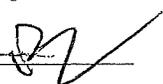
London N. Breed
Mayor

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2019 APR -2 PM 4:56
Time stamp
or meeting date 

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

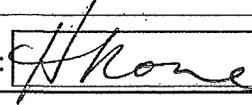
Ronen ; Peskin, Fewer

Subject:

[Public Utilities Commission—Report on Options for Improving Electric Service through Acquisition, Construction or Completion of Public Utility]

The text is listed:

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

Signature of Sponsoring Supervisor: 

For Clerk's Use Only