

1 [Authorizing Membership in Community Choice Aggregation Joint Powers Authority for
2 CleanPowerSF]

3 **Ordinance authorizing the Public Utilities Commission to become a member of a Joint**
4 **Powers Authority consisting of Community Choice Aggregators for the purpose of joint**
5 **purchases of electricity and related products and services; and authorizing deviations**
6 **from certain otherwise applicable contract requirements in the Administrative Code**
7 **and the Environment Code for purchases that do not otherwise require Board approval.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. General Background.

17 (a) State law allows cities and counties to develop Community Choice Aggregation
18 (“CCA”) programs, through which local governments supply electricity to serve the needs of
19 participating customers within their jurisdictions while the existing utility continues to provide
20 services such as customer billing, transmission, and distribution.

21 (b) The City implemented a CCA program to provide San Francisco residents and
22 businesses the option to receive cleaner, more sustainable electricity at rates comparable to
23 PG&E’s rates. See Ordinance Nos. 86-04, 147-07, 232-09, 45-10, 200-12, and 78-14; and
24 Resolution Nos. 348-12, 331-13, and 75-15.

25 (c) In May 2016, the San Francisco Public Utilities Commission (“PUC”) launched
CleanPowerSF with initial service to almost 8,000 accounts. In July 2019, the PUC completed

1 the final phase of customer enrollment, and CleanPowerSF now serves over 400,000
2 accounts.

3 (d) The goals of CleanPowerSF are to provide affordable and reliable electricity
4 services, invest in cleaner energy alternatives that advance the City’s Greenhouse Gas
5 reduction goals, and ensure long-term rate and financial stability.

6 (e) There are currently 23 operational CCAs in California which collectively serve
7 more than 10,000,000 customers in more than 200 towns, cities, and counties. Over the last
8 10 years, CCAs have entered into long-term contracts for more than 3,600 megawatts of new,
9 clean generation resources and over 240 megawatts of energy storage capacity.

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11 Section 2. CCA Joint Powers Authority.

12 (a) Pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code
13 commencing with Section 6500 (“JPA Law”) the City, upon authorization of the Board of
14 Supervisors, may enter into a joint exercise of powers agreement (“JPA”) with one or more
15 other public agencies through which the contracting parties may jointly exercise any power
16 common to them.

17 (b) Nine CCAs – CleanPowerSF, Central Coast Community Power, the East Bay
18 Community Energy Authority, the Marin Clean Energy Authority, the Redwood Coast Energy
19 Authority, San Jose Clean Energy, the Silicon Valley Clean Energy Authority, Peninsula Clean
20 Energy, and the Sonoma Clean Power Authority (collectively, “Participating CCAs”) – have
21 determined that engaging in joint efforts for energy-related procurement and projects will be
22 beneficial to the Participating CCAs by leveraging economies of scale to achieve lower costs
23 and more favorable terms and conditions for products and services. Collectively, the
24 Participating CCAs provide electricity and related services such as self-generation and energy
25 efficiency programs to customers in Northern California.

1 (c) The Participating CCAs have agreed, subject to the approval of their governing
2 bodies, to form a JPA called California Community Power (“CC Power”) for the purpose of,
3 among other things, (1) the construction, financing, or acquisition of wholesale power
4 supplies, transmission facilities, resource adequacy, renewable and environmental attributes,
5 and other services and goods needed to optimize the value of such resources, (2) the bulk
6 purchasing and/or financing of decarbonization products, including, but not limited to, heat
7 pump water heaters, space heater heat pumps, and electric vehicle charging services, and (3)
8 contracting for energy risk management, grid integration, and scheduling products and
9 services.

10 (d) The Participating CCAs have jointly prepared an agreement creating CC Power
11 (“Agreement”) which is on file with the Clerk of the Board of Supervisors in File No. 201344
12 and is incorporated by reference as if fully set forth herein. Under the JPA Law and the
13 Agreement, CC Power is a public entity separate and apart from the parties to the Agreement
14 and the debts, liabilities, and obligations of the JPA will not be the debts, liabilities, or
15 obligations of the City or the other Participating CCAs. A Participating CCA may withdraw
16 from CC Power at any time subject to the terms of the Agreement.

17 (e) As a public agency, CC Power will be subject to the state laws that apply to local
18 government agencies, including but not limited to open meetings, public records,
19 environmental review, conflict of interest, and competitive bidding.

20 (f) The Agreement requires the City to pay a proportional share of the start-up and
21 on-going administrative costs of operating CC Power, which the PUC estimates will not
22 exceed \$50,000 per year.

23 (g) PUC anticipates that CC Power will be the contracting entity with the suppliers of
24 products and services. Each Participating CCA will decide whether to participate in any CC
25 Power project and will enter into separate project agreements with CC Power and the other

1 Participating CCAs that elect to participate in the project. Except as stated in Section 4 of this
2 ordinance, any individual project agreement entered into by the PUC will be subject to
3 applicable contracting rules under the Charter and the Municipal Code, including approval by
4 the Board of Supervisors under Charter Section 9.118 for contracts over 10 years in duration
5 or \$10 million in amount and amendments over \$500,000 for such contracts.

6 (h) The PUC Commission authorized the General Manager to join CC Power on
7 February 9, 2021, in Resolution No. 21-0023, which is on file with the Clerk of the Board of
8 Supervisors in File No. 201344.

9 (i) In its Resolution, the PUC Commission directed staff to work with other CC
10 Power members as appropriate to develop policies and guidelines for procuring products and
11 services in a manner that promotes the City's and SFPUC's environmental goals and efforts
12 to foster an inclusive and sustainable workforce through support for measures such as fair
13 and equitable compensation, local hiring, and support of local businesses, while maintaining
14 affordable and stable rates for San Franciscans; including:

- 15 • Engaging in outreach efforts in local and diverse communities, including
16 disadvantaged and low-income communities, to create a diverse pool of
17 candidates for open positions, while providing fair compensation that aligns with
18 regional market indicators for compensation;
- 19 • Conducting marketing and outreach in an inclusive manner in CC Power
20 member communities, including attending important multi-cultural community
21 events with multi-lingual materials and speakers as appropriate, using local,
22 diverse media outlets, and other opportunities to increase awareness of
23 CleanPowerSF services and programs pursued in partnership with CC Power;
- 24 • Sharing information and collateral with CC Power members about SFPUC's
25 Racial Equity initiatives that are promoting inclusion, access, and diverse

1 engagement in a manner consistent with the adopted SFPUC Racial Equity
2 Resolution (Resolution 20-0149);

- 3 • Relying on a combination of local labor, union labor and apprenticeship
4 programs, and following fair compensation practices, including proper
5 assignment of work to crafts that traditionally perform the work, when
6 constructing CC Power projects; and
- 7 • Promoting fair compensation, fair worker treatment, multi-trade collaboration,
8 and support of the existing and prevailing wage base in local communities where
9 CC Power-contracted projects will be located.

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11 Section 3. Grant of Authority to Join CC Power.

12 (a) The Board of Supervisors approves the Agreement and authorizes the General
13 Manager of the PUC to execute the Agreement in substantially the same form, with necessary
14 changes that do not materially affect the liabilities of or benefits to the City as a member of CC
15 Power and to request approval from the CC Power governing board to become a member of
16 CC Power, if necessary. The Board of Supervisors further authorizes te General Manager to
17 take steps necessary to implement the Agreement.

18 (b) The Board of Supervisors approves PUC's payment of its share of the start-up
19 and on-going administrative costs of CC Power in an amount not to exceed \$50,000 for
20 calendar years 2021, 2022, and 2023 and further authorizes PUC to seek approval from the
21 Board of Supervisors for amendments to the not-to-exceed amount and reauthorization for the
22 costs of participation in CC Power by resolution.

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24 Section 4. Waiver of Certain Contract-Related Requirements in the Administrative
25 Code and the Environment Code.

1 (a) As public agencies, the members of CC Power have their own contracting
2 provisions and imposition of each member's rules would be infeasible in operating CC Power.
3 In addition, CC Power is subject to state laws prohibiting discrimination in hiring (Ca. Govt.
4 Code Section 12940) and consideration of criminal history in hiring (Ca. Govt. Code Section
5 12952).

6 (b) The Board of Supervisors hereby grants waivers of the following standard
7 contract provisions for contracts for goods and services entered into with CC Power and other
8 CCAs that do not otherwise require Board of Supervisors approval, and finds such waivers to
9 be reasonable and in the public interest:

- 10 (1) Nondiscrimination in contracts (Administrative Code Chapter 12B);
- 11 (2) Implementing the MacBride Principles (Administrative Code Chapter
12 12F);
- 13 (3) Consideration of criminal history in hiring (Administrative Code Section
14 12T);
- 15 (4) Increased participation by small and micro local businesses in City
16 contracts (Administrative Code Chapter 14B);
- 17 (5) The competitive bidding requirement (Administrative Code Section 21.1);
18 and
- 19 (6) The tropical hardwood and virgin redwood ban (Environment Code
20 Chapter 8).

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22 Section 5. Effective Date.

23 This ordinance shall become effective 30 days after enactment. Enactment occurs
24 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
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1 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
2 Mayor's veto of the ordinance.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

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7 By: /s/
8 THERESA CHO
9 Deputy City Attorney

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