

# Overview of Hetch Hetchy Power and CleanPowerSF

Rate Fairness Board

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# SFPUC's Two Power Programs

**SFPUC provides over 75% of the electricity consumed in San Francisco today**

Hetch Hetchy  
**POWER**

- 1 million MWh annual sales (150 MW)
- 6,000 retail customer accounts, and growing
- Ownership in 385 MW hydro generation, 9 MW solar, 3 MW biogas
- Default product 100% GHG-free
- “Premium” 100% California RPS renewable
- 160+ miles of transmission and distribution lines

**CleanPowerSF**

- 3.1 million MWh annual sales (550 MW)
- 380,000+ customer accounts, relatively stable
- Diverse portfolio of short, medium, and long-term power purchase, storage and resource adequacy contracts
- Default “Green” product at least 50% RPS-eligible and nearly 100% GHG free
- SuperGreen 100% renewable

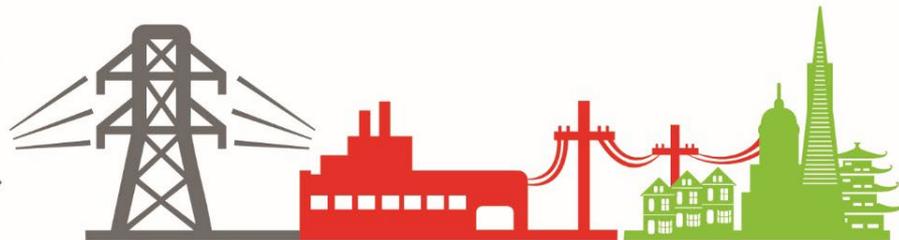
# How We Serve Our Power Customers



**HETCH HETCHY POWER  
SUPPLY AND TRANSMISSION**



**CLEANPOWERSF SUPPLY**



**CAISO TRANSMISSION**  
non-profit grid operator

**PG&E-owned Distribution  
Grid within San Francisco**

**Hetch Hetchy Power and  
CleanPowerSF Customers**

**San Francisco pays PG&E for use of the distribution grid  
to deliver its electricity supplies.**



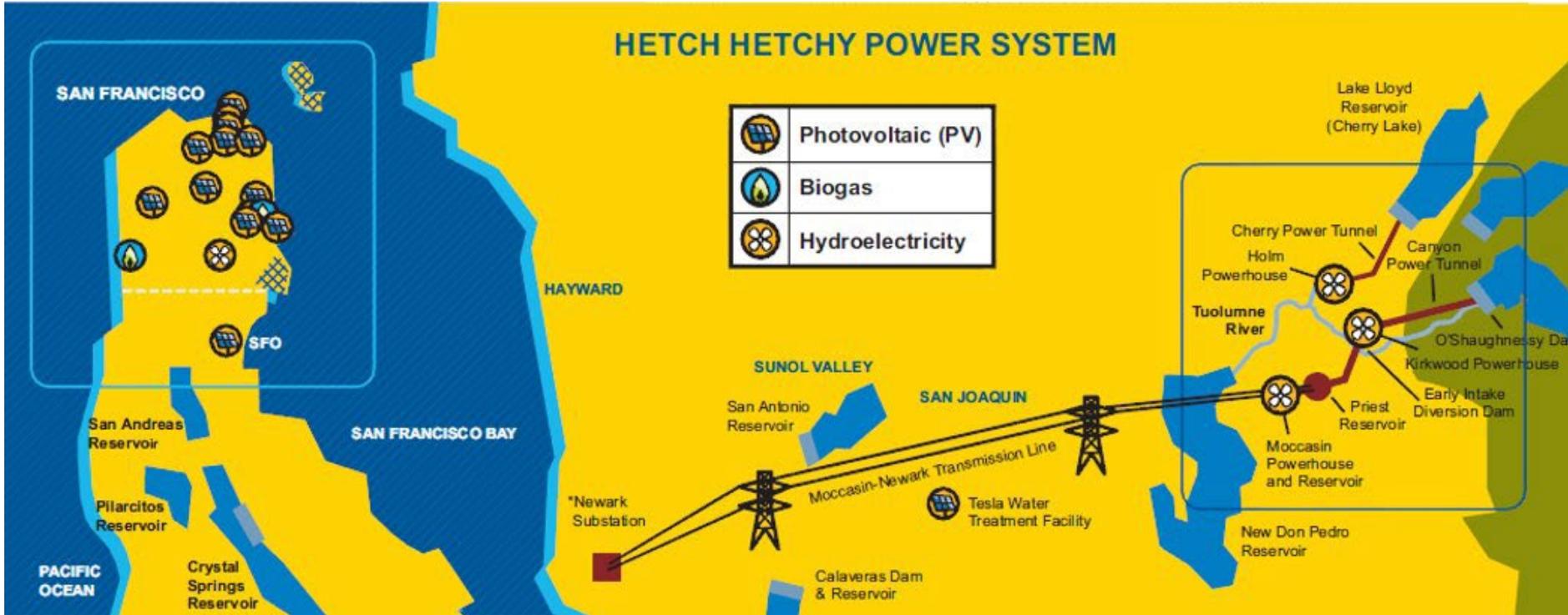
# Hetch Hetchy Power System Overview

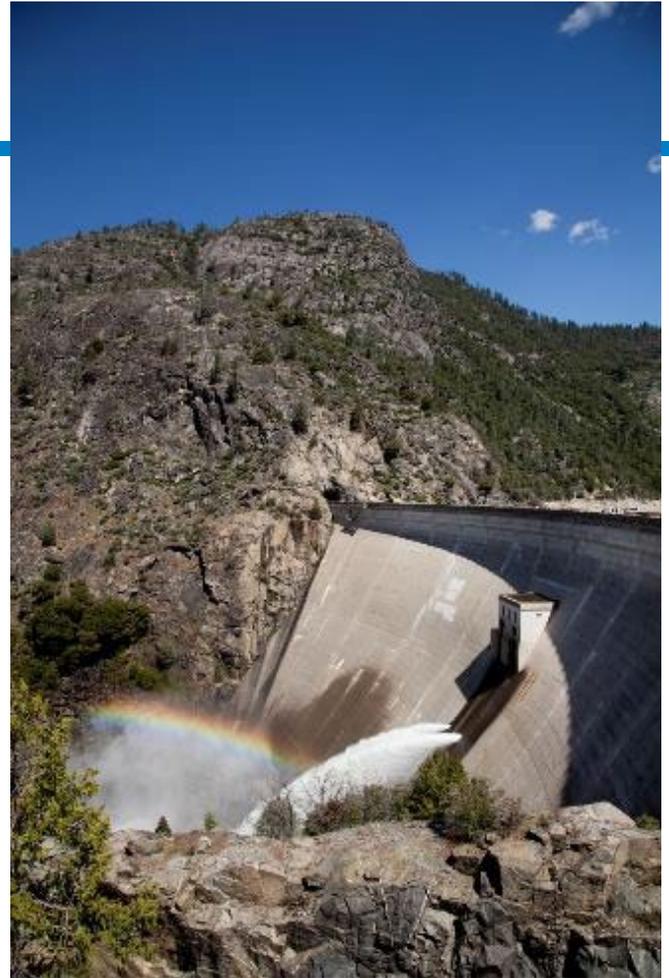
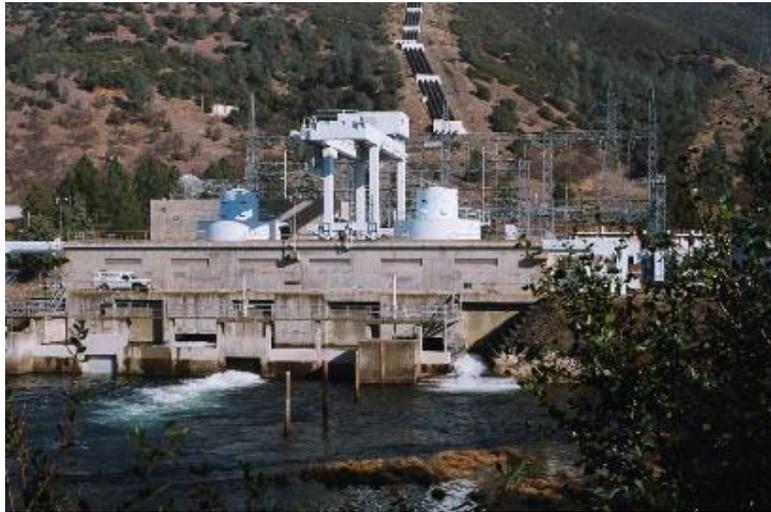


# What is a Publicly Owned Utility?

- Local government electricity provider – all services
- Authorized by State Constitution
- Self-governed – in SF, by our Commission and Board of Supervisors
- Self-funded by customers, not taxpayers
- Not for Profit = reinvests in the community
- 25% of California is served by a Public Power utility

# Hetch Hetchy Power System





# Pre-2022 Hetch Hetchy Rate Structure

## General Use (GUSE) Rates

- General Fund departments, education districts, governmental agencies, some private customers
- Flat rate \$/kWh for all customers
- Eligibility and subsidy levels historically based upon Mayor, budget negotiation
- Less than cost of service (subsidized)
- Increasing annually by ½-1 cent/kWh

## Hetch Hetchy Retail Rates

- Private customers, mostly in redevelopment areas
- Standard rate schedules with tiers, service charges, seasonal, time-of-use, etc.
- Default rate for new customers
- Set to 10% below PG&E rates
- Generally slightly above cost of service
- Increase annually by PG&E rate % change

## Enterprise Rates

- Airport, Enterprise departments, Port tenants, some private customers
- Standard rate schedules with tiers, service charges, seasonal, time-of-use, etc.
- Set exactly at PG&E rates
- Higher than cost of service
- Change throughout the year to exactly follow PG&E

# Current Hetch Hetchy Rate Structure

## General Use (GUSE) Rates

- General Fund departments, education districts, governmental agencies, some private customers
- Standard rate schedules with tiers, service charges, seasonal, time-of-use, etc.
- Less than cost of service (subsidized)
- Increasing annually by 3 cent/kWh

## Hetch Hetchy Retail Rates

- Private customers, mostly in redevelopment areas
- Standard rate schedules with tiers, service charges, seasonal, time-of-use, etc.
- Default rate for new customers
- Set at cost of service + share of subsidy
- As of FY 2023-24, same as retail rates

## Enterprise Rates

- Airport, Enterprise departments, Port tenants, some private customers
- Standard rate schedules with tiers, service charges, seasonal, time-of-use, etc.
- Set at cost of service + share of subsidy
- As of FY 2023-24, same as retail rates

# Hetch Hetchy Power Rates Study

## 2022 Accomplishments

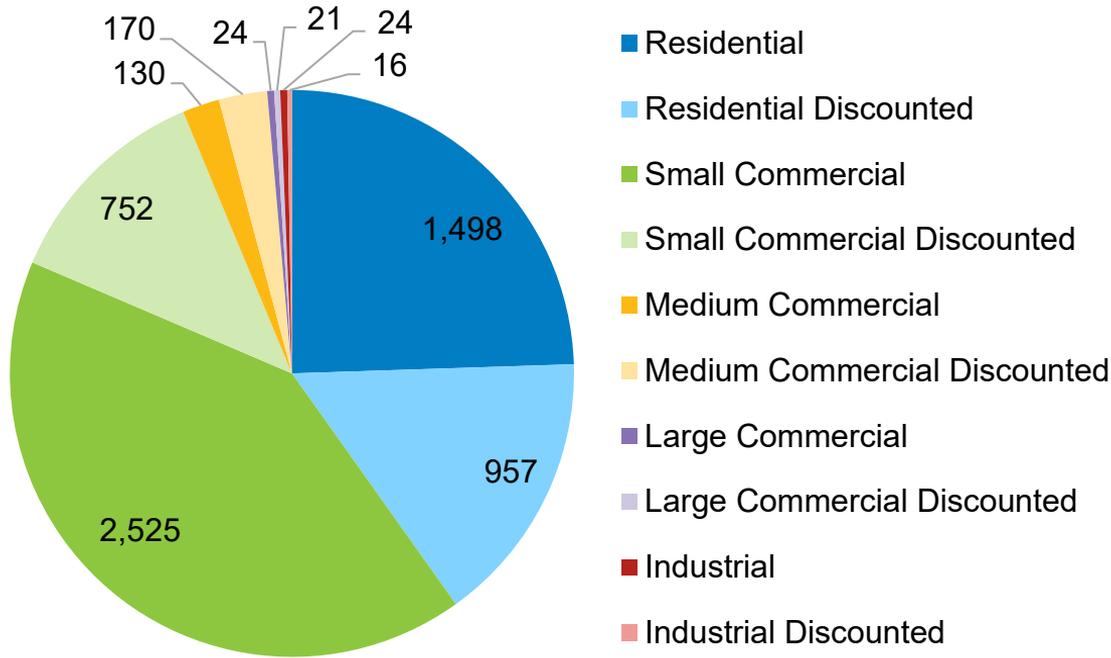
- Gradually eliminating subsidized rates – equitable
- Only one rate change per fiscal year – predictable
- Rates set to cover our costs and meet our financial policies – financially sustainable
  - No rates following PG&E
  - Differences between rates schedules reflect differences in our cost of service

## 2026 Study Goals

- Continue rate consolidation and elimination of subsidies
- Review and update time-of-use periods to reflect modern power market
- Create new rate structures to meet customer needs
  - Electric vehicle charging
  - On-site solar
  - Demand response programs

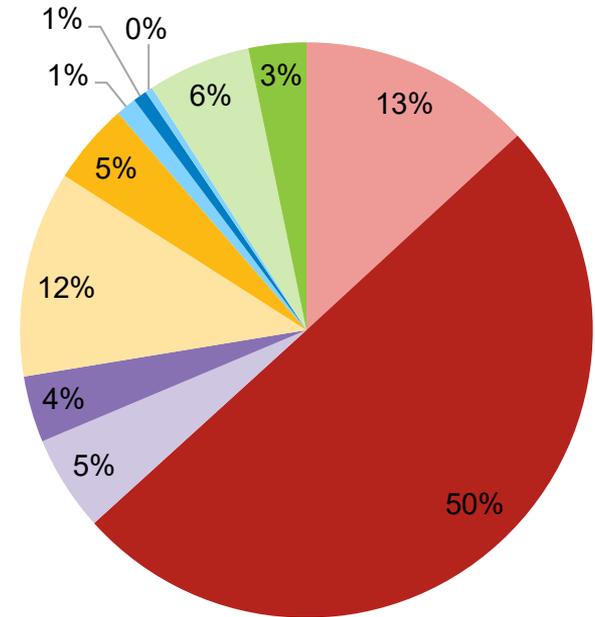
# Hetch Hetchy Power Customers 2023

## Number of Customers

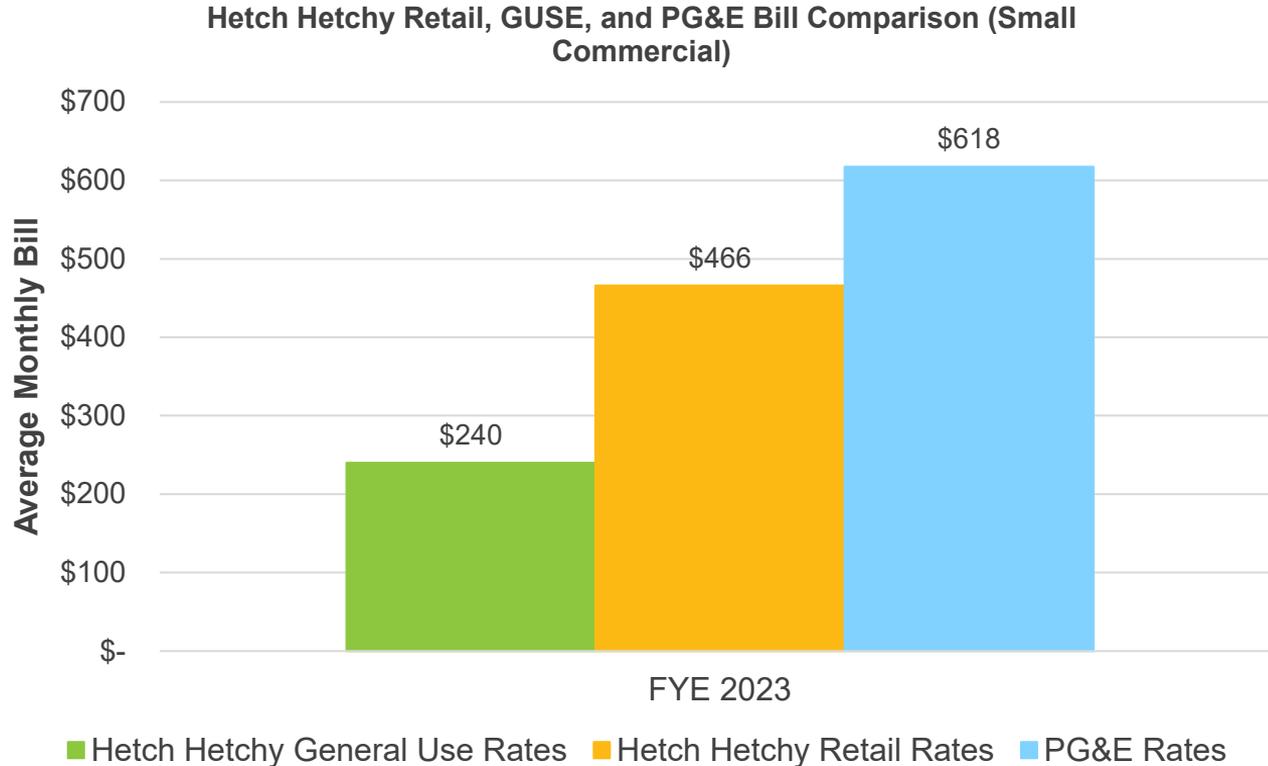


Total: 6,117

## Total Energy Usage (kWh)



# Hetch Hetchy Power Bill Comparison



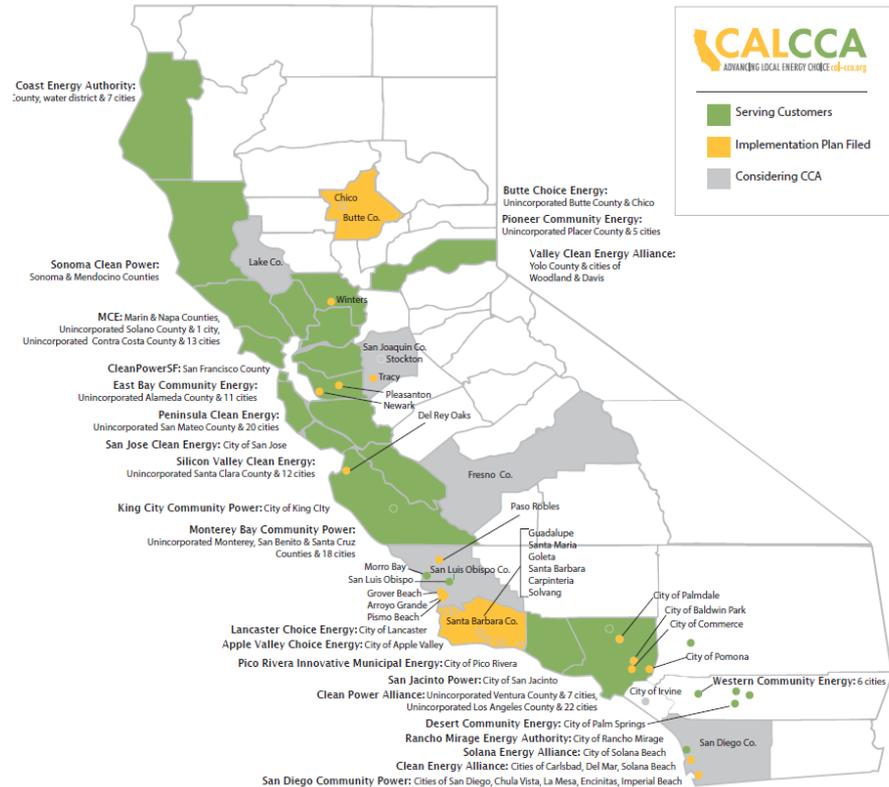
- All Hetch Hetchy Power rates currently below PG&E
- General Use (GUSE) rates increasing but still significantly subsidized
- Public power provides real savings to customers!



CleanPowerSF

# What is a Community Choice Aggregator (CCA)?

- 21 CCAs across California
- Offers an alternative to investor-owned electricity providers
- Local government electricity supplier
- Not for Profit = reinvests in the community



# How does CleanPowerSF work?

## Clean Energy Generation



CleanPowerSF purchases renewable electricity from solar and wind projects

## Same Service



PG&E delivers electricity through poles and wires (the grid), responds to power outages, and sends monthly bill

## Cleaner Energy



Greener energy for your home or business!

- Launched in 2016 and gradually rolled out to entire city
- Default power provider on an opt-out basis
- Offers Green 50%+ renewable and SuperGreen 100% renewable choices

# How do CCAs differ from POUs?

|                          | Community Choice Aggregators (CCAs)                                      | Publicly-Owned Utilities (POUs)  |
|--------------------------|--|--|
| <b>Services provided</b> | Electric supply & customer programs                                      | Electric supply, delivery, customer programs, billing, metering, outage response |
| <b>CPUC regulated</b>    | Yes  | No (locally regulated)   |
| <b>Surcharges</b>        | Exit fees (e.g. PCIA)  | None   |
| <b>Rate structure</b>    | Dictated by investor-owned utility (i.e. PG&E)                           | Set by local priorities  |
| <b>Local grid access</b> | Investor-owned utility (i.e. PG&E) controls                              | Set by local priorities  |
| <b>Other differences</b> | Program offerings dominated by investor-owned utility (i.e. PG&E) & CPUC | Set by local priorities  |

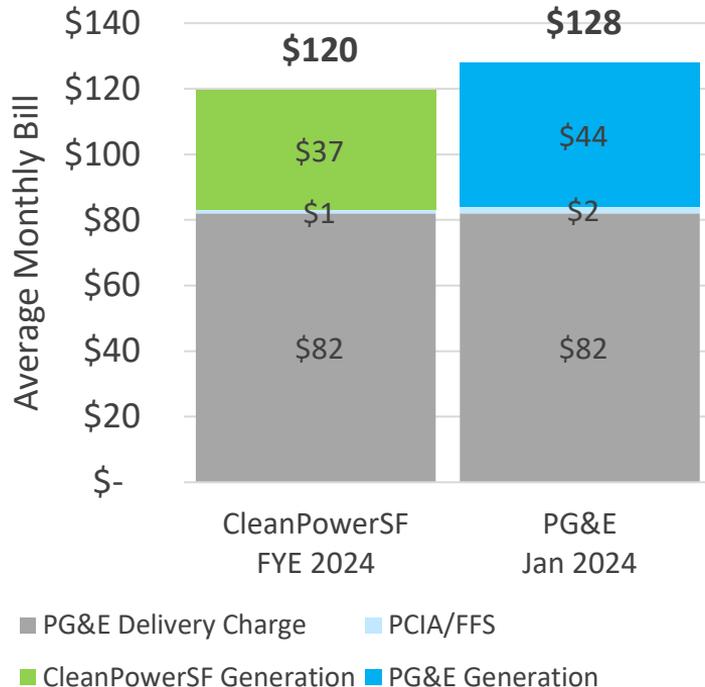


# CleanPowerSF 2022 Rates History

- From 2016 launch to 2022, set rates +/- PG&E
  - Usually aimed to be below, but sometimes was over PG&E
- 2022 was first rate study for CleanPowerSF
  - Adopted new reserves policy to build up cushion for supply cost increases
  - Only one rate change per fiscal year – predictable
  - Rates set to cover our costs and meet our financial policies – financially sustainable
    - No rates following PG&E
    - Differences between rates schedules reflect differences in our cost of service

# CleanPowerSF Customer Bills

CleanPowerSF vs. PG&E Residential Bill Comparison (E-TOU-C)



- CPSF rate classes exactly match to PG&E
  - ex. 8 different residential rates
- CleanPowerSF only collects the generation portion of the bill
  - CPSF customers also pay “Power Choice Indifference Adjustment” and “Franchise Fee Surcharges” to PG&E
  - CPSF sets rates comparing to the (PG&E generation rate) – (PCIA + FFS)
  - Changes to PG&E delivery charges impact customers but have no effect on CleanPowerSF’s competitiveness
- CleanPowerSF current rates are below PG&E for all customers

# Future Plans: Full Public Power for San Francisco

- PG&E is not a good partner
  - Requires burdensome and expensive equipment for Hetch Hetchy customers – delays, costs
  - Passes on high costs to CleanPowerSF customers in portion of bill we don't control
  - Estimate that PG&E delays and unnecessary equipment have cost San Francisco over \$28 million
- SFPUC has been working for years to buy out PG&E's in-city distribution system, merge Hetch Hetchy Power and CleanPowerSF, and operate a unified public power utility for the entire city
- This proposal is still in the future, and in the interim we continue to manage both programs separately

# Current Status of Public Power Plan

Preliminary Public Power Options Report

(2019)

PG&E Offer #1

(Sept 2019)

PG&E Offer #2

(Aug 2020)

Valuation Petition

(July 2021)

Environmental Review

(2023)