



**San Francisco Public Utilities Commission
 Citizens' Advisory Committee**

MEETING MINUTES

**Tuesday, November 16, 2021
 5:30 p.m. – 7:00 p.m.**

PARTICIPATE VIA ZOOM VIRTUAL CONFERENCE SOFTWARE

Meeting URL

<https://sfwater.zoom.us/j/86488756656?pwd=ejBUWGI0VmVQS2JES1pLdFhGTIBRdz>

Phone Dial-in

669.219.2599

Meeting ID / Participant Passcode

864 8875 6656 / 665113

This meeting is being held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Sixteenth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25,2020

During the Coronavirus Disease (COVID-19) emergency, the San Francisco Public Utilities Citizens Advisory Committee's (SFPUC CAC) regular meeting room, 525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room, is closed. CAC Members and SFPUC staff will convene CAC meetings remotely by teleconference. Members of the public are encouraged to submit their public comment on agenda items in advance of the teleconference meeting by emailing comments to cac@sfwater.org. Comments submitted no later than 12 PM Tuesday the day of the meeting will be read into the record by SFPUC CAC Staffing Team members during the teleconference meeting and will be treated as a substitute to providing public comment during the meeting. Persons who submit written public comment in advance on an agenda item or items will not be permitted to also provide public comment on the same agenda item(s) during the meeting.

Mission: The purpose of the SFPUC CAC is to provide recommendations to the SFPUC General Manager, the SFPUC Commission, and the Board of Supervisors regarding the agency's long-term strategic, financial, and capital improvement plans ([Admin. Code Article XV, Sections 5.140 - 5.142](#)).

Members:

Anietie Ekanem, Chair (D10)

Marria Evbuoma (D1)
 Suki Kott (D2)
 Steven Kight (D3)
 VACANT (D4)
 Emily Algire (D5)
 Barklee Sanders (D6)
 Joshua Ochoa (D7)
 Amy Nagengast (D8)

Moisés García (D9)
 Jennifer Clary (D11)
 Maika Pinkston (M-Environmental Org.)
 Nicole Sandkulla (M-Regional Water Customers)
 Marisa Williams (M-Engineering/Financial)
 Elishu Perszyk (M-Large Water User)
 VACANT (B-Small Business)
 Michelle Pierce (B-Environmental Justice)

London N. Breed
 Mayor

Sophie Maxwell
 President

Anson Moran
 Vice President

Tim Paulson
 Commissioner

Ed Harrington
 Commissioner

Newsha Ajami
 Commissioner

Michael Carlin
 Acting
 General Manager

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



D = District Supervisor appointed, M = Mayor appointed, B = Board President appointed

Staff Liaisons: Mayara Ruski Augusto Sa and Jobanjot Aulakh

Staff Email for Public Comment: cac@sfwater.org

ORDER OF BUSINESS

1. Call to order and roll call at 5:33pm

Members present at roll call: (11) Ekanem, Kott, Kight, Algire, Sanders, Ochoa, Nagengast, García, Clary, Williams, and Pierce

Members Absent: (4) Evbuoma, Pinkston, Sandkulla, and Perszyk

Staff present: Barbara Hale, Grace Tang, Meg Meal, Pamela Husing, Grace Kay, De Jun Chen, and John Cote

Public Comment: None

*Member Pinkston joined at 5:59 pm. Quorum maintained.

2. Approve [September 21, 2021 Minutes](#)

Motion was made (Clary) and seconded (Kott) to approve the September 21, 2021 Minutes.

AYES: (11) Ekanem, Kott, Kight, Algire, Sanders, Ochoa, Nagengast, García, Clary, Williams, Pierce

NOES: (0)

ABSENT: (4) Evbuoma, Pinkston, Sandkulla, and Perszyk

Public Comment: None

3. Report from the Chair

- Welcome members, staff, and the public
- Thanked CAC members for attending the joint meeting with the Southeast Facilities Commission
- Welcome and introduction of new member assigned to the Financial/Engineering seat, Marisa Williams
- Welcome and introduction of new member District 7 representative, Joshua Ochoa

Public Comment: None

4. Public Comment: Members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda

Public Comment: None

5. Discussion and Possible Action: [Resolution Making Findings to Allow Teleconferenced Meetings Under California Government Code Section 54953\(e\)](#)

Motion was made (Clary) and seconded (García) to pass the Resolution Making Findings to Allow Teleconferenced Meetings Under California Government Code Section 54953(e).

AYES: (11) Ekanem, Kott, Kight, Algire, Sanders, Ochoa, Nagengast, García, Clary, Williams, Pierce

NOES: (0)

ABSENT: (4) Evbuoma, Pinkston, Sandkulla, and Perszyk

Public Comment: None

6. Presentation and Discussion: [Public Power Expansion](#), Barbara Hale, Assistant General Manager, Power Enterprise, and Pamela Husing, Director of Federal Agreements and Acquisition Analysis, Power Enterprise

Introduction

AGM Hale gave a brief introduction to the presentation. The Power Enterprise operates both the Hetch Hetchy and CleanPowerSF Retail Electric Service Programs. The two programs serve over 70% of the electricity that is consumed in San Francisco today. They also operate and maintain about 45,000 streetlights that are in San Francisco.

AGM Hale's team pulls together all the services needed to operate both the Hetch Hetchy power program and the CleanPowerSF program. The CleanPowerSF program, under State law, is a supply centered program. Customers do not receive a SFPUC bill or a Hetchy Hetchy bill. They receive a bill issued by PG&E, which includes charges for supply. For the Hetch Hetchy program, the Power Enterprise does the full-scale including transmission, distribution, metering and billing, and outage response. It is the full complement of services required to provide electricity through the Hetch Hetchy Power program. The Hetch Hetchy Power program has been serving customers and generating electricity since 1918. The CleanPowerSF Program started serving customers in 2016 and currently serves about 385,000 accounts. The Hetch Hetchy programs serves about 4,500 accounts. The CleanPowerSF Program is about 550 megawatts, while the Hetch Hetchy program is about 150 watts. This provides some context for the services currently provided.

The Power Enterprise and the City's interest in providing public power will mean that the City will take over supply and the responsibility over the grid. The one thing that is missing is ownership of the grid, which will allow the SFPUC to provide more cost-effective service that is better aligned with the City's values and objectives on workforce, climate, and various other fronts. The SFPUC is interested in taking the dollars that the residents and businesses pay them and reinvesting them in San Francisco. AGM Hale then introduced the members of her team including Pam Husing, who led the presentation on Public Power Expansion.

Presentation

- Expanding Public Power in San Francisco
- What is public power?
- Public power in California
- Public power in San Francisco

- Hetchy Power and CleanPowerSF rely on PG&E
- How do CCAs differ from POUs?
- What would expanding public power mean for the City?
- There are a lot of benefits to expanding public power in the City
- There are also ongoing challenges with PG&E service in San Francisco...
- ... and PG&E's new requirements are making things even worse
- PG&E has obstructed over 70 projects in San Francisco to date
- What steps have we taken to make public power expansion a reality?
- What happens next?
- What can you do to help support public power expansion in San Francisco?

Discussion

- **Member Clary** asked if CleanPowerSF will be able to transfer and maintain PG&E's CARE (California Alternate Rates for Energy Program) and FERA (Family Electrical Rate Assistance Program) low-income rate assistance programs.

AGM Hale responded that CleanPowerSF and Hetch Hetchy Power customers receive the CARE and FERA discounts. PG&E is the investor and utility and San Francisco administers the program for its customers. In an acquisition scenario, the SFPUC would continue to provide low income discounts, CARE and FERA type discounts, and have the added benefit to set their own income eligibility requirements. AGM Hale added that she believes that the State's requirements are out of sync with San Francisco costs of living.

Member Clary asked if there would be an issue with Prop 218.

- **Member Algire** asked about the project's environmental review through the San Francisco Planning Department. Algire asked if AGM Hale had any assumed outcomes of this review or if she had been able to dig into the data at all.

AGM Hale responded that she could share with Algire the notice that they have provided to neighbors. The SFPUC has done its work as the agency sponsoring the work and now it is in Planning's hands and they have begun the notice process. AGM Hale then instructed Staff Chen to provide a copy of the notice to the CAC members.

- **Member Algire** asked if there are any equity studies, workforce studies, and rate studies following the 2019 options.

AGM Hale responded that the rate study is underway. There has been some progress made on the workforce components but not much. AGM Hale then asked Algire to clarify what the third one was.

Member Algire responded that there was a whole section on a study of equity within the City.

AGM Hale commented that the SFPUC did some internal work on the equity issue and they have done quite a bit of work as well on their internal readiness. Some of that information is not final so they are not ready to release it. Those tasks remain in their to-do list.

Member Algire asked if the results of those studies will be available next year.

AGM Hale responded that it is possible. Workload is a little uncertain with respect to the evaluation case, and it is a small team pulling this together.

- **Member Algire** commented that she heard someone mention that there are many vacancies at the SFPUC.

AGM Hale responded that the SFPUC runs at a 25% vacancy rate. Power, unfortunately, runs about a 40% vacancy rate. Retention is a challenge for the SFPUC. As an agency, SFPUC has many temporary positions, which means within the civil service ranks, folks are motivated to get a permanent position. If there is a job classification that is shared among different departments, staff will be lost to other departments that have a permanent vacancy. There is also a national challenge with electrical engineer capacity and with line worker capacity so those are areas that they are challenged in. The SFPUC also does a good job in the CCA (Community Choice Aggregation) world training people. The City's hiring process also further complicates solving the vacancy rate.

- **Member Sanders** asked whether the TIDA (Treasure Island Development Authority) owned grid is considered a community choice aggregator or a public owned utility.

AGM Hale responded that it is closer to a publicly owned utility because those assets are owned by the Treasure Island Development Authority not SFPUC as a utility. The SFPUC serves as a contractor to TIDA in outage response and in maintenance work. Unlike the Hetchy model where the rates are set by the Public Utilities Commission with the Rate Fairness Board and the Board of Supervisors' involvement, TIDA sets the rates outside of that process. It is closer to a publicly owned utility model, but it is an odd hybrid where the SFPUC does not have the usual SFPUC tools and responsibilities. As the island is redeveloped, TIDA will turn the assets over to the SFPUC, and they will have a more regularized publicly owned utility function at Treasure Island over time.

- **Member Sanders** asked if TIDA reports to the City or does it report to the State for the decisions on grid upgrade.

AGM Hale responded that this is a good question for Bob Beck. She thought they would report to the City, but she was not sure.

- **Members Sanders** commented that he has been trying to get answers from Bob Beck for about three years. The reason he asked is because TIDA makes the decisions until the City gains complete control. Sanders also asked if there had ever been a value petition request for the City to take control of the grid now so that upgrades could be done now to increase reliability instead of waiting for redevelopment.

AGM Hale responded that she is not aware of a petition of that nature. AGM Hale then asked if Sanders was talking about a ballot measure type of petition or not.

Member Sanders commented that it is similar. There is not any reliability with PG&E and there is not any reliability with a TIDA owned grid. He would hope that the city would purchase the assets from TIDA so that they can have immediate control on a smaller scale.

- **Member Ochoa** asked whether PG&E made a counteroffer or if they outright denied the offer.

Staff Husing responded that it was the latter. Their response was that PG&E is not for sale. For the valuation petition, the State Commission would establish a value that would inform what a fair price is. The SFPUC is hoping that process, at a minimum, will get PG&E to the table or get them to show their cards as to what they think is the right price.

Staff Meal commented that PG&E did say that the SFPUC's offer was too low, but they did not give an alternative price.

Member Ochoa asked if that was regarding the \$2.5 billion.

Staff Husing replied affirmatively.

- **Member Ochoa** asked where does the California Public Utilities Commission (CPUC) stand on public ownership of power in San Francisco, and if they support it or if they have offered to fund part of the acquisition.

Staff Husing responded that it would not be appropriate for them to fund it. The City will buy the grid and they are buying the business of the public utility. They will turn it into a public utility and then the revenue from that will pay the bonds, operation and maintenance. The CPUC is not taking a position one way or the other on supporting or not supporting.

AGM Hale commented that the CPUC's role is to be a third party neutral. They are not supposed to have a position until after they have heard from all parties. The SFPUC filed the petition to bring PG&E to discuss the offer and to check what the State thinks is a reasonable buying price.

- **Member Williams** commented that one of the slides mentioned that some projects have been drawn out because of the relationship between the City and PG&E. Williams then pointed out that as those projects draw out, those are San Francisco's tax dollars at work and the community is not able to access any of the facilities or affordable housing that is coming from those projects. Williams asked what the approach during this period is where there is no agreement yet and the SFPUC still has to deal with PG&E to get projects built and up and running. She asked if Staff could talk about how the team is navigating that and what that looks like.

Staff Husing responded that they do have the affordable housing agreement and the limited agreement. They are continuing to work with PG&E. They are very much in the trenches with them as far as project by project and keeping the costs and connections reasonable. The affordable housing agreement is limited but helpful. Another prong is that they are internally evaluating where they can make investments in equipment to serve several projects at once. They are trying to be strategic in how they deploy their capital dollars currently so that they can serve their customers in a more efficient and cost-effective manner. An example of this is with the Bay Quarter Transmission Project which will serve several customers along the waterfront. Different approaches are being taken while they work their way towards a transaction. It is primarily to continue the fight. The third

prong is that the SFPUC and the City are fighting about this both at the regulatory agencies, such as FERC, and courts.

- **AGM Hale** commented that in the past they have found that PG&E can be more responsive when they are approached from a political perspective or when they are called out in a more public way. News articles and sit downs with the members of the Board of Supervisors were helpful in the past.
- **Member Sanders** asked that future presentations include Treasure Island on their maps.

Chair Ekanem commented that neighborhoods such as Treasure Island and Yerba Buena are an integral part of San Francisco.

AGM Hale responded that she appreciated the comment. The SFPUC does not have a presence at Treasure Island. Accordingly, the team did not include Treasure Island on the map that shows where all disputes are. There are no disputes on Treasure Island because PG&E does not have a presence there. Treasure Island and Yerba Buena Island are neighborhoods of San Francisco.

- **Member Kott** asked if the physical state of the assets SFPUC would like to acquire are known or if this will be evaluated as part of the valuation process.

Chair Ekanem asked if there is a timeline for that valuation.

Staff Husing responded that during the process of the valuation, they will be doing a process known as discovery, which will reveal the condition and the value of the assets. In that proceeding, the SFPUC will be trying to get access to actual data from PG&E directly on the condition of the assets. For the timeline, they asked for an 18-month timeline from the time the petition was filed. They just recently received an order to show cause issued to PG&E in December. PG&E has to appear at the CPUC to discuss why they think the valuation should not go forward. CPUC also stated that they would be setting the scope in the schedule. The SFPUC will have an idea of the timing in that hearing or soon after that. Staff Husing then commented that a year or year and a half from now is reasonable timing.

- **Chair Ekanem** asked if that timeline would just be for PG&E to come back with a valuation.

Staff Husing responded that it is a starting point in the sense that it establishes a dollar value. If things truly are going sequentially, they would have a value and then they would try to work out a transaction. It does not necessarily mean they would work out a transaction. Alternatively, during that process, PG&E might think the \$2.5 billion offer was great. That is not realistic, though. There could be things happening in parallel and it may not be sequential. They do know this is a long process, but there are things they can be doing in the meantime such as some of the other studies for operational readiness.

AGM Hale commented that the fact that the CPUC is going to issue a written scope and schedule document will help inform the SFPUC as to how long their process will take. They expect that to happen sometime in December.

Chair Ekanem commented that slide 11 showed the obstructed projects and added that it would be great to see what the impact of those obstacles were. For example, the lost wages, lost jobs, and how many units were put on hold with the affordable housing project.

Staff Husing responded that they report quarterly to the Board of Supervisors. It is a quarterly dispute memo that lays out what the current batch of disputes look like, some of the themes, some of the concerns, and some of the impacts. For example, Greenhouse Gas Emissions impacts, the SFPUC's revenues, the impact on the customer if they are paying higher rates, and the higher Greenhouse Gas Emissions from PG&E. The SFPUC has been writing down the impacts for hearings.

- **Member Sanders** commented that he believes Treasure Island is serviced by PG&E for interconnection either coming from the Oakland Port or the East Bay. Sanders then asked if TIDA, as the company that pays the electricity bill for the whole island, is paying any exit fees to PG&E.

AGM Hale responded that the connection to PG&E happens at a substation in Oakland. There are lines that go from that substation to a port of Oakland owned substation and then it goes to lines that TIDA has responsibility for. There is a cable under the bay that goes to Treasure Island. PG&E has never had a presence in serving Treasure Island customers, so there is no service fee associated with the island.

- **Member Williams** asked if there is a financial report that shows \$2 billion tax dollars would be X and payment for power would decrease by a certain amount.

AGM Hale responded that they have done several presentations that they would be happy to share with the CAC that show the math behind this. There is a projection as to what PG&E would have charged San Franciscans for the power, which represents the revenue the SFPUC would be taking in instead. AGM Hale then added that all those costs can fit under the revenue stream. This includes the debt service on bonds, a reserve, as well as funds for system improvements, operating and maintenance costs.

- **Member García** commented that AGM Hale's point about San Francisco being able to set their own CARE and FERA rates is huge. What is 100% AMI (Area Median Income) in San Francisco is not 100% AMI in Modesto or somewhere in the Central Valley. Having the ability to set those rates and provide extra support for local rate payers is huge. Member García also wanted to commend all the affordability work the Power Enterprise did throughout the pandemic and continues to do. There is a new FERC (Federal Energy Regulatory Commission) Board. García asked if they could know whether the whole sale distribution tariff is still in front of them to see if it can benefit them in some way.

AGM Hale responded that she hopes so. They did have a shift. It is the kind of institution that is designed to not be influenced by politics. The SFPUC is hopeful that they will have a stronger interest in addressing San Francisco's needs. Part of the challenge faced at FERC is that the SFPUC has a unique situation with PG&E. When they spend staff time solving problems with the SFPUC, they are solving a narrow set of issues that probably no one else will ever have to come to them about. Whereas in other settings, dealing with other entities, it is the kinds of

relationships and issues that are happening across the nation. When they make a decision, it can be more impactful and more meaningful. The SFPUC does not get the sort of attention it would like, in part, because of the market reality.

- **Member García** responded that it is good to know that they are unique and do not get that kind of attention. It can highlight why public power is so important. García then commented that he was assuming the funds for this purchase are coming from Prop 8 in 2018. If so, he asked if there is a sunset day on when those bonds can be issued.

AGM Hale responded that there is no expiration date on Prop 8 and the authority given to the Board of Supervisors. The funds for this transaction come from the revenue stream the City will receive in being the power provider. All those bills that people pay to PG&E will be coming to the City instead. The SFPUC can say to the bond holders that the SFPUC is assured of paying them back because the SFPUC will have that revenue stream. That is how a revenue bond works. It is well understood within the financial community.

- **Member García** asked if this will be a separate funding acquisition.

AGM Hale responded affirmatively, and that it is not taxpayer dollars, it is ratepayer dollars.

- **Member García** commented that the Power Enterprise has great credit, which makes borrowing better.

AGM Hale answered that this is correct.

- **Member García** asked if the current rate study was the venue for rates going forward with a potential acquisition or are the financial documents that AGM Hale mentioned earlier a more pertinent place for those questions to be answered.

AGM Hale responded that the rate study can be a helpful venue. Part of what the rate study is going to do is divorce the SFPUC's rate making approach from PG&E's. That is a good start for more rate autonomy for CleanPowerSF, Hetch Hetchy Power, and for the new publicly owned utility in its expanded state.

Public Comment: Gabriel Goffman commented that the CPUC President is going to be replaced. He does not know how much the SFPUC or the CAC can do to influence that. There is much that everyone wants of the new head of the CPUC. If the CPUC is going to be adjudicating this issue moving forward, is there a way to request from the Governor that they appoint someone who understands the need for public power. Is it also possible to talk to the State Representatives and get them to do that? Whether negotiating with PG&E or thinking of the ratepayers of San Francisco, is it beneficial to try to form a consortium, such as South San Francisco or another county or city, to tie in with them into a new public power entity. Obviously, PG&E's territory is big, so there might be some benefits to ratepayers. In terms of future secure and free energy, it might be good for the City to work with another wider Bay Area community.

7. Presentation and Discussion: Interested Candidates for CAC Officer Positions, Anietie Ekanem, Full CAC Chair

- Interested candidates will share why they are interested in running for Chair, Vice Chair or Secretary positions for a two-year term, 2022-23
- Elections will be held in January 2022
- Newly Elected Chair will appoint Subcommittee Chairs for Water, Power, and Wastewater Subcommittee
- Secretary position is currently vacant
- Interested candidates should reach out to Chair Ekanem and Staff Sa

Public Comment: None

8. Staff Report

- Reminder for CAC seats seeking members
 - District 4
 - Small Business Seat appointed by Board of Supervisors' President
- The SFPUC is developing an affordability document with a consultant and would like the CAC's input. Members were asked to voice their interest so we can connect them with the consultant.

Public Comment: None

9. Future Agenda Items and Resolutions

- CleanPowerSF Overview and DAC Solar Programs Update – tentatively January
- Treasure Island Overview – tentatively January
- Racial Equity – Composition of the Management Team
- SECF/CAC Joint Meeting
- Power Rate Increases
- Education Update
- President Anson Visit
- Drought and Bay Delta Discussion
- CleanPowerSF and Hetch Hetchy Power Study Rates
- Agency-wide Planning & Policy on Climate Change & Adaptation
- Interagency Working Group on Sea Level Rise
- Contracting Process
- Education Resolution
- PUC Properties and City Department Partnerships
- Water Equity and Water Access for Homeless
- Workforce Programs
- Water Rights and Raker Act
- Water Use and Parks
- Flooding Protection
- Water Quality Report
- Green New Deal
- Micro Hydroelectric Power
- Prop A Bond Funding
- Commissioner Visits

Adopted Resolutions for Follow Up

- Resolution for Continued Support and Budget for SFPUC Racial Equity Plan and Community Benefits [adopted on September 21, 2021](#)

- Resolution in Support of a Resilient Water Supply [adopted August 17, 2021](#)
- Resolution in Support of SB 612 Electrical Corporations and other Load-Serving Entities [adopted on July 20, 2021](#)
- Resolution in Supporting of the Transition of CleanPowerSF Residential Customers to Time-of-Use Rates [adopted on July 20, 2021](#)
- Resolution in Support of the Southern Skyline Boulevard Ridge Trail Extension project [adopted April 20, 2021](#)
- Resolution in Support of Interim Emergency Rate Assistance Program and Revised Community Assistance Program [adopted on July 21, 2020](#)
- Resolution in Support of a Skilled and Diverse Utility Workforce [adopted February 19, 2019](#)
- Resolution Honoring the Life, Activism, and Contributions of Dr. Espanola Jackson to the Local Community [adopted on April 19, 2016](#)
- Resolution on Balboa Reservoir [adopted March 15, 2016](#)

Public Comment: None

- 10. Announcements/Comments** The next scheduled meeting of the Full CAC will take place on January 18, 2022. Visit www.sfpuc.org/cac for confirmation of the next scheduled meeting date.

Member Clary commented that pertaining to the Resilient Water Supply Resolution that was adopted in August, the Secretaries of Natural Resources and Cali PA sent a letter terminating the voluntary agreement discussions. The SFPUC was part of the negotiations. They said they were going to start enforcing the Bay Delta Plan, which is the one the SFPUC says is going to cost them 98 million gallons per day in a drought. Clary wanted to reinforce that the Resolution was very timely, and it is time for the SFPUC to figure out where the next water is coming from. The San Francisco Chronicle also covered this topic in a great editorial last weekend.

Public Comment: None

11. Adjournment

Motion was made (Ekanem) and seconded (Clary) to adjourn the meeting.

Meeting was adjourned at 7:21pm.