

San Francisco Public Utilities Commission Citizens' Advisory Committee Power Subcommittee

MEETING MINUTES

Tuesday, April 8, 2025 5:30 p.m. – 7:00 p.m. 525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room

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Mission: The Power Subcommittee shall review power generation and transmission system reliability and improvement programs, including but not limited to facilities siting and alternatives energy programs, as well as other relevant plans, programs, and policies (Admin. Code Article XV, Sections 5.140 - 5.142).

Members

Chair Barklee Sanders (D6) Jodi Soboll (M- Eng./Fin.) Sally Chen (D3) Cal Law (D1) Scott Brown (D5)

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

Staff Liaisons: Lexus Moncrease, & Lupita Garcia Staff Email for Public Comment: cac@sfwater.org

ORDER OF BUSINESS

1. Call to order and roll call at 5:32pm

Members present at roll call (4): Sanders, Chen, Law*, Brown,

Members absent (1): Soboll

Staff/Presenters: Pamela Husing, Meg Meal, Elisa Rodriguez Furey

*Member Law left the meeting at 6:30 pm. Quorum maintained.

Daniel L. Lurie Mayor

Kate H. Stacy President

Joshua Arce Vice President

Avni Jamdar Commissioner

Steve Leveroni Commissioner

Dennis J. Herrera General Manager



2. Approve December 10, 2024, Minutes

A motion was made (Chen) and seconded (Brown) to approve the December 10, 2024, minutes.

Minutes approved without objection.

Public Comment: None

3. Report from the Chair

- Welcome members, staff, and the public
- Ohlone Tribal Land Acknowledgement
- Chair Sanders informed he is doing research whether Senate Bill (SB)
 332 will apply to Treasure Island and the rest of the City.

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 (2 minutes per speaker)

Public Comment: None

5. Presentation and Discussion: Interconnection Issues with PG&E & Public Power Expansion Update, Pamela Husing, Deputy Assistant General Manager, Federal Agreements and Public Power Expansion, Power Enterprise, Meg Meal, Acquisition Analysis Manager, Federal Agreements and Public Power Expansion, Power Enterprise

Presentation:

- Interconnection Issues with PG&E & Public Power Expansion Update
- Recap: Status Quo
- Recap: PG&E's Wholesale Distribution Tariff (WDT)
- WDT3 Issue Elimination of Secondary Voltage- Level Service
- WDT3 Settlement
- Remaining WDT3 Issues
- These issues continue to obstruct projects
- Public Power Expansion Update
- Public Power Expansion Milestones
- CPUC Valuation Proceeding: On-going
- California Environmental Quality Act (CEQA)
- CEQA: Draft Environmental Impact Report (DEIR)
- Q&A

Discussion:

 Chair Sanders asked if the City ever looks into using batteries and solar power rather than always connecting to the PG&E grid and if this was thought as secondary because a eufy go battery that costs around \$2 thousand dollars can power a home for a short period of time and could this approach decrease the costs to taxpayers.

Staff Husing responded yes and as a safety measure, we want to be sure to have a backup way to get power for lighting. There are certain

public safety devices that we have batteries and solar panels on, and another part of our division looks at opportunities for doing this supplemental power and in many cases, there is existing infrastructure where the electrical infrastructure is built out. There are places for rehab and new development but there there's existing infrastructure we want to tap into to be cost effective.

Member Brown commented most buildings in California are required by code to have an electrical interconnection to a primary source of power which means the electrical grid, and they are not allowed to just use batteries without a connection. SFPUC wants to tap into the secondary distribution grid on the low voltage like 120 volts and not 12,000 volts. What the image is demonstrating is equipment required when a primary interconnection is needed like 12,000 volts, however, this is not necessary to power a hand dryer that only needs a secondary interconnection at 120 volts. PG&E could provide this but does not and it would be much smaller and more affordable. Member Brown further commented he is also encountering the same issues with PG&E on projects he is working on where PG&E is requiring a primary transformer that is coming at 5,000 volts. The project is a concession stand with a couple of outlets going in a park and the underground vault is bigger than a conference room table.

Staff Husing responded the SFPUC has filed complaints and has gotten a decision at the DC Court of Appeals from a prior Wholesale Distribution Tariff (WDT) that said PG&E's behavior is anti-competitive because the idea is to prevent the connection. What is happening in some cases is that if City departments cannot afford to spend the money to connect or install unreasonable equipment, we must give it to PG&E retail and end up paying 30% more on rates so PG&E can pull these levers since they own the grid.

Chair Sanders commented some of SFPUC's equipment in Hetch Hetchy was pulling the connection on bathrooms and running on solar and battery powered so if we can trust it on a remote setting, we should be able to trust it in a city setting.

Staff Husing responded she can ask other colleagues to come speak about the types of technologies and policies they push for.

 Member Law asked if there are two different teams working on WDT 3 and WDT 4 and how often they are updated.

Staff Husing responded it is the same team working on both and that the WDTs have been updated annual with the biggest change in 3 was they moved from a stated rate to a formula rate. The SFPUC litigated the structure of the formula along with other interested parties who were exposed to this, but PG&E gets to feed approved costs into the formula so the rates change every year, and we need to go through a true up with them to make sure everything is right and can litigate if we do not agree with something. There were also infrastructure issues where there were big shifts in the way they provided services There is a thing called the network which runs from the edge of City Hall through the Financial District which is more reliable because several different pieces of equipment can jump in if there is an outage. PG&E

filed in their WDT that we could not connect to the network for any new connections, however, existing connections could remain, and they eliminated the ability to connect secondary making it impossible for us to connect.

Staff Meal further responded that PG&E can update these annually.

 Member Law commented PUC helped give a presentation to their neighbors about public power and when people saw this graphic a question that kept coming up is if PG&E decides not to sell again, will SFPUC start doing eminent domain work and what would the timeline look like.

Staff Husing responded if we go that route, we will need to complete our environmental impact review (EIR) so at the earliest any kind of consideration would happen at the beginning of 2026 where the board would approve the EIR, and the City would decide what to do next.

Staff Meal further responded that if we go the eminent domain route, the value is binding, and it avoids the time and complication of having a jury trial to decide the amount.

Member Brown asked if the process has not been able to start until the environmental review is done.

Staff Husing responded PG&E has stalled and that to be fair, no one has done this since the SFPUC did this back in the 1920s to 1940s. It is no small task, and this is the farthest the city has been trying to do since 1913. Currently CPUC has nothing to go on and the SFPUC is paying for a consultant that the CPUC has brought on to help them look at some of these issues. The primary issue has been PG&E's ability to obstruct the proceeding, install and delay and file motions to compel and dismiss which the SFPUC chips away at and things are expected to get heated now that the DEIR is published.

• Chair Sanders commented that Treasure Island is owned by the Treasure Island Development Authority (TIDA) and if we are willing to spend funds to buy the assets from PG&E which is four times as reliable as a city-owned grid, that for over 25 years has experienced too many outages and SFPUC and TIDA have stated they want to maintain it at 3 per year and this year, it is at 7 asked why are we not able to do the same value proceedings and spend funds on Treasure Island and if the SFPUC applies the same philosophies that if PG&E is not a good steward of the grid, the SFPUC should purchase it because it will do a better job than PG&E to themselves. The overall driving force is PG&E blocks interconnections, TIDA blocks upgrades where it does not approve them so if we are going to say something against an entity, the SFPUC should apply the same principle to itself.

Staff Husing responded thanking Chair Sanders for bringing his concerns about Treasure Island and she is not the right staff member to answer these questions as her projects focus on PG&E.

 Member Brown commented part of battling a giant monopoly is public opinion and engaging with the public to encourage them to put pressure on public officials like CPUC Commissioners and legislators. There is a lot of information on the Clean Power website but it does not give people the ammunition or targets to apply pressure such as speaking points, the impact of the environmental impact report and whether a person is supporting or opposing the findings of the report and asked with all the obstruction that PG&E has been doing to stall this public acquisition does the SFPUC feel that the CPUC as the arbiter in the process been complicit in the obstruction.

Staff Rodriguez Furey responded emails went out to people on the listserv and social media posts about the environmental impact report.

Staff Husing further responded she believes they could be more assertive and push PG&E more. The Public Power Ambassador program is a strategic outreach plan that the Communication and Government Affairs teams have been working on where they are developing program materials to do outreach to Community Based Organizations (CBOs) and to date have done about 30 presentations. In the messaging, it includes why Public Power is a good thing. There as specific rules on the California Environmental Quality Act (CEQA) that SFPUC, as a sponsor of the project, must follow when it comes to advocacy work.

Staff Meal further responded the EIR process is a bit of its own animal because it is run by the Planning Department, and it is not meant to be an advocacy effort.

 Member Chen asked how many full-time staff are on this project and where are they situated.

Staff Husing responded she reports directly to Power Assistant General Manager (AGM) Barbara Hale who reports to General Manager Herrera. On the team there is a total of 7 staff members as well as other parts of the organization touching this project such as Infrastructure. There are also engineering consulting firms, Finance Department, City Attorneys and Outside Counsel who are supporting with the project.

PG&E have been stated which is amazing but for 5 years, he has asked for a report on what it would cost for current residents to have a grid that is within SFPUC's standards of 3 outages a year and no one wants to produce a report. When he looked at an old report, it was \$20 million dollars to upgrade the grid of Treasure Island for the current residents When he lived there, he experienced 150 power outages and if it was PG&E, they would be held to a standard level at the Federal, State and Local level, however, because Treasure Island Development Authority (TIDA) is city ran it does not hold to those same standards. The SFPUC seems to have the capability to buy assets from PG&E and asked if there is anyone on staff that he could be directed to whom could do the valuation report and which department does the asset valuation.

Staff Husing responded from her perspective it would need to be a combination of TIDA and the SFPUC because they are two separate entities within the City umbrella.

 Member Brown asked what the revenue from Hetch Hetchy and CleanPowerSF power supply is and commented that publishing those numbers is part of the story as it strengthens the narrative that SFPUC can generate its own power whether through solar or hydropower.

Staff Husing responded that the margin is thin because distribution does not generate money and that it is in active litigation, and we need to be extremely careful and have been talking more about how to represent the numbers that are more digestible.

6. Discussion: Coordinated Response to Treasure Island Power Outage Updates and Emergency Authorization

Discussion:

- Chair Sanders commented the point in this discussion is to prepare
 for a possible non-response from the SFPUC and in short, he is
 hopeful the SFPUC will provide a number to what it will cost to solve
 the problem on Treasure Island understanding that the CAC is an
 advisory body and cannot force staff to do anything.
- Member Brown asked if Commissioner Arce will still be coming to the Full CAC meeting to provide an update as he promised.

Staff Moncrease responded he will be providing an update at next week's full CAC meeting.

 Chair Sanders commented he is hoping in that update there is action and asked if there were no action what questions as a subcommittee would we ask to understand why the SFPUC cannot solve this problem now.

Member Brown responded it seems Commissioner Arce is trying to work on his end to understand this problem and get a response to the CAC and it is unlikely that there will be no response. If there was no response, then the CAC should continue writing strongly worded resolutions and bring them to the public.

Staff Moncrease further responded there is the option to go to the Commission and Board of Supervisors meetings, when possible, to provide public comment and remind them about the resolutions since they are sent to the Commissioners and Board of Supervisors.

• Member Chen commented something we might want to do depending on how much time Commissioner Arce has, is brainstorm strategy and how the CAC can support him as the rate payer advocate on the Commission and depending how that conversation goes, it may be worthwhile to invite him to a subcommittee meeting if it comes to a point where we need to draft a new resolution. Another avenue would be meeting with their respective supervisors in a 1:1 meeting and emphasize that Treasure Island is a top priority for the CAC. Public Comment: None

7. Staff report

No Staff report.

Public Comment: None

8. Future Agenda Items and Resolutions

- IEPR from the CEC
- TI Resolution Report back
- Bayview Power
- Emergency Preparedness
- Power Enterprise Training
- Legislative Update Federal and State
- Electrification: San Francisco Climate Action Plan
- Municipalization: Interconnection, FERC Order 568, CCSF Purchase Offer
- Electric Rates & Equity
- Power Enterprise Residential & Commercial Power Programs: Heat Pumps, CAP
- California Community Choice Aggregation Residential & Commercial Power Programs
- Redevelopment Projects: Hunter's Point Shipyard & Treasure Island
- Time-of-Use Rates Update
- Reliability: Wildfires and Public Safety Power Shutoffs

Adopted Resolutions for Follow Up

- Resolution Recommending that the SFPUC Commission Reverses its Position on the "Not to Exceed Rates" for CleanPowerSF, Move Forward with this Important Program, and Allow Staff to Move Forward with its Launch adopted September 16, 2014
- Resolution in Support of SB 612 Electrical Corporations and other Load-Serving Entities <u>adopted on July 20, 2021</u>
- Resolution in Supporting of the Transition of CleanPowerSF Residential Customers to Time-of-Use Rates <u>adopted on July 20</u>, 2021
- **9. Announcements/Comments** Visit <u>www.sfpuc.org/cac</u> for confirmation of the next scheduled meeting, agenda, and materials.

Public Comment: None

10. Adjournment at 7:02 pm

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contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220 San Francisco, CA 94102, Phone: (415) 252-3100/Fax: (415) 252-3112, Email: ethics.commission@sfgov.org.

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