



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
RATE FAIRNESS BOARD
CITY AND COUNTY OF SAN FRANCISCO**

**Draft Minutes of Special Meeting
Tuesday, September 9, 2025, 10:00 AM – 12:00 PM**

Members of the Rate Fairness Board will attend this meeting in-person. Members of the public are invited to observe the meeting in-person or remotely online as described below. Members of the public attending the meeting in person or remotely online will have an opportunity to provide public comment on every item. It is possible that not every person in the queue will have an opportunity to provide remote public comment.

In-person Meeting: San Francisco Public Utilities Commission (SFPUC), 525 Golden Gate Avenue, 3rd Floor, Tuolumne Conference Room, San Francisco, CA 94102

Virtually Via Zoom:

1. Modern Browser (WebRTC) [Best]

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3. Meeting [Link](#)

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or +1 669 219 2599 or +1 646 518 9805

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Passcode: 286696

Meeting will be recorded for minutes only and will not be published. By joining this meeting, you agree to be recorded during the duration of this meeting.

Daniel Lurie
Mayor

Joshua Arce
President

Stephen E. Leveroni
Vice President

Avni Jamdar
Commissioner

Kate H. Stacy
Commissioner

Meghan Thurlow
Commissioner

Dennis J. Herrera
General Manager



MEETING AGENDA

Materials Distributed: Special Meeting Agenda for September 9, 2025; Draft Special Meeting Minutes of March 24, 2025; "Power Rate Study Overview", "Affordability Policy-Power Update"

1. Call to Order

The special meeting of the SFPUC Rate Fairness Board (RFB) was called to order at 10:05 AM in-person and via teleconference.

2. Roll Call

Member Name/Title	Appointed By
Howard Ash, Chair, Residential City Retail Customer	Board of Supervisors
Masood Samereie, Vice-Chair, City Retail Large Business Customer	Mayor's Office
Vishal Trivedi, Financial Analyst of Office of Public Finance	Controller's Office
Eric Dew, Residential City Retail Customer	Mayor's Office
Ben Becker, Refuse Rates Analyst	Controller's Office
Celeste Middleton, Principal Budget & Planning Analyst	City Administrator
Vacant, City Retail Small Business Customer	Board of Supervisors

Roll Call:

- Present: Chair Ash, Vice-chair Samereie, Member Trivedi, Member Dew, Member Becker*

3. General Public Comment

Members of the public may address the Rate Fairness Board (RFB) on matters that are within the Board's jurisdiction but not on today's agenda.

Public Comment:

Speaker: Francisco DaCosta identifies as an advocate for 50 years, monitoring SFPUC since 1996. Urges the Board to raise standards and conduct needs assessments. Emphasized importance of outreach and public education. Stressed the need for the Board to discern, filter, and conduct proper needs assessments.

4. Instate New Rate Fairness Board Members

- Celeste Middleton, City Administrator Appointing Office (Instate to Board)

Celeste Middleton will be "sworn in" in-person at subsequent Rate Fairness Board meeting. Celeste provides a brief introduction.

Public Comment: No public comment

74 **5. Approval of the Special Meeting Minutes of March 24, 2025**

75 (Discussion and Action)

76
77 *Chair Ash asked Board for comments, questions, or concerns.*

78
79 *Public Comment: No public comment.*

80
81 *The minutes of the special meeting of March 24, 2025, were adopted upon*
82 *a motion by Member Trivedi.*

83
84 *Roll Call Vote:*

- 85 • *Ayes: Chair Ash, Vice-chair Samereie, Member Trivedi, Member*
86 *Becker, Member Dew*

87
88 **6. Report of the Chair (Discussion Only)**

89 **a. Update on Power Rates Study**

90
91 Matthew Freiberg, Rates Manager, provides an overview of the power
92 rates study.

93
94 The Charter requires SFPUC consultant review of cost of service and
95 rates every 5 years. The last rate study was completed in 2022. The
96 current study will set rates beginning fiscal year 2027 and the models
97 developed will be used for the next 4 years.

98
99 Hetch Hetchy Power is a publicly owned utility that generates
100 hydroelectric and solar power. It powers every city building and growing
101 retail customers. It has its own transmission lines from Yosemite to the
102 South Bay.

103
104 CleanPowerSF is a Community Choice Aggregator (CCA) and a
105 generation-only entity. It is an alternative to PG&E offering greener
106 power. It serves approximately 80% of San Francisco customers.
107 PG&E handles transmission, distribution, and billing for CleanPowerSF.

108
109 Project objectives of the rate study are to establish metrics and targets
110 for rate affordability, update CleanPowerSF and Hetch Hetchy Power
111 rates, revise cost allocations across customer classes, enhance equity,
112 and consolidate outdated rate tariffs.

113
114 The rate study process includes 4 major steps: policy and rate structure
115 review, revenue requirement analysis, cost of service analysis, and
116 rate-design analysis.

117
118 Currently, the cost of service analysis is in progress with completion
119 expected end of September. Cost of service and rate design models will
120 be ready end of November. November through December, the team will
121 be able to integrate finalized budget numbers. The final rate plan will be
122 developed January through February 2026. The communications plan
123 will be implemented once the final rate plan is completed. The rate
124 adoption Commission meeting will be in April of 2026.

Public Comment:

Speaker, Francisco DaCosta emphasized need for needs assessments, education of public and Commissioners, consideration of historic context of Hetch Hetchy, and accountability regarding PG&E relationships.

b. Proposed revisions to Affordability Policy

Molly West, Rates Analyst, presents on the affordability policy power update.

There is existing guidance in the Charter and Ratepayer Assurance Policy that requires consideration of bill impacts and affordability.

Key affordability policy considerations include integration into existing budget and financial planning processes, metrics tailored to San Francisco's service area, its function as an early warning system, and coverage of the entire agency.

The pre-existing Water/Sewer Policy approved November 2023 forecasts 20-year period and serves as an early warning to consider trade-offs. It shows projected crossing of the affordability target in 2035-2036.

Hetch Hetchy Power peer industry research found that no peer utilities have explicit affordability metrics/targets. The national benchmark: is >6% of income = high energy burden; >10% = severe. This benchmark not meaningful for San Francisco due to high cost of living.

The customer base analysis found that customers are primarily commercial customers (mostly city departments). The residential customer base is primarily affordable housing, a relatively small customer base. Most residential units are at or below 80% AMI and a strong majority is at 50% AMI.

The proposed metric is for the average residential bill for a typical household income to fall within 40th percentile (2nd quintile) and for income of low-income households to fall within the 20th percentile (lowest quintile).

The proposed target revolves around consideration of multiple options for the target bill as a percentage of income for each representative household.

Affordability policy considerations for CleanPowerSF have unique challenges because CleanPowerSF does not control the full bill. It only controls the generation portion with PG&E controlling delivery charges. The PCIA (Power Charge Indifference Adjustment) is highly variable and difficult to forecast.

In comparison to other CCAs, they had no explicit affordability metrics/targets. They defined affordability relative to investor-owned utilities such as PG&E and focus on the generation portion. They rely heavily on bill discount programs.

The project team proposed a two-metric approach. The long-term affordability metric looks at the entire bill (including PG&E-controlled portion) and would use percent of income over 20-year forecast for budgeting and financial modeling. The short-term affordability metric focuses on the generation portion only and in direct comparison to PG&E generation portion. It would only be forecasted 1-2 years out.

Considerations to keep in mind are the volatility of the energy market, supply chain disruptions, and the need for room for growth.

The affordability policy updates will be presented to the Citizens Advisory Committee and executive team before it is presented to the Commission in the fall.

Celeste Middleton asks about PUC's capacity to use an inverse approach on affordability and consider different rates for customers with high ability to pay. Erin Corvinova, Financial Planning Director, states that rates must be based on cost of service and cannot be income graduated.

Public Comment:

Speaker, Francisco DaCosta emphasizes the need for solutions requiring engagement with PG&E on San Francisco's terms, comprehensive needs assessments including costs to bring electricity to buildings, metering systems, and accountability for consultant spending.

c. Upcoming Items

i. Revisions to water capacity charges

Staff is working on revisions to capacity charges coordinating with the Mayor's Office on broader permitting and building redevelopment charges. Once there is a final determination on charges, information will be shared.

220
221 ii. Updates to water/sewer rates
222

223 Staff is working on updates to water and sewer rates using data
224 from models developed in previous rate study. They plan to
225 prepare for the next rate study for water and sewer.
226

227 *Public Comment: No public comment.*
228

229 **7. Announcements, Comments, Questions (Discussion)**
230

231 Chair Ash speaks on the recent decision from the Commission
232 Streamlining Task Force to keep the Rate Fairness Board active.
233

234 Members and staff thank Rates Analyst, Molly West, on their work and
235 presentation.
236

237 Staff expects next meeting to be scheduled in mid to late October.
238

239 *Public Comment: No public comment.*
240
241

242 **8. Adjournment**
243

244 *Meeting adjourned at 12:02 PM.*
245

Accessible Meeting Policy: To obtain meeting materials in alternative format, please contact the Rate Fairness Board Secretary at 415-487-5254 or via email at RateFairnessBoard@sfwater.org. Providing at least 72 hours notice will help to ensure availability. Written reports or background materials for calendar items are available on-line at <http://www.sfmta.com/about-sfmta/organization/divisions-and-units/board>- <https://sfpuc.org/about-us/boards-commissions-committees/rate-fairness-board>.

Meeting Procedures: Public Comment will be taken before or during the Board's consideration of each agenda item. Speakers may address the Board for up to three minutes on that item. During General Public Comment, members of the public may address the Board on matters that are within the Board's jurisdiction and are not on the agenda. Procedures do not permit: 1) persons in the audience to vocally express support or opposition to statements by Board Member, by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) bringing in or displaying signs in the meeting room; and 4) standing in the meeting room. The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Know your rights under the Sunshine Ordinance: Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact by mail Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102; phone at (415) 554-7724; fax at (415) 554-7854; or by e-mail at sotf@sfgov.org.

Citizens may obtain a free copy of the Sunshine Ordinance by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at <http://www.sfbos.org/sunshine>.

311 Free Language Assistance: 免費語言協助/ Ayuda gratuita con el idioma / Бесплатная помощь переводчиков / Trợ giúp Thông dịch Miễn phí / Assistance linguistique gratuite / 無料の言語支援/ 무료 언어 / 지원 / คว"มข"ย
ยเหลือท"งภ"ษ"โดยไม"ส"ยคาใจจ"าย / Libreng tulong para sa wikang Tagalog ยเหลือ

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290 San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San
291 Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site
292 at www.sfgov.org/ethics.

293 **Explanatory documents** that have been provided to the Board in connection
294 with this agenda are available for public inspection online at
295 [https://sfpuc.org/about-us/boards-commissions-committees/rate-fairness-](https://sfpuc.org/about-us/boards-commissions-committees/rate-fairness-board)
296 [board](https://sfpuc.org/about-us/boards-commissions-committees/rate-fairness-board).

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