

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

MEETING MINUTES

**Tuesday, March 2, 2021
5:30 p.m. – 7:00 p.m.**

PARTICIPATE VIA BLUEJEANS VIRTUAL CONFERENCE SOFTWARE

Meeting URL

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Meeting ID

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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@sflower.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 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 Moisés García (D9) Steven Kight-Buckley (D3) Emily Algire (D5)
Mark Tang (M-Eng/Financial) Sammy Nabahani (Public Member)

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

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.



ORDER OF BUSINESS

1. Call to order and roll call 5:34

Members present at roll call: (4) García, Tang, Nabahani, Algire

Members Absent: (1) Kight

SFPUC Staff present: Ross Nakasone; Bijit Kundu

2. Approve [January 5, 2021](#) Minutes

Motion was made (Tang) and seconded (Nabahani) to approve January 5, 2021 Minutes.

AYES: (4) Garcia, Tang, Algire, Nabahani

NOES: (0)

ABSENT: (1) Kight

Public Comment: None

3. Report from the Chair

- Welcome members, staff, and the public
- SFPUC Commission items related to Power Enterprise
 - [Approve and Authorize the California Community Joint Powers Agency Agreement \(February 9, 2021\)](#)
- The Commissioners approved a firm named Hawkins to find a new General Manager to the SFPUC during the February 23, 2021 PUC meeting. The firm has a useful background and does a good job engaging minorities.
- The Local Agency Formation Commission, which has oversight over CleanPowerSF, will meet next month. When they last met in November 2020, they discussed two interesting reports: [Power is a Right: Preventing a Disconnection Crisis in San Francisco During and After COVID-19](#) and [CleanPowerSF Local Renewable Energy Report](#). The first report is focused on energy affordability and the second report was a response to a former supervisor's request and it looks at SFPUC lands.

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. **Presentation and Discussion: Legislative and Regulatory Update for Power Enterprise**, Ross Nakasone, Utility Specialist, Power Enterprise

Presentation:

- Power Regulatory/Legislative Update
- Legislative Priorities for 2021
 - AB 758 (Nazarian): Rate Reduction Bonds. Reductions bonds are lower-cost financing mechanism as compared to traditional revenue bonding. This structure already exists for water, wastewater, and investor owned utilities. AB 758 intends to extend that existing authority to California publicly owned electric utilities. It will provide an option to enable electric publicly owned utilities to make investments at a lower cost to the customers as compared to traditional revenue bonds. The bonds rely on a dedicated charge instead of integrating the costs. This structure can be used to any project. It would allow Hetchy to save on costs and that is why the SFPUC supports the bill.
 - SB 612 (Portantino): Ratepayer Equity. California has been investing on renewable power. As renewable resources have grown to scale, prices and market value for renewable energy have declined, but this has resulted in legacy renewable contracts that now have above market costs. With the shift to Community Choice Aggregators, the customers pay an exit cost upon departure. The resources produce the renewable portfolio standard attributes and resource adequacy. These products are needed by all energy providers to meet their energy goals and reliability requirements. Unfortunately, under the current structure, these products are retained by the investor owned utilities although all customers pay for their share of the legacy resources. CCA customers pay for the resources with no access to the legacy resource products.
 - AB 758 will provide equal rights to all customers to receive legacy resource products in proportion to their relative share of load.
- Regulatory Overview
 - California Public Utilities Commission: they regulate a variety of utility services. The SFPUC interacts with CPUC on behalf of the CleanPowerSF.
 - California Energy Commission: the SFPUC works with the CEC regarding the renewable portfolio standard and the integrated energy policy report.
 - Federal Energy Regulatory Commission: oversee transmission and wholesales of electricity in interstate commerce. The key issues addressed at FERC involve transmission and wholesale distribution rates and the administration of PG&E electrical tariffs to ensure that the SFPUC receives fair and nondiscriminatory access to their system.

Discussion:

- **Member Tang** asked if AB 758 applies to both CleanPowerSF and Hetchy or just to Hetchy.

Staff Nakasone explained that it applies only to publicly owned utilities such as Hetchy, and not CleanPowerSF. The bill allows a separate charge

on the utility bill and Hetchy has its own billing process and issues its own bills. CCA do not issue their own bills and PG&E would have not authority to include that in their bill.

- **Member Tang** asked staff to elaborate about the products that CleanPowerSF would have access to.

Staff Nakasone answered that SFPUC is still conducting a detailed and refined analysis, but it would be around renewables, RA and resources.

- **Member Tang** asked if that is just accessing the energy renewable sources from PG&E procurement.

Staff Nakasone answered affirmatively.

- **Member Nabahani** asked if CleanPowerSF customers will pay scaled proportionally rates or if it is a flat rate between IOU's and CleanPowerSF customers.

Staff Nakasone answered that CleanPowerSF customers already pay the power charge difference adjustment on their bills. The charge is pulled out separately in that mailer. The bill will enable CleanPowerSF to receive the benefits that should come with the charge.

- **Member Nabahani** asked if the current rate is also proportional to what is being proposed in terms of the resources allocated.

Staff Nakasone answered that it depends on when the customer exits PG&E and the amount of resources on contract. Based on contract vintage and per capita per customer basis, they allocate out each ratepayer. It tries to be proportional.

- **Chair García** asked if Staff Nakasone foresees other relevant legislation coming down the pipeline

Staff Nakasone answered that most bills have already been introduced, but bills that have been introduced are still being studied.

- **Member Algire** asked if there are other aspects of the CEC that are of interest to the SFPUC.

Staff Nakasone answered that the SFPUC has also been paying attention to the building decarbonization at the CEC.

- **Chair García** asked when the SFPUC will know what other bills it wants to engage on.

Staff Nakasone answered that that should happen in the upcoming weeks.

- **Chair García** asked in terms of distributed energy resources how the SFPUC makes their voice heard before the CPUC in matters involving resource adequacy.

Staff Nakasone responded that the SFPUC tracks closely reliability issues. The SFPUC anticipate changes regarding the amount of capacity that we are going to be expected to procure.

- **Chair García** asked what shifts can be expected from the new administration.

Staff Nakasone responded that FERC is a large deliberative body and it is unclear the impact it will have on San Francisco.

Public Comment: None.

6. **Discussion: Brainstorm on Regulatory and Policy Concepts to Educate Power CAC Members**, Chair Moisés García

- Review [Power Enterprise Overview Presentation](#) from AGM Barbara Hale (April 2017) and discuss potential request for a similar presentation for Power CAC as a part of new member orientation
- Brainstorm regulatory and policy concepts related to the energy industry that CAC members want to learn more about and identify potential outside speakers
 - **Chair García** commented that the lack of transparency on PCIA charges and how high they are is a subject of interest – especially considering those rates will continue to increase. Chair García clarified that the idea is to identify topics of interest, such as the PCIA charges, and develop a curriculum for the Power Subcommittee members.
 - **Member Nabahani** would like to better understand the roles and responsibilities of each regulatory body. Although he is familiar with the bodies, a better understanding of how they interact would be useful. Also learning how to offer public comment would be useful to better advocate in the future. Member Nabahani suggested adding a couple key studies to the Onboarding materials for new members so they can understand the CAC role.
 - **Chair García** and **Member Tang** agreed that case studies are a great idea/approach.
 - **Member Tang** mentioned interconnection issues and how it relates to FERC and PG&E and having a issue like that summarized would have been helpful. Member Tang also said he would think more about suggestion for the onboarding materials.
 - **Chair García** explained the idea is to familiarize the members well so they can help the future members.
 - **Member Tang** mentioned it would be useful to have a list of interaction between the SFPUC and other agencies.
 - **Chair García** asked if collaborating documents would be subject to the Sunshine Ordinance.
 - **Staff Zhu** answered that the Brown Act forbids decisions to be made without a quorum and outside the public forum. The questions if the Google doc would qualify as discussion. A possible approach would be

to bring the concerns and ideas to a meeting and decide what are the subcommittee's priorities and values.

- **Chair García** commented the members should have a conversation about everyone's interests and future agenda items, such as affordability. Chair García asked Member Tang to talk a little bit about his role with the Bay Area Air Quality Management District (BAAQMD) and other CCAs.
- **Member Tang** explained that he has worked with electrification, renewables and incentive programs. The legislative is really upfront building the framework and that results in a funding source and a program. Member Tang is interested in what is the SFPUC input within the state level. His work with other CCAs makes clear that they take a lead and it seems like there is not much movement in San Francisco. A good question is who the owner of these initiatives should be.
- **Member Algire** explained that she is the Major Gifts associate with the Redwoods League. Member Algire is fascinated by how utilities work, especially after the fires and mainly in the state level. Member Algire agrees that starting with big picture is a good idea to establish everyone's interest and mentioned her main interests are ratepaying, arrearages and pandemic impact, and wildfire protections.
- **Chair García** commented that California has been fortunate to not be affected like Texas but that that is possible and learning how similar issues might affect San Francisco is interesting.
- **Member Nabahani** mentioned that he has worked at an energy consulting firm and they would consult on policy and regulations. The firm also had energy efficiency programs for utilities. Member Nabahani main interests are grid reliability, aging infrastructure, and how to achieve renewable goals while maintaining reliability. Also agrees with affordability being a priority.
- **Chair García** commented that it seems like there is a lot of overlap of interests. The subcommittee is expected to meet six times a year and hearing what the members' interest are is helpful. Chair García suggested bringing outside presenters to broaden the voices they are hearing.
- **Member Nabahani** mentioned that it is unclear to him how to contribute in between meetings, but he would like to learn how to contribute.
- **Chair García** commented there are various ways to make their voices heard, such as writing op-eds and passing more resolutions.
- **Staff Zhu** recapitulated the listed priorities as SFPUC programs, grid reliability, emergency preparedness for Power. These priorities could be the basis for future resolutions and knowing all the details is not necessary since a resolution can have value statements without details.
- **Member Algire** asked if the subcommittee should pass a resolution to establish their priorities.

- **Staff Zhu** said it is not necessary to draft a resolution to set priorities and the resolutions can focus on specific topics.
- **Member Algire** listed her priorities as the connection with topics of interest, such as grid reliability and emergency preparedness, or bill relief and renewable energy.
- **Chair García** commented that renewable energy is already integrated with CleanPowerSF and the City will probably meet its renewable energy goals ahead of schedule. Local energy procurement is one point of entry where the subcommittee can see what the city is trying to do. There is not a lot of movement regarding offshore wind and that might change with the new administration.
- **Member Tang** mentioned that he would like to get an update from the Equity Group, procurement of local energy, and legislative updates.
- **Chair García** agreed with Member Tang's remarks and said that having an inflow of information would be helpful. The members and staff then discussed good sources of information related to power.

7. Staff report

Reminder that five meetings have taken place during Fiscal Year 2020-2021.

8. Future Agenda Items and Resolutions

- Customer Programs (lead Mark Tang)
- Grid reliability (lead Sammy Nabahani)
- Emergency Preparedness related to Public Safety Power Shutoffs (leads Moisés García/Emily Algire)
- Equity in the Power Enterprise (lead Mark Tang)
- Renewable Energy (lead Emily Algire)
- Electrification (lead Mark Tang)
- Legislative Updates
- Opportunities to make public comment on behalf of Power CAC
- SFPUC interaction with California ISO
- Treasure Island – power perspective and representative of TIDA, Treasure Island resident
- Strategic Communications and Marketing Plan for Power Enterprise
- Community Choice Aggregation (CCA) speakers
- Future Programs
- Program Development i.e. Electric Vehicles, Electrification, Multi-family Buildings, Storage, Time of Use Rates
- Low-Income Assistance Program

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](#)

Public Comment: None

9. Announcements/Comments

The next Power CAC meeting will be on April 6 or May 4, 2021. Visit www.sfwater.org/cac for confirmation of the next scheduled meeting, agenda and materials.

Public Comment: None

10. Adjournment

Motion was made (Tang) and seconded (Nabahani) to adjourn the meeting.

AYES: (4) García, Tang, Nabahani, Algire

NOES: (0)

ABSENT: (1) Kight

Meeting was adjourned at 7:02 pm