



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

MEETING MINUTES

**Tuesday, May 4, 2021
 5:30 p.m. – 7:00 p.m.**

PARTICIPATE VIA BLUEJEANS VIRTUAL CONFERENCE SOFTWARE

Meeting URL

<https://bluejeans.com/109049011>

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408.317.9253

Meeting ID

109 049 011#

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 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

Members present at roll call: (3) García, Tang, Algire

Members Absent: (2) Kight, Nabahani

SFPUC Staff present: Erin Franks; Justin Pine; Karaline Bridgeford; Michael Hyams; Yee New (Ma Yee Yap)

2. Approve [March 2, 2021](#) Minutes

Motion was made (Tang) and seconded (Algire) to approve March 2, 2021 Minutes.

AYES: (3) García, Tang, Algire

NOES: (0)

ABSENT: (1) Kight, Nabahani

Public Comment: None

3. Report from the Chair

- Welcome members, staff, and the public
- Muwekma Ohlone Tribal Land Acknowledgement
- SFPUC Commission items related to Power Enterprise
 - [SFPUC Advance Calendar](#)
 - [Streetlight Program Biannual Update](#)
 - [Annual Power Risk Management Plan 2020](#)
 - [CPSF Quarterly Update February 2021](#)
- CPSF Reports to Local Agency Formation Commission [March 2021](#) & [April 2021](#)

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: [CleanPowerSF COVID-19 Response](#), Michael Hyams, Director of CleanPowerSF, Power Enterprise

Presentation:

- CleanPowerSF Today: enrollment in phases; customers might opt out from CleanPowerSF and elect to get their service from PG&E; two choices (green with 50% certified renewable energy or super green with 100% renewable and greenhouse free)
- Some Good News: savings; credit rating; and participation
- Providing Cleaner Energy: new wind and solar projects
- Progress Towards 100% Renewable Energy: on track to reach 100% renewable energy by 2025
- Path to 100% Renewable Energy: procurement initiatives are underway
- Upcoming Supply Programs: DAC Solar – two programs made available through CPUC
- Our Response to Covid-19
- Supporting Our Customers: customers received discounts CARE and FERA programs
- Residential Customers with Overdue Bills: map with delinquency rates. Reaching out to customers and working with CPUC
- Customer Protections: SFPUC extended the moratorium to March 2022 – customers will not be returned to PG&E for non-payment
- Arrearage Management Plan (AMP): new program for CARE/FERA customers – requirements and how it works
- Additional Assistance in the Works: CPUC and National Advocacy
- Help Us Spread the Word: information available at CleanPowerSF.org/LowerYourBill

Discussion:

- **Member Tang** asked what metrics are being used for the DAC Solar program and if it is CalEnviroScreen.

Staff Hyams answered that CalEnviroScreen has been used and the DAC presented on the slides used CalEnviroScreen 4.0. It is not finalized but it is a snapshot of the DAC that will be eligible.

- **Member Tang** asked who this program is meant for (residential owners or larger corporations).

Staff Hyams responded that the program is focused on residential low-income, not necessarily homeowners. The SFPUC will issue a solicitation to procure solar power from a new project to be developed within a DAC. That project will be scaled hopefully to full capacity or multiple projects and that power will be delivered into the local grid and eligible participating customers will benefit from that program. The program model is not intended to put solar panels on every participating customer's building. It will identify larger groups within the neighborhood that can develop cost effectively and the power will be delivered into the grid on behalf of these customers and eligible customers will receive a bill discount for participating. The State of California is contributing cap and trade allowance revenue dollars to help offset the cost. CleanPowerSF itself will not bear the additional cost from procuring. It is a great opportunity for the City to leverage funds from the State.

- **Member Tang** asked if all the arrearage programs and plans are enough and if there is an analysis of how many customers are behind and how many customers will not qualify for these programs.

Staff Hyams answered that the SFPUC has been advocating with the CPUC to expand eligibility. It is still unclear how the CPUC will rule on this. The SFPUC has been advocating for lowering the debt threshold to expand how many customers are eligible for the AMP program. The SFPUC has also been advocating that the CPUC provide similar debt forgiveness to customers that may not qualify for the AMP, who might have income higher than the ones required by CARE and FERA. There are a lot of different ideas being considered by CPUC. Staff Hyams is confident that there will be more debt relief, but unclear how far it will go. Offered to provide more information about the thresholds being proposed.

- **Member Tang** offered to advocating before the CPUC when the time comes.

Staff Hyams commented that using public comment is a great way voice support before the CPUC. The SFPUC has been advocating for extensions and the CPUC has no decision on programs. There will likely be a buffer after the June 30 disconnections deadline. The decision should be tied to what is happening in the economy and reopening related to Covid-19.

- **Chair García** asked what happens to supergreen in 2025, when it is all procured and 100% affordable.

Staff Hyams explained that the supergreen product will only be supplied by energy generated by new projects. The intention is to have a significant amount of the supergreen portfolio supplied by local resources, which come to a cost premium in comparison to other projects within the state.

- **Chair García** commented that the 2.8 million in bill relief is from the Board of Supervisors and if we will that if there is more funding coming from the Federal Government at some point.

Staff Hyams responded that the 2.8 million was relief that was put in place by our Commission and has already been provided to customers in the form of bill credits. The Commission decided to forgo the collection of 2.8 million dollars in revenue from CARE and FERA customers during the month of October. This was bill relief delivered to low income customers. The credit is the average electricity bill for one month. It is reduced revenue against the expected revenue.

- **Member Algire** asked if the slides will be available to the members.

Staff Hyams answered that we will share the slides right after the meeting.

Staff Sa added that the slides we will also linked to the minutes and publicly available.

- **Member Algire** asked what the average arrearage is and what is the average upper limit of arrearages. Member Algire also asked if customers have 1/12 of their arrearages forgiven when enrolling in the program.

Staff Hyams answered that 1/12 of the arrearages is forgiven within each month that the customer pays their current bill. It is a one-year plan to eliminate arrears for qualifying customers. If customers get

back on track, they will get 1/12 forgiven. Regarding the data question, the slides shown focus on customers that have arrears for more than 90 days. It is a significant amount of debt and this group is unlikely to be able to recover. It does not include who is only 30 days behind. On the residential side, there is about 2.1 million dollars of CleanPowerSF charges owed, with an average of U\$130 dollars. Total energy service is probably two or three times that amount for all debt. If we look into data for arrears of more than 60 days, the amount of debt increases to 4.9 million for CleanPowerSF alone, and the number of customers increases to more than 38,000, more than 10% of our residential customer base. There are commercial customers that are more than 90 days overdue as well. Staff Hyams to share more statistics if that would be helpful.

- **Chair García** commented that CPUC received several filings recently, including from CalCCA.

Staff Hyams added that SFPUC works through CalCCA and it is a good way to understand what the SFPUC has been contributing.

Public Comment: None

6. **Presentation and Discussion:** [CleanPowerSF Rates & the PCIA, and the Time-of-Use Transition](#), Justin Pine, CleanPowerSF Utility Analyst; Karaline Bridgeford, Power Communications Staff

Presentation:

- Rates and Affordability
- Understanding your Bill:
- What is the PCIA? Power Charge Indifference Adjustment
- Average Residential Bill Comparison: CleanPowerSF charges include PCIA plus FFS
- PCIA Increases Over Time: CleanPowerSF reduced its charges to accommodate the costs of PCIA
- PCIA & CleanPowerSF Charges
- PCIA Budget Impacts
- Future of CleanPowerSF Rates
- Time-of-Use (ToU) Transition: most customers will move to ToU rates in July 2021. Peak pricing from 4 to 9 pm. Low cost electricity for the 19 off peak hours. Lowers costs and reduces emissions.
- Time-of-Use (ToU) Transition: customers do not need to take any action. Customers will be automatically rolled to the ToU rate plan if they take no action. CleanPowerSF customers can try this rate plan risk free for the next year. While most residential customers are projected to save money, all customers who are automatically transitioned to this new rate will receive automatic bill protection. At the end of twelve months on the ToU rate, CleanPowerSF and PG&E will provide a one-time bill credit to customers that ended up paying more with the ToU rate
- Help us Spread the Word: CleanPowerSF.org/TOU

Discussion:

- **Member Algire** commented that the presenters mentioned that most CleanPowerSf customers are projected to save money on the ToU rate plan and asked the presenters to explain how that conclusion was arrived at, who are the exceptions and why these people will not be able to save money.

Staff Hyams answered that the Time-of-Use rollout is new. The State ordered the PUC to implement ToU as the default for California customers. It is default, but it is not the only option. Customers can choose their rate. The idea is to align use with financial and environmental aspects. The SFPUC relied on historical usage and the goal is to change behavior. Bill protection is meant to be an opportunity for customers to try the plan and use the credit if the plan ends up not being beneficial. The process will provide more information to better understand how customers will respond and help the SFPUC understand the demographics of the impacts.

Staff Pine added that they can share the Commission agenda item that has 2019 information, where the Commission approved the transition.

- **Member Tang** asked if the rate action due to the PCIA will affect the low-income ratepayers. People are not able to pay their bill and the rate increase will likely enhance those problems and negatively affect the ratepayers.

Staff Hyams answered that the rate proposal will request that the Commission make adjustments to an auto adjusting rate mechanism adopted in 2020 for CleanPowerSF. CleanPowerSF is unique because it is in competition and competition charges fees for the commitments made before the program was launched. These costs fluctuate and are out of SFPUC's control. The fees have been increasing significantly. The rate change enacted earlier in the year featured a decrease in the rates of 16%. This was not planned for and not accounted for in the budget. We have been using the rate stabilization reserve, but that is a finite resource. The rates in place are not sufficient to allow CleanPowerSF to recover its cost. If rates are kept at the same level, the program will have financial problems. Customers will pay more for our service than what they pay to PG&E, including customers that are enrolled in low-income programs. We are increasing our rates, but we had decreased rates by 16% and we are not proposing returning to the previous rates. The rate increase is necessary because PG&E costs have been going up. CleanPowerSF rate increase in perspective is small in comparison to what PG&E is doing with their charges. PCIA charges are higher than tolerable, but the forecast is that it will go down in the next years, which will give CleanPowerSF more breathing room.

- **Member Tang** asked if Time-of-Use C rates are the only ones that are risk-free.

Staff Pine answered that the bill protection is being provided to customers who are defaulted to the ToU C only. The idea is that customers are being incentivized to try the rate. When changing their rate, customers can go online, compare the rate schedules and select the best rate offering for them. The bill protection is available only to customers that were defaulted.

Member Tang commented that it makes sense to protect who did not choose it.

- **Member Tang** asked if the estimation that most customers will save money took into consideration the possibility that most customers might be working from home and the burden of expenses is now on the worker.

Staff Pine answered that the analysis was done on data prior to Covid. The rate design should benefit customers that are working from home during the day. Peak pricing is four to nine pm and customers are usually coming home during that time and use electricity. If customers are home, they can more easily shift behavior and use electricity during off peak times.

- **Chair García** asked if the ToU is always four to nine pm or if it is seasonal.
- **Staff Bridgeford** answered that it is not seasonal. It will be four to nine all year.

Public Comment: None.

7. **Presentation and Discussion:** [Power Enterprise Rates Study Update](#), Erin Franks, Rates Administrator, Financial Services, Business Services

Resources:

- [SFPUC 2016 Power Cost of Service Study](#)
- [Power Utility Rate Consulting Services for 2021 Electric Rates Study](#)

Presentation:

- What is a Rate Study: Legal Framework
- What is a Rate Study: Balancing Competing Goals
- What is a Rate Study: Ratemaking Process
- Step 1: budget – expenses, revenue, and reserves
- Step 2-4: cost allocation – fixed, per hour, seasonality, demand charges
- Step 5: Rate Design
- Power Rate Study Consultant: NewGen Strategies & Solutions – early stages of the work. They have worked with other CCAs
- Power Rate Study Timeline: rate adoption and implementation 2022
- Study stage: gathering feedback and outreach phase 1
- 2021 Power Rates Study Key Issues
- CleanPowerSF: first rate study -- actual cost will be revealed for green and super green rates
- Hetch Hetchy Power: mostly serves municipal department customers and growing group of retail customers. Goal to standardize these rates. Considering new connection fees (capacity charge) for the infrastructure needed.
- Both Programs: affordability and support aggressive climate goals
- Rates Fairness Board (RFB): advises on rates – meetings on every even month on the fourth Friday
- RFB Vacancies

Discussion:

- **Chair García** will share that there are RFB vacancies with his networks.

Public Comment: None.

8. **Presentation, Discussion and Possible Action:** [Resolution in support of transition of CleanPowerSF residential customers to time-of-use rates](#), Moisés García, Power CAC Chair

- **Member Algire** suggested editing the first “further resolved” to add “its impacts on customers”
- **Member Tang** asked what the resolution approval process is
- **Chair García** explained that the Power Subcommittee recommends the resolution to the Full CAC and the Full CAC will vote to adopt it or not.

Motion to move to resolution to the next Full CAC meeting.

Motion was made (Tang) and seconded (García)

AYES: (3) García, Tang, Algire

NOES: (0)

Public Comment: None

9. **Presentation, Discussion and Possible Action:** [Resolution in support of SB 612](#), Moisés García, Power CAC Chair

- **Chair García** explained that SB 612 was part of the legislative update given to the Power Subcommittee. The proposed resolution has been edited and the version being discussed is the edited one. This is essentially to ensure that customers have access to the assets that they are paying for.

Motion to move to resolution to the next Full CAC meeting.

Motion was made (Algire) and seconded (Tang)

AYES: (3) García, Tang, Algire

NOES: (0)

Public Comment: None

10. **Staff report**

Reminder about vacant seats.

Public Comment: None.

11. **Future Agenda Items and Resolutions**

- Electrification and Decarbonization: San Francisco Climate Action Plan - *tentatively July*
- Reliability: Climate Change, Wildfires, Public Safety Power Shutoffs
- Electric Rates & Equity – *tentatively September*
- Municipalization: Interconnection, FERC Order 568, CCSF Purchase Offer - *tentatively November*
- 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

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](#)

12. Announcements/Comments – Please visit www.sfwater.org/cac for confirmation of the next scheduled meeting, agenda and materials.

13. Adjournment

Moved was made (Algire) and seconded (Tang) to adjourn the meeting.

Meeting was adjourned at 7:22pm.