



**San Francisco Public Utilities Commission (SFPUC)
 Citizens' Advisory Committee (CAC)
 Power Subcommittee**

MEETING MINUTES

**Tuesday, February 12, 2019
 5:30 p.m. – 7:00 p.m.
 525 Golden Gate Ave., 3rd Floor, Tuolumne Conference Room**

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 5.140-142](#)).

Members

Chair Nate Kinsey (M-Large Water User)	Wendy Aragon (D1)	Jim McHugh (D4)
Moises Garcia (D9)	Maggie Thomas (M-Env.Group)	Mark Tang (M-Eng./Financial)

M = Mayoral appointment, B = Board President Appointment

Staff Liaisons: Tracy Zhu and Sabrie Grays

ORDER OF BUSINESS

- Call to order and roll call:** The meeting was called to order at 5:30pm.

Members present at roll call: (4) Kinsey, Garcia, McHugh, Tang

Members Absent: (2) Aragon, Thomas

- Approve December 11, 2018 Minutes**

Motion was made (Garcia) and seconded (McHugh) to approve December 11, 2018 minutes

AYES: (4) Kinsey, Garcia, McHugh, Tang

NOES: (0)

ABSENT: (2) Aragon, Thomas

- Report from the Chair**

- Welcome members, staff, and the public.

- Public Comment:** None

London N. Breed
Mayor

Vince Courtney
President

Ann Moller Caen
Vice President

Francesca Vietor
Commissioner

Anson Moran
Commissioner

Ike Kwon
Commissioner

Harlan L. Kelly, Jr.
General Manager



5. **Presentation and Discussion: 2019 Legislative Priorities for Power Enterprise**, Emily Lam & Suzanne Merkelson, Policy and Government Affairs (PGA), External Affairs Bureau

Presentation Topics:

- Political Changes in California
 - Democrat supermajorities increased in both Assembly and Senate.
 - Divisions remain within the party, so this does not mean agreement on everything
 - Governor Newsom
 - One of his first major challenges will be his response to PG&E bankruptcy and the devastating wildfires of the past several years.
 - Governor Newsom highlighted Community Choice Aggregation (CCAs) in State of the State
 - Governor Newsom appointed Genevieve Shiroma to fill Carla Peterman's vacant seat on the CPUC. Commissioner Shiroma has served on the state's Agricultural Labor Relations Board, at the California Air Resources Board, and at the Sacramento Municipal Utility District.
- CalCCA Legislative Priorities
 - California Community Choice Association (CalCCA) is working on a response to Power Charge Indifference Adjustment (PCIA) exit fees and looking to be flexible as PG&E bankruptcy progresses.
 - CalCCA is prioritizing principles such as cost transparency and affordability for ratepayers
 - Bill Analysis and Advocacy
 - The Policy and Government Affairs team works closely with the Power Enterprise, trade associations (CalCCA, California Municipal Utilities Association (CMUA)) and our lobbying team in Sacramento on bill analysis and advocacy.
 - The SFPUC will be closely monitoring issues that could impact Power Enterprise, including: post-wildfire legislation, regionalization, procurement
 - Happy to work with anyone interested in bill advocacy
 - PG&E Interconnection Updates
 - As you may be aware, last June, a Board of Supervisors Committee hearing was held to discuss PG&E's role in delaying and obstructing service provision, including requiring system impact studies for very small loads
 - A resolution was enacted subsequent to the hearing, requiring the SFPUC to submit quarterly reports to the Board
 - The first quarterly report details denied requests from PG&E for secondary (or low-voltage) service for City projects. PG&E has wanted the City to provide primary (or high-voltage) service for facilities w/ small electric loads that are typically served w/ secondary service
 - These requirements have caused months of delay in meeting project timelines and additional costs, as PG&E has eventually granted secondary service after the SFPUC has already applied for primary service (at additional cost)
 - From the reporting period of Nov. 2018 through Jan. 2019, the SFPUC has identified 53 projects that have

experienced interconnection issues due to delays, arbitrary requirements, or increased project costs. **FERC delays:** Confidential settlement discussions are underway in 10 FERC cases related to disputes from 2017-2018. The City filed a complaint against PG&E w/ FERC late last month to address PG&E's demand for primary service for small facilities.

Discussion Topics:

- *Member McHugh* asked if the Federal Energy Regulatory Commission (FERC) has a quorum.
Staff Lam believes that the appointees have been identified, but she's not sure if they're seated yet.
- *Member Garcia* questioned if the procurement mandates are in response to AB56 "provider of last resort."
Staff Merkelson answered that "provider of last resort" falls within the bill. They also see a lot of different mandates regarding specific energy sources.
- *Member McHugh* inquired if SFPUC has taken a stance on regionalization in the past.
Staff Lam answered yes, last year the SFPUC took an informal position against the formal bill. California Municipal Utilities Association (CMUA) was against the bill and the CalCCA was for it. Ultimately in the end, SFPUC staff believed that California was not ready to properly execute regionalization and turn over control to another entity such as the federal government as it will not be favorable to California.
- *Chair Kinsey* asked regarding wildfires, does SFPUC have to submit any wildfire mitigation for transmission assets for Hetch Hetchy Power.
Staff Lam replied they submit that plan to state entities. SFPUC staff just submitted the plan recently.
- *Chair Kinsey* questioned if there is any way the committee members can be on a list to receive the reports on the PG&E interconnections that are sent to the Board of Supervisors quarterly.
Staff Merkelson answered that she can certainly send the Power CAC the copy they have, but she's not sure how the distribution method works. All the information is public.
- *Chair Kinsey* inquired what is the targeted completion date for the study that the Mayor directed the SFPUC to conduct on the possibility of acquiring SFPUC assets.
Staff Lam replied three months. They want to keep pace while the bankruptcy process proceeds.
- *Chair Kinsey* asked if the PG&E bankruptcy has any impacts on the CCA's operation or Hetch Hetchy operations.
Staff Lam answered that payments from PG&E to CCAs stopped for a bit, but as of last week the payments are starting to come back in. There is full intention to continue to pay the CCA.
- *Chair Kinsey* questioned if there will be a draft of the evaluation.
Staff Lam responded that she doesn't know, but that's a good question.
- *Member Garcia* asked about possible opportunities that a PG&E bankruptcy poses. How does it affect CleanPower generation and their Power Purchase Agreements (PPA) and whether they have the ability to get rid of the PPA's.
Staff Lam answered that she thinks it's still under debate. She suggested they ask Mike Hyams that question to see what happens in that case.

Public Comment: None

6. **Presentation and Discussion: Low Income Assistance for CleanPowerSF Customers**, Julia Allman, CleanPowerSF, Power Enterprise

Discussion Topics:

- *Member Garcia* asked if they started giving out credits to CleanPowerSF customers. He believes he saw a credit on his last bill. *Staff Allman* replied that they did not start giving out the credit. He may be seeing the generation credit which is the standard way that PG&E takes out the generation cost they would have charged a customer.
- *Member McHugh* questioned if SFPUC asks people who have opted out why they opted out. *Staff Allman* answered that SFPUC does by phone and online. They are seeing that rate and cost concerns are 70% of opt out reasons. Other reasons are customers like PG&E, broadly distrust government, dislike auto enrollment, etc.
- *Member Garcia* inquired if they expect the enrollment of SuperGreen to change dramatically once April hits. *Staff Allman* responded that they will have a larger pool of customers so that number will dip. Their percentage goal is still 5%.
- *Chair Kinsey* asked if there is any concern about the timing with the rates, enrollment, and communications around that. *Staff Allman* answered that they've been hitting the messaging saying that CleanPowerSF rates are competitive. In terms of public perception, one unavoidable concern is that customers will look at the rates now and find that the rates not necessarily the rates customers will be getting. Once SFPUC sets the rates relative to PG&E, SFPUC will do what they can to get the word out by using their normal notification processes.
- *Chair Kinsey* questioned who's left to enroll after the residential customers are enrolled. *Staff Allman* replied that there are E20, or industrial customers whom they are not required by law to auto enroll. What CleanPowerSF is going to do is to approach each industrial customer individually. SF has about 60 industrial customers, so it's a manageable number to approach and sign up each one rather than procuring the energy for a large industrial customer that might opt out. There's a handful of commercial customers who are in PG&E/Hetch Hetchy disputes, so they don't want to touch those customers because if they were to pull them over to CCA first they could be subject to additional departing load charges if they were to go to Hetchy later.
- *Chair Kinsey* asked about the programs that *Staff Allman* mentioned: does that also mean energy procurement? *Staff Allman* answered that when she refers to programs, the official scope includes policies and programs. Policies would include how energy procurement would include community benefits component of their power contracts.
- *Member Garcia* inquired if the CCA Equity Project addback funds are different from the city budget or an addback from the city. *Staff Allman* responded that it's part of the budget process where the Board of Supervisors has discretion to make some cuts to part of the budget, and then reallocate back to a department with a directive on how they want it to be spent.
- *Chair Kinsey* questioned how the CCA Equity Working Group addback funds align to the general programmatic development, and if there is a general timeline for program development. *Staff Allman* answered the CCA Equity Working Group is a component of the broader program development strategy. They should be looking

at their program development plan over the next year. She doesn't have a firm timeline on that, but she would say certainly by the end of this year they'll make some good progress on the direction they're going.

- *Chair Kinsey* asked if the timeline for CleanPowerSF's program development is going to be based on other CCA's programmatic development.

Staff Allman replied that CleanPowerSF is looking at a menu of options with some analysis to support feasibility.

- *Chair Kinsey* inquired was their guidance from SFPUC's management to the working group on the topic of equity in CleanPowerSF.

Staff Allman responded that she would characterize the direction from management as very supportive but letting Working Group guide the work. The job is on the Working Group to really define what equity means in this context.

- *Chair Kinsey* questioned is there a timeline for the CCA Equity Framework draft to be done.

Staff Allman answered at the end of the next fiscal year they're going to get to specific program recommendations. The framework is the mission statement, and some initial guidelines on how they should look at things and then they'll go into more specifics about the programs.

Public Comment: None

7. **Staff report:** None

8. **Future Agenda Items and Resolutions**

- CleanPowerSF Outreach
- Program Development i.e. Electric Vehicles, Electrification, Multi-family Buildings, Storage, Time of Use Rates
- Low-Income Assistance Program
- Regulatory and Legislative Priorities

9. **Announcements/Comments** – Visit www.sfwater.org/cac for information about the next scheduled meeting.

10. **Adjournment**

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

Meeting was adjourned at 6:29pm.