



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

MEETING MINUTES

**Tuesday, February 8, 2022
 5:30 p.m. – 7:00 p.m.**

PARTICIPATE VIA ZOOM VIRTUAL CONFERENCE SOFTWARE

Meeting URL

<https://sfwater.zoom.us/j/86820904340?pwd=ckFpT0ExVXVJV21ka1Q0RkEva3BoUT09>

Phone Dial-in

669.219.2599

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Meeting ID / Passcode

868 2090 4340 / 433364

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)	Emily Algire (D5)	Joshua Ochoa (D7)
Steven Kight-Buckley (D3)	Barklee Sanders (D6)	Marisa Williams (M-Engineering/Financial)

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

London N. Breed
Mayor

Anson Moran
President

Newsha Ajami
Vice President

Sophie Maxwell
Commissioner

Tim Paulson
Commissioner

Dennis J. Herrera
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.



Staff Liaisons: Mayara Ruski Augusto Sa and Jobanjot Aulakh
Staff Email for Public Comment: cac@sfwater.org

ORDER OF BUSINESS

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

Members present at roll call: (4) García, Kight, Algire, and Ochoa

Members Absent: (2) Sanders* and Williams**

Staff: Michael Hyams and Peter Gallotta

Members of the Public: Gabe G

*Member Sanders joined at 5:33 pm. Quorum maintained.

**Member Williams joined at 5:48 pm. Quorum maintained.

2. Approve [February 1, 2022](#) Minutes

Chair García suggested removing the Public Comment from the Call to order and roll call section. Public Comment was then removed from that section.

Motion was made (García) and seconded (Algire) to approve the February 1, 2022 Minutes as amended.

AYES: (5) García, Kight, Algire, Sanders, and Ochoa

NOES: (0)

ABSENT: (1) Williams

Public Comment: None

3. Report from the Chair

- Welcome members, staff, and the public
- Ohlone Tribal Land Acknowledgement

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: [CleanPowerSF Participation in California Community Power Long-Duration Energy Storage Procurement](#), Michael Hyams, Deputy Assistant General Manager, CleanPowerSF, Power Enterprise

- Resource: [November 2021 Presentation to the Commission](#)

- Resource: <https://cacommunitypower.org/>

Presentation

- CleanPowerSF Participation in California Community Power's Long-duration Storage Procurement
- Summary
- Background: California Community Power or "CC Power"
- California Community Power Agency Membership
- LDS Request for Offers Background and Timeline
- CleanPowerSF Ordered to Procure 15.5 MW of LDS Resources
- LDS RFO Objectives & Specifications
- LDS RFO Project Conditions
- Summary of Offers Received
- CC Power LDS Project #1: Tumbleweed Project by LS Power
- Participants in the Tumbleweed LDS Project
- Project Agreement Structure (3 documents to be authorized for GM execution)
- Tumbleweed LDS Project Procurement in Context
- Next Steps
- Questions

Discussion

- **Member Sanders** commented that these types of investments will not be made in Treasure Island until after redevelopment. Sanders then asked if Treasure Island is included in any future projects for battery storage. He also asked if there are any future plans after redevelopment for backup generators in Treasure Island.

Staff Hyams responded that he could not answer that question because his focus is on CleanPowerSF and Treasure Island is served by Hetch Hetchy Power. He added that part of the challenge with Treasure Island is the age of the infrastructure, which will be updated through the redevelopment process. He cannot speak on any future plans for deploying storage there, but he believes that it will be one of the solutions that they are considering for the future.

- **Member Sanders** asked where the funding comes from for projects like these.

Staff Hyams responded that most of the power supply that CleanPowerSF acquires to serve its customers is done through contracts where they are committing to buy from a power generator for some amount of time. These contracts can be short or long-term. In the specific case that was presented, it will be about 15 years. It is standard in the energy sector to utilize a long-term commitment from a buyer who has customers and a revenue stream to privately finance new infrastructure. That is the standard in the electric sector, especially in the renewable energy sector because of the tax structure that the country has used to incentivize these technologies. Investment is driven by federal tax incentives around investment. These are incentives that public entities that don't have a tax base can't monetize. CleanPowerSF's commitment is to pay its share of the ongoing costs for this plan over a 15-year period. The SFPUC will have a monthly

invoice. They are using their customer revenues and demand to make those payments over the long-term, but the developer will likely use capital that it raises on its own or by going to financial institutions to cover the capital investment costs to build the plant.

- **Member Sanders** responded that many issues on Treasure Island are due to TIDA (Treasure Island Development Authority). He added that Treasure Island is ineligible for federal funding and battery generation funding because of the way that it was structured. It was legally structured in a way where the developer pays for any infrastructure to redevelop the island, but they are technically not a public utility. Sanders is trying to determine where there can be possible eligibility for funding to avoid waiting for the developers to pay for all infrastructure upgrades.
- **Member Algire** commented that it was good to see that the RFO (Request for Offer) has work force and environmental justice as project conditions. Algire asked where this project is going to be located, if that was Kern County, and why Kern County was the chosen location. She also asked if there is a reason why it is not located on Treasure Island and why is this not local storage instead.

Staff Hyams responded that they issued a competitive solicitation to developers of these technologies such as firms that are in this business who do this on a regular basis. These are complex projects from concept to operation. Generally, they use the structure of contracting out partly because the tax code incentivizes private investment. That may not always be the case. This will probably evolve over the decade, but that is the contract they have currently. This long duration storage initiative is separate from other procurement that CleanPowerSF has done. This was a California Community Power joint effort with seven other CCAs (Community Choice Aggregators) from northern California. They invited the Development Community to bid. Connecting locally would meet the CAISO (California Independent System Operator) requirement for example. Part of the challenge is acquiring property for this and some of these technologies in the built environment, which is not easy to do. The other issue is cost, and this is a competitive process. For any project they receive an offer on, they look at the value of the project to their rate payers, which also considers locational benefits. Kern County is a good location for a project like this because there is a great deal of solar being developed there that is supplying the State of California. That is exactly the kind of place that they want to put storage. In the middle of the day when they are increasingly generating more than the State needs for power supply, they can storage that and use that after the sun is gone. This is especially important as we move towards a cleaner grid and away from gas. The SFPUC regularly issues solicitations to supply CleanPowerSF, and some solicitations are currently active. These solicitations always indicate that they prefer projects that are in the nine Bay Area counties. Projects that are located locally get additional points. However, project proposals in the nine Bay Area counties are still the exception. One of the reasons for that is the high cost of land. The SFPUC is procuring these types of resources within the Bay Area. They entered a contract for 75 megawatts of solar plus battery storage

for a project that is proposed to be developed in Alameda County over the next couple years.

- **Member Algire** commented that she noticed that not all California Community Power members are participating in this project and asked if Staff Hyams knew why some members did not participate and why others did.

Staff Hyams responded that he can speak generally. The three energy companies that are not participating in this project are East Bay, MCE (Marin Clean Energy) and Central Coast Community Energy. The first reason is that they have had procurements going on their own, and they were working on their own contracts. It is possible there may be more participants in a future project. These three opted to not participate in this particular project, and it is because they had some other ongoing projects.

- **Member Sanders** commented that the SFPUC does not have regulatory oversight to the grid on Treasure Island. Sanders also commented that energy providers that fail to comply with the CPUC (California Public Utilities Commission) can be fined. Sanders asked if TIDA is exempt from those fines or if they exempt.

Staff Hyams responded that San Francisco is unique as far as electric service goes. He does not know of another City that has the complex arrangement that San Francisco has where there are multiple providers. San Francisco has PG&E as an investor-owned utility and it has the SFPUC as a public owned utility. Treasure Island is served by Hetch Hetchy Power as a public power utility and Hetch Hetchy Power is not under the regulatory authority of the California Public Utilities Commission (CPUC). The CPUC regulates investor-owned utilities. The City and County self-regulate when it comes to Hetch Hetchy power. CleanPowerSF is different from Hetch Hetchy because CleanPowerSF sources and provides the electric supply that is then delivered by PG&E under a program authorized by law that is only allowed in the service areas of investor-owned utilities. CleanPowerSF cannot compete or provide service to Hetch Hetchy Power customers or any other public utility served electric customer in California. The Sacramento Municipal Utility District or LADWP (Los Angeles Department of Water and Power) are public entities supplying the utility service, so the CCA model does not apply there. The CPUC jurisdiction is specific to investor-owned utilities and CCA. CleanPowerSF is Francisco's CCA, and it falls under the jurisdiction of the CPUC. Treasure Island is outside of the CPUC jurisdiction, and orders from the CPUC apply to CleanPowerSF and do not apply to Treasure Island or Hetch Hetchy Power.

- **Member Sanders** commented that this is unfortunate and added that it is confusing how it is considered public power on Treasure Island because it is getting the energy from Hetch Hetchy. Sanders asked if Treasure Island's grid is part of Hetch Hetchy or is it just that they are provided power from it.

Staff Hyams responded that this is pushing his Treasure Island knowledge. Hyams explained that he could speak about the general

framework and that Treasure Island electric system is operated and managed by Hetch Hetchy Power. Hetch Hetchy power is delivered into the grid, and ultimately, Treasure Island is connected to the CAISO system. Power gets wield over that system. There is no way of knowing that a particular location is served by a particular electron that is produced by a plant, partly because electrons comingle once they hit the grid. Hetchy is one of the sources of supply into the grid. Hetch Hetchy, as the power provider for Treasure Island, is responsible for making sure that enough power is supplied to the grid to meet its needs. The issues mentioned by Sanders are related to local distribution and aging infrastructure.

Member Sanders commented that the developer pays for the grid upgrades on Treasure Island. Sanders asked if the developer is considered an investor. Sanders is trying to understand what makes Treasure Island ineligible for funding. Sanders added that it seems like TIDA is working with the developer as the investor on the local grid, which should require oversight by the CPUC at the State level, but it does not.

Staff Hyams responded that he is in charge of the CleanPowerSF program, which does not serve Treasure Island. Staff Hyams offered to share Sanders' questions with Power staff.

- **Chair García** asked if the deadline for meeting the CPUC order was 2026 or when is the deadline.

Staff Hyams responded that the deadline is that the resources be operational by 2026. The CPUC is asking power suppliers under its jurisdiction to submit reports on their progress towards meeting the procurement mandate at regular intervals, which actually was much broader than just long duration storage. There were many components to it. Staff Hyams commented that showing that they have a contract is a way to show compliance. If the project does not get built, then they will need to find a way to mitigate that. If the Commission and Board approves and they are able to execute this contract, they will be able to show the CPUC that the SFPUC has done its part to contract for these resources. It is not a guarantee that it gets developed. They will continue to report to the CPUC on the status of the project. The CPUC has, for this particular requirement, provided an extended grace period. Staff Hyams believes they called it a long lead time resource. Staff Hyams mentioned that long duration storage is an emerging technology, so they have provided a buffer for parties to show compliance. They may have until 2028 to comply before they are subject to penalties. There are many projects trying to get developed. San Francisco has been at the forefront of pushing clean energy and clean power. There is a huge demand for projects like this and these projects are complex. The hope is to show the CPUC within the next six months that the SFPUC has contracted to fulfill their obligation. The SFPUC is committed to meeting their share of the statewide obligation to support clean energy reliability.

- **Chair García** asked whether the Tumbleweed Project could contractually be online by 2026 and if there is an expected date for it to go online.

Staff Hyams responded that the contractual commercial operation date is a contractual commitment, which is June 1st. It could potentially come online early, but contractually they are not obligated to come online any earlier than June 1st.

- **Chair García** commented that it was great that one proposal was sent in. Chair asked if there are any that are already thrown out based on environmental harms they could potentially produce and if that is that part of the RFP (request for proposals).

Staff Hyams responded that he cannot speak to any specifics, but the California Community Power Project Oversight Committee did a comprehensive evaluation of these projects and looked at every element of the scoring framework. When it shortlisted projects in June, it effectively let go of every other project that had bid in. Those projects were then available to participate in other solicitations. There are other solicitations that are occurring. The investor-owned utilities are getting involved in this, as well as other CCAs. Many of these projects are probably bidding now into other solicitations. Environmental impact was certainly something that was considered as part of the evaluation process.

Public Comment: None

6. **Presentation and Discussion: [Resolution in Support of Deepening Public Power Studies](#)**, Emily Algire, Power CAC Member

Discussion

- **Member Algire** commented that she and Member Kight had a few amendments.

Chair García responded that this is the introduction to the resolution, and there is still time for changes and even to meet with SFPUC staff to receive feedback.

Member Algire commented that this resolution is asking the SFPUC to provide follow-up reports on a report that was done in 2019. The 2019 report was a study that discussed what would happen if the SFPUC acquired PG&E's assets. It broke it down into whether they would stay the course, whether they would do a mixed measure, or whether they would fully acquire PG&E's assets. This 2019 report discussed follow-up reports. Algire explained that she reached out to people who were interested in what would happen if the City took over PG&E's assets. Algire commented that the idea of publicly owned power is great, and people really want it. Many of the people that Algire spoke to had questions regarding impacts to people's jobs and the City itself, especially concerns about the follow-up studies. They also had concerns about what wages and benefits would look like if the City were to acquire PG&E's assets and what governance would look like. People are also concerned about any potential changes to the structure of CleanPowerSF. Algire also spoke with IBEW (International Brotherhood of Electrical Workers) 1245 and they have some concerns.

- **Chair García** asked Algire to talk about the latest changes.

Member Algire asked Member Kight to present the edits he has suggested.

Kight commented that most changes are related to grammar. Kight proposed removing the line “Any potential changes to the governance for...” from the final Resolved clause. It felt like a separate issue to him and not quite a follow-up to the original study. It might be better to call for some sort of investigation of that separately from this resolution. Kight also suggested changing the last Resolved clause from “in consultation with” to “after consulting with.” This was to make the sentence clearer and was not really a substantive change.

- **Member Algire** suggested changing the last sentence of the first part of the end of the first bullet point in the final Resolved clause to "The report shall identify competitive wage and benefits levels for utility workers. It will also address goals for recruiting existing PG&E employees, San Francisco residents, and specifically disadvantaged communities in San Francisco". For the last bullet point in the last Resolved clause, Algire also commented to change “of the ARO” to “from the ARO.”
- **Chair García** asked if members had any questions or responses to the Resolution.

Member Kight responded that in the first ask, he believes that San Francisco is IFPTE (International Federation of Professional and Technical Engineers) 21 and not IFPTE 20. Kight looked it up and confirmed it was 21. The first bullet of the of the last Resolved clause, IFPTE 20 was changed to IFPTE 21.

Member Kight commented that “of the ARO” should be changed to “from the ARO”. Kight added that he supports having a follow-up study to the 2019 report.

- **Chair García** commented that they will not be taking action tonight and that the goal was to discuss the resolution.
- **Member Sanders** commented that he appreciated how the Resolution states setting up an advisory board once everything is transferred. He supports the added accountability. Sanders commented that it would be great to have a separate resolution to support reliability.

Member Kight commented that he agreed with Sanders and reinforced the need of a separate resolution.

Member Algire commented that there is time to add Treasure Island to the resolution.

- **Member Sanders** responded that he is working on a separate resolution and that his biggest concern is to stop TIDA’s control over the grid on Treasure Island. He wants it transferred to the SFPUC. Sanders believes it does not fit into this resolution about PG&E.
- **Chair García** commented that the Power CAC will be providing valuable feedback through this Resolution. The City wants to do advance public power, but PG&E has rejected offers to purchase their

assets. The Power Subcommittee would like answers to the potential what-ifs that can be created from municipalizing power.

- **Member Algire** commented that she did reach out to SFPUC staff to understand their perspective on what the roadblocks are. The SFPUC is still waiting on the CPUC, who is going to be naming the price. In November 2021, SFPUC staff suggested that a reasonable timeline for these reports would be sometime in 2022.
- **Chair García** asked Staff Gallotta if he had anything to add because Chair García had asked him to listen in.

Staff Gallotta responded that he is happy to be here to support the Power CAC and help them liaise with SFPUC staff on this proposed resolution. Staff is happy to look at it and spend some time understanding the kind of requests the studies would entail and the timeline around that. Timelines may have shifted since last year, which is a question for staff about the reasonable expectation around when and how some of these studies can be conducted in terms of resourcing, staging, and sequencing them based on other priorities. Staff is open to an opportunity for a follow-up meeting around details and the feasibility.

- **Chair García** commented that the Full CAC may discuss this resolution in March or April. Chair García commented that he will leave the resolution in Algire and Kight's capable hands. They can agendize a report-back or agendize for adoption.

Member Algire asked if she would have a conversation with staff or if she would be helping set up the agenda for the March or April meeting of the Full Committee.

Chair García responded that Algire can potentially do both.

Staff Sa commented that Algire and Kight could speak with staff at the same time without violating the Brown Act. She asked Algire and Kight to let her know of dates/times that work for them both.

Public Comment: Gabe G commented that he is currently living in District 2 and he supports this Resolution. He is unsure if this can be a part of the Resolution, but he wanted to bring attention to a matter beyond the electrical system. Gabe G stated that the City should work on their use of fossil gas. Gas is the only main city-wide heating storage, and it is the main source for water heating and cooking, and it is bad for the environment. It is bad for health locally and bad for the health of families that use it for cooking. The SFPUC could issue bonds to fund the next transition away from PG&E's gas system and just have power by electrifying all the buildings. It would be great if this study or a further study investigated a way to ensure the coming switch to electrification does not leave people dependent on gas who can't afford to switch on their own and will have to pay an exorbitant price for heating and water heating. They are already seeing the risk of dependency on gas in other parts of the United States and in Europe. The cost of living in England is astronomical. There is no guarantee that gas prices will stay cheap because they have already doubled and tripled in the last two years. It is a ticking time bomb. Even setting the climate aspects aside, they really need to transition to electricity. With fixed rate contracts, they will not have that risk of exploding prices for the most vulnerable people.

7. Staff report

- In-person meetings are expected to resume February 28, 2022
- As in-person meetings resume, please make sure to confirm attendance

Public Comment: None

8. Future Agenda Items and Resolutions

- Electrification: San Francisco Climate Action Plan
- Municipalization: Interconnection, FERC Order 568, CCSF Purchase Offer
- Reliability: Climate Change, Wildfires, Public Safety Power Shutoffs
- 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

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 [adopted on July 20, 2021](#)
- Resolution in Supporting of the Transition of CleanPowerSF Residential Customers to Time-of-Use Rates [adopted on July 20, 2021](#)

Public Comment: None

9. Announcements/Comments

Visit www.sfpuc.org/cac for confirmation of the next scheduled meeting, agenda and materials.

Public Comment: None

10. Adjournment

Motion was made (García) and seconded (Algire) to adjourn the meeting.

Meeting was adjourned at 7:00 pm.