



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

**MEETING MINUTES**

**Tuesday, August 9, 2022  
 5:30 p.m. – 7:00 p.m.**

**PARTICIPATE VIA ZOOM VIRTUAL CONFERENCE SOFTWARE**

**Meeting URL**

<https://sfwater.zoom.us/j/84084072739?pwd=MXIsZXEzellrT0NwTlVGNXArd0hKUT09>

**Phone Dial-in**

669.219.2599

Find your local number: <https://sfwater.zoom.us/u/kWXply9U>

**Meeting ID / Passcode**

840 8407 2739 / 126488

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](mailto: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 Emily Algire (D5)**      Barklee Sanders (D6)      Moisés García (D9)  
 Steven Kight-Buckley (D3)      Joshua Ochoa (D7)

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

**Staff Liaisons:** Mayara Ruski Augusto Sa, Lexus Moncrease, and Jotti Aulakh  
 Staff Email for Public Comment: [cac@sfwater.org](mailto:cac@sfwater.org)

**London N. Breed**  
 Mayor

**Anson Moran**  
 President

**Newsha Ajami**  
 Vice President

**Sophie Maxwell**  
 Commissioner

**Tim Paulson**  
 Commissioner

**Dennis J. Herrera**  
 General Manager

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## ORDER OF BUSINESS

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

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

Members Absent: (1) Kight

Staff/ presenters: Jamie Seidel, Peter Gallotta, and Catherine Spaulding

Members of the Public: None

### 2. **Approve [June 14, 2022](#) Minutes**

Motion was made (García) and seconded (Ochoa) to approve the June 14, 2022 Minutes.

AYES: (4) García, Algire, Sanders, and Ochoa

NOES: (0)

ABSENT: (1) Kight

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: Overview of SFPUC's Distributed Energy Resource (DER) Projects**, Jamie Seidel, Manager of Distributed Energy Resources (DER), SFPUC Power Enterprise

#### *Presentation*

- Distributed Energy Resources Projects
- What are Distributed Energy Resources?
- SFPUC's Role in Distributed Energy Resources
- SFPUC's DER Team & Scope of Work
- SFPUC's Current DER Portfolio
- DER Project Development/Pipeline
- DER Project Challenges

### *Discussion*

- **Member Sanders** asked if the SFPUC was working on any current projects to replace the backup generators on Treasure Island and whether there were plans for resiliency efforts with TIDA (Treasure Island Development Authority). Sanders asked if the City was looking into developing backup battery and solar on the island.

**Staff Seidel** responded that his team does not work on Treasure Island.

**Staff Spaulding** responded that the SFPUC is building out a new system on Treasure Island that should be ready in a few years. Staff Spaulding commented that some of the developers are interested in installing solar to the buildings that are going in and that the SFPUC's role is helping to maintain and operate the new system.

**Staff Gallotta** commented that as part of ongoing conversations with TIDA related to funding for improvements to the system, there may be an opportunity to consider funding for potential storage or improvements to the resiliency of the grid. Staff Gallotta noted that it was largely a question of funding from TIDA to potentially pursue that.

- **Member Sanders** commented that the developer is the one paying for infrastructure updates for anything that is being done. He then asked whether the developers had asked the SFPUC for advice on battery storage for the future of Treasure Island to avoid the historic issues the island has had with generators needing to be refueled.

**Staff Spaulding** responded that the new system is going to be more reliable. She commented that the SFPUC was building out the horizontal infrastructure, which is the backbone of the electrical system. Staff Spaulding noted that as building applications for vertical development go in, there are new building codes in effect that require solar and storage. She commented that there is a great deal of customer demand, so battery and storage are on the table.

**Staff Seidel** commented that his team is focused on retrofit opportunities and small to mid-sized commercial projects. He noted that Treasure Island development was a large-scale project beyond the scope of his team's work.

- **Member Sanders** commented that the Tesla virtual power plant has solar batteries that they sell back to PG&E through a program where they get about two kilowatt hours per kilowatt sent back to PG&E. Sanders asked if the City worked with Tesla through that program to capture energy and sell it back to PG&E.

**Staff Seidel** responded that his team is not involved with that program and suspected that only PG&E customers could participate.

**Staff Spaulding** responded that the SFPUC is involved in procuring clean energy and battery storage systems for CleanPowerSF. She noted that this is a different program but similar concept to the one Sanders had mentioned that entails generating and storing clean energy.

- **Chair Algire** asked who owns the solar panels on Sunset Reservoir and who uses them.

**Staff Seidel** responded that the generating asset was owned by a private entity. He commented that they have a power purchase agreement to sell to the City, so the SFPUC is committed to buying every megawatt hour or kilowatt hour from them at the negotiated contract price. Staff Seidel noted that there was a lease agreement and a power purchase agreement because the private entity is leasing the space on top of the reservoir to generate the power. He commented that the SFPUC then buys kilowatt hours from them, so it is the private entity's responsibility to operate and maintain the asset to maximize how much power they can sell to the SFPUC. Staff Seidel also noted that CleanPowerSF does many power purchase agreements, but those are for large utility scale projects that are 100 to 200 megawatt jobs out in the Central Valley.

**Staff Spaulding** responded that it is structured that way for the private entity because there are favorable tax credits that lower the overall cost of the project. She commented that some of the federal legislation that was just passed might extend some of those tax credits to public entities such as the SFPUC. Staff Spaulding noted that up until now, the common model was the one explained by Staff Seidel because it makes for a more advantageous bottom line, which are savings the SFPUC can pass along to their rate payers.

**Staff Seidel** responded that Hetch Hetchy Power buys the power that is not CleanPowerSF. He added that hypothetically, Hetch Hetchy Power was buying that power from the project developer and noted that none of that solar at Sunset Reservoir is used because it was all collected at the inverters.

- **Chair Algire** asked whether the ones currently in development were structured similarly and whether that could change due to the climate bill that just passed at the federal level.

**Staff Seidel** responded that the SFPUC was developing two more covered reservoirs similar to Sunset Reservoir, and there would be a similar contract structure of a lease agreement with a power purchase agreement. He commented that the difference is that the buyer of the electricity would be CleanPowerSF directly as opposed to Hetch Hetchy Power. Staff Seidel noted that technically it is the same arrangement with no usage onsite and all exported onto the distribution grid. He commented that he has heard rumors about the tax credit, but he was unsure how it would impact the project.

**Staff Spaulding** responded that this was new, so they have not thought things through. She commented that there will be more opportunities to structure these procurement opportunities in the future.

- **Member García** asked who pays for the projects that the SFPUC does with SFMTA (San Francisco Municipal Transportation Agency) and the school district and whether they were a part of SFPUC's capital projects or a combination of a certain City department and the SFPUC.

**Staff Seidel** responded that the SFPUC fully funds projects if it owns and operates it. In such cases, the SFPUC will recapture the investment by billing them for the solar electrons they generate onsite. He noted that it was funded from the capital side of the budget. Staff Seidel commented that if the project meets the SFPUC's criteria, the SFPUC tries to partner up and fund the project.

- **Member García** commented that he is aware of SFPUC projects before the CPUC (California Public Utilities Commission).

**Staff Seidel** commented that the unified school district rooftop solar is extra challenging because they have a different permitting authority than regular City buildings that is called a Division of State Architect. Staff Seidel noted that they are extremely risk adverse and that the review process is long with structural engineering requirements that add a great deal of cost to the project.

- **Member García** asked which department does the permitting.

**Staff Seidel** responded that they are a state level agency that is not a part of the City and County of San Francisco.

- **Member García** commented that the Inflation Reduction Act is new and still in movement. He asked whether the expansion of tax credit for solar projects extended to the heat pumps.

**Staff Seidel** responded that he did not know.

**Staff Spaulding** responded that there is going to be funding available for EV (electric vehicle) chargers and for incentivizing consumers to replace gas fired furnaces and water heaters for electric options. She commented that there are some incentives lined up at the state level as well.

**Staff Seidel** commented that a challenge with electrification projects is that the additional load might require updating the service or internal electrical panel, which can be an additional cost.

**Staff Spaulding** responded that it is a limitation for the Hetch Hetchy program because of the SFPUC's relationship with PG&E. She commented that if they want to electrify something within a municipal facility that entails moving some electrical equipment, then it will trigger a service application with PG&E known as a contract demand that is challenging.

Public Comment: None

6. **Presentation, Discussion and Possible Action: [Resolution in Support Of Deepening Public Power Evaluation](#)**, Emily Algire, Power CAC Chair

*Presentation*

**Chair Algire** commented that this resolution is asking the SFPUC to provide the CAC with more information on what a potential purchase of PG&E's assets by the City would look like. Chair Algire noted that she was in favor of purchasing the assets. She noted that the last three Resolved clauses at the bottom were included to make sure that the CAC respects the fact that there are some things the SFPUC can't share due to issues related to potential litigation.

*Discussion*

- **Chair Algire** commented that the last bullet point had to do with the fact that the SFPUC is not in charge of decarbonization. She noted that to not duplicate efforts, the resolution will discuss how the climate action plan will go through.

In the third Resolved clause, the last bullet point was stricken and replaced with “Alignment with the goals of the City’s Climate Action Plan, including achieving 100% renewable energy and complete decarbonization.”

- **Chair Algire** commented that the next proposed change was related to the CEQA (California Environmental Quality Act) processes because a term such as “build out” could trigger another CEQA process.
- In the second bullet point of the third Resolved clause, the portion that says, “that includes studying...improvements” was replaced with “through local grid acquisition that recognizes environmental costs and benefits, including jobs and air quality.”
- **Member Sanders** commented that the SFPUC or the City was working on a resolution to allow the City to have more emergency powers to fix outages. Sanders noted that he was interested in referencing that resolution in the current resolution. He commented that if they were to procure the PG&E equipment but could not do repairs in a timely manner, that could cause some issues in how service is maintained throughout the City.

**Chair Algire** responded that she does not have any context on the other resolution, but it could be potentially added to the current resolution. She added that there is time before the Full CAC meets to make additional edits. Chair Algire asked if Sanders could send her the articles about this.

- **Member García** commented that he would not want to delay this resolution any longer, and they could make additional edits during the Full CAC meeting.

**Member Sanders** responded that he would not want to delay this resolution as well.

**Chair Algire** responded that they could also work on a subsequent resolution.

Motion was made (García) and seconded (Sanders) to adopt the resolution as amended.

AYES: (4) García, Algire, Sanders, and Ochoa

NOES: (0)

ABSENT: (1) Kight

Public Comment: None

## 7. **Discussion: Power CAC FY 2022-2023 Priorities**, Emily Algire, Power CAC Chair

### *Discussion*

- **Member García** noted that they should add more specificity to the Climate Change topic. García commented that the Electric Rates topic covered the power study with CleanPowerSF, which take place every five years and was the first one for CleanPowerSF. He added that the Electric Rates topic could also potentially include affordability programs as well. García commented that Strategic Investments in Power

Infrastructure covers a myriad of things such as electric rate, the PG&E acquisition and redevelopment projects.

**Chair Algire** commented that it included Climate Change as well.

- **Chair Algire** suggested adding Treasure Island under Strategic Investments in Power Infrastructure and Racial Equity.

**Member Sanders** responded his intent is to only get updates on the resolutions that the CAC passed.

**Chair Algire** responded that maybe Treasure Island was not a priority and should just be a topic for ongoing discussion.

**Member Sanders** commented added that in the power challenges on Treasure Island could be a subtopic to other priorities, such as Racial Equity, Strategic Investments, or Climate Change due to the sea level rising.

- **Chair Algire** commented that Racial Equity seems to be a priority for the Power CAC.
- The word “Plan” was added between “Equity” and “Implementation” in the first priority about Racial Equity.
- **Member García** commented that a new priority could be the Power Enterprise Workforce.
- Power Enterprise Hiring and Training was added to the list of priorities.
- **Chair Algire** commented that she was unsure whether the Power CAC should drop the topic of hiring and training and leave it to the Full CAC.

**Member García** responded that they could focus on that topic with a focus on the Power Enterprise. He added that the Full CAC will hear about hiring efforts in October and that the Power Enterprise requires specific skills and that the Power CAC should dive deep into the hiring and training needed for the Power Enterprise.

- **Chair Algire** commented that Climate Change and the power rate study were a priority last year that potentially do not make sense as a priority for this fiscal year. She noted that the Power CAC could focus on affordability. Chair Algire then asked if Electric Rates would be cut as a priority.

**Member García** responded affirmatively. He commented that the Residential and Commercial Power Programs would be more interesting with things such as heat pumps, affordability programs, and customer arrearages.

- Electric Rates was removed from the list of priorities.
- **Chair Algire** asked if they could further specify Residential and Commercial Power Programs.

**Member García** responded they could add the term “affordability.”

- Residential and Commercial Power Programs was changed to Power Programs and Affordability.
- **Chair Algire** asked if Climate Change should be removed from the Power CAC priority list and moved to the Full CAC instead.

**Member García** recommended keeping it but making it more specific.

**Chair Algire** responded that she was thinking of different ways that power interacts with climate change and things like decarbonization, procurement, storage, adaptability, and wildfire mitigation came up.

- **Member Sanders** commented that he would like to focus on resiliency within Climate Change, specifically weatherization of equipment and sea level rise.
- Climate Change Resiliency and Weatherization was added as a priority.
- **Member Ochoa** asked if microgrid renewable energy would be included in power programs.

**Member García** responded that it might be Strategic Initiatives in Power Infrastructure.

- **Member García** commented that he has thought about how king tides will affect infrastructure along the Embarcadero and what that could do to the whole system in the City.

**Member Sanders** responded that the more extreme the weather gets, the more prepared utilities and other systems must be. He then questioned if sewage should be added as utility resiliency.

Public Comment: None

## 8. Staff report

- Staff thanked Member García for his time as the Power CAC Chair and welcomed Chair Algire as the new Power CAC Chair
- The CAC will continue to meet remotely until further notice from the Mayor's office

Public Comment: None

## 9. Future Agenda Items and Resolutions

- Power Enterprise Training
- Interconnection Issues
- Legislative Update – Federal and State
- Time-of-Use Rates Update
- Electrification: San Francisco Climate Action Plan
- Municipalization: Interconnection, FERC Order 568, CCSF Purchase Offer
- 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
- Reliability: Wildfires and Public Safety Power Shutoffs

#### 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](#)

**10. Announcements/Comments** Visit [www.sfpuc.org/cac](http://www.sfpuc.org/cac) for confirmation of the next scheduled meeting, agenda and materials.

#### **11. Adjournment**

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

Meeting was adjourned at 7:04 pm.