

Power Enterprise Capital Plan and Budget Amendment: Power Asset Acquisition Analysis

December 9, 2019
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Action Item

- Approval of net neutral de-appropriation and re-appropriation of \$10.4M in Hetch Hetchy Power to meet projected cash flow needs of the PUC's Power Asset Acquisition Analysis Project through Fiscal Year 2019-20

Background

- The Mayor and Board of Supervisors (BOS) directed the San Francisco Public Utilities Commission (SFPUC) to study acquiring Pacific Gas & Electric's (PG&E) electric distribution assets servicing San Francisco
- Funding is needed for contracted services with legal and other advisory experts as well as City and SFPUC staff time dedicated to the Project
- \$17.2 million is needed for the Project through Fiscal Year 2019-20 per cash flow projections
 - \$7.8M already appropriated
 - \$10.4M in the proposed supplemental



Anticipated Contractual Services

- Financial Advisors
- Transaction Legal Counsel
- Engineering Advisors
- Technical & Regulatory Advisors
- Labor/HR Advisors
- Communications/PR Advisors
- Bankruptcy Counsel
- Asset Appraisal Advisors
- Operational Readiness
- Bond Legal Counsel
- Municipal Advisors
- Financial Feasibility Advisors
- Real Property Appraiser



Funding Proposal

Project Sources

Gap Analysis	Amount
Existing Appropriation	\$2,309,675
BOS Ordinance 33-19 (ERAF Funds)	\$4,500,000
Project Re-Appropriation (see below)	\$10,371,557
Total Sources	\$17,181,232

Project De-Appropriation Request

Project	Amount
Community Choice Project – CCA	\$216,330
Small Hydro – Budget	\$404,829
Generation/Ocean – Budget	\$453,691
Streetlight Replacement	\$1,251,549
Transbay Cable Project*	\$1,595,281
Intervening Facilities	\$2,000,000
Alice Griffith/Candlestick Point	\$4,449,877
Total Funding	\$10,371,557

*Transbay Cable funding also restricted by BOS Resolution 414-07



Project Deappropriation

- Project deappropriation is not anticipated to impact schedules or present lost opportunities:

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Key

Project is complete for less funding than originally appropriated

Project is ongoing, but has sufficient budget for current activity levels

Project is ongoing and delayed; funds will be requested back when needed



Opportunity Cost of Deappropriation

- Projects have been chosen for deappropriation where funds are not expected to be needed in Fiscal Year 2020
- No critical projects will be delayed or cancelled
- This request represents a temporary cash management exercise moving funds that would otherwise remain unspent this fiscal year
- Power Enterprise will continue to monitor cash flow needs of projects to ensure critical projects remain on schedule