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San Francisco PUC



Municipal Expansion Efforts

Capital Planning Committee
June 24, 2024



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

Hetch Hetchy
POWER

CleanPowerSF



Topics

- Services we provide today
- Why service expansion is needed
- How the numbers work
- Steps we have taken
- Actions & hurdles ahead

WATER



Delivering high quality water every day

POWER



Generating clean energy for a brighter future

SEWER



Protecting public health and the environment

San Francisco's Clean Energy Utility



- 1 million MWh annual sales (150 MW)
- 6,000 retail customer accounts, and growing
- Ownership in 385 MW hydro generation, 9 MW solar, 3 MW biogas
- Default product 100% GHG-free
- “Premium” 100% California RPS renewable
- 160+ miles of transmission and distribution lines

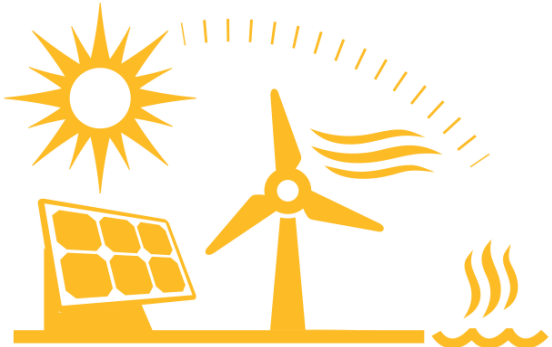


- 3.1 million MWh annual sales (550 MW)
- 380,000+ customer accounts, relatively stable
- Diverse portfolio of short, medium, and long-term power purchase, storage and resource adequacy contracts
- Default “Green” product at least 50% RPS-eligible and nearly 100% GHG free
- SuperGreen 100% renewable

PG&E's Grid Is In The Middle



**HETCH HETCHY POWER
SUPPLY AND TRANSMISSION**



CLEANPOWERSF SUPPLY



**CAISO TRANSMISSION
non-profit grid operator**



**PG&E-owned Distribution
Grid within San Francisco**



**Hetch Hetchy Power and
CleanPowerSF Customers**

City pays PG&E for use of the distribution grid to deliver its electricity supplies.

Ongoing PG&E Service Challenges

EXAMPLE OF PG&E'S UNREASONABLE REQUIREMENTS

For a new transit worker restroom, PG&E tried to require the City to install equipment that takes up 600 square feet and costs half a million dollars.



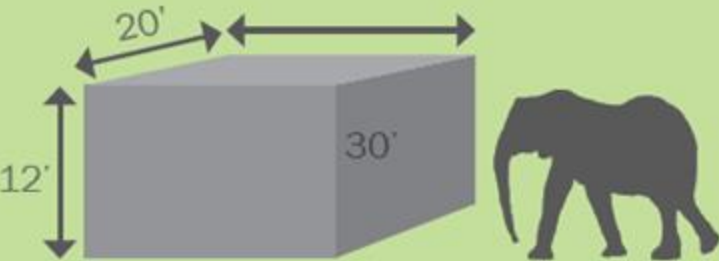
SFMTA RESTROOM

CAPITAL COST: \$60,000



APPROPRIATE ELECTRICAL EQUIPMENT SPACE

CAPITAL COST: \$5,000
LIFETIME OPERATING COST: \$3,000



PG&E REQUIRED EQUIPMENT SPACE*

CAPITAL COST: \$500,000
LIFETIME OPERATING COST: \$150,000

*ELEPHANT FOR SCALE ONLY, NOT CURRENTLY REQUIRED BY PG&E

City projects impacted by PG&E obstruction



Affordable Housing
555 Larkin Street



Schools
2110 Greenwich Street – Tule Elk Early Education

- Impacts include:**
- Delays
 - Additional project costs
 - Loss of usable space
 - Higher electric rates causing higher operating costs



Public Health Facilities
2403 Keith Street – Southeast Health Center



PG&E has cost
San Francisco taxpayers
\$35 million since 2018

Hetch Hetchy has saved
San Francisco taxpayers
\$50 million in just
one year – 2023!

Preliminary Report on Electric Service Options

May 2019



1

Options Report (May 2019)

2

1st \$2.5 Billion Offer to PG&E
(Sept. 2019)

3

2nd \$2.5 Billion Offer to PG&E
(Aug. 2020)

4

Valuation Petition (July 2021)

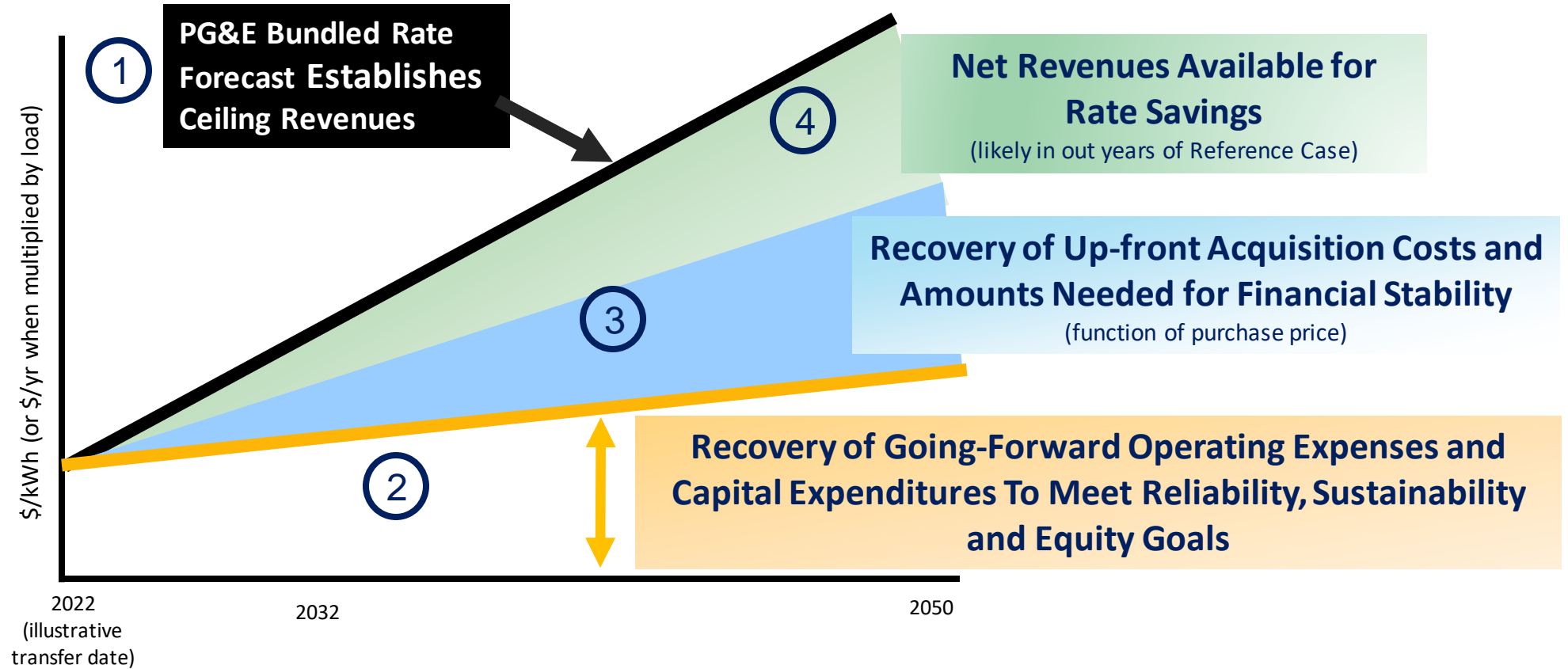
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3rd \$2.5 Billion Offer to PG&E
(May 2023)

6

Initiated CEQA (June 2023)

“Illustrative” Fundamentals & Feasibility



San Francisco Files Valuation Petition, Testimony at California PUC

- San Francisco expert consultants performed extensive financial analysis, engineering analysis and evaluation
 - financial modeling
 - utility appraisal
 - asset inventory
 - real estate appraisal
- Testimony shows estimated value for PG&E's San Francisco electric assets is \$2.4-\$3 billion

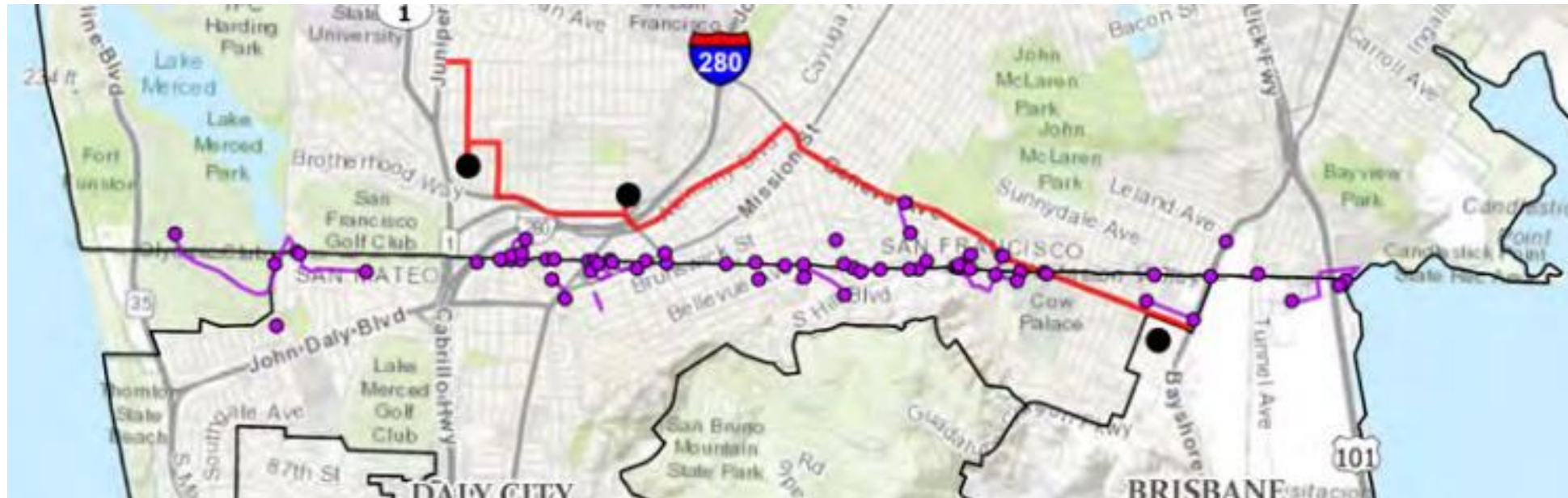
Valuation Proceeding On-going



- PG&E has not proposed a purchase price
- The City has asked the California PUC to determine the fair market value of PG&E's grid assets
- Process will provide transparency
- California PUC hearings may start later in 2024
- Decision expected in 2025

California Environmental Quality Act

- Analysis will review impacts of physical separation work required for acquisition



- New Distribution (12 kV) feeders (Red)
- Expected localized separation work along the border with San Mateo County (Purple)

Benefits of Public Power

Cleaner energy



Affordable Rates



Community investment



Safe, reliable service



Local accountability



Public Power Expansion

FY25 & FY26 Request: **\$13.9M**

10-Year Request: **\$59.5M**

Assessment of acquiring Pacific Gas & Electric Company's electrical assets in San Francisco and readying for operation of the acquired system



Public Power Expansion will enable the City to achieve independence from Pacific Gas & Electric Company, establish local accountability for electric ratepayers in San Francisco, and facilitate investment in infrastructure to further our decarbonization and grid resiliency efforts.

Your Continued Support is Essential



Learn more, sign up for updates:

publicpowersf.org

Get more information:

publicpower@sfwater.org

Follow us on social media:

[@publicpowersf](https://twitter.com/publicpowersf)

Watch our April 2024 webinar:

[Public Power in San Francisco](#)

CEQA Environmental Review:

San Francisco Planning Department

sfplanning.org 2023-005370ENV

Valuation of Assets:

California Public Utilities Commission

cpuc.ca.gov Proceeding P.21-07-012



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Thank you!

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