

Hetch Hetchy
POWER



CleanPowerSF

Power Enterprise Update for Capital Planning Committee

October 26, 2020



New Wholesale Distribution Tariff (WDT3)

- PG&E filed proposed changes to the WDT at FERC on Sept. 15, 2020
 - New formula rate for access to the distribution grid – Costs are expected to increase significantly
 - All new or reconfigured interconnections must be connected at primary voltage
 - No new or reconfigured interconnections allowed on PG&E’s “downtown network”
- CCSF filed a protest at FERC on Oct. 6, 2020
 - PG&E’s proposed changes are unjust and unreasonable
 - Requested that FERC reject PG&E’s application (or at least issue a five-month suspension)
- PG&E’s proposed changes effective January 2021



Implications of Primary Service Requirement

- For the past few years, PG&E has been enforcing this primary service requirement
- Implications for projects include:
 - An additional ~\$500k in upfront construction costs
 - Additional space requirements for a primary switchgear
 - For cost and equipment requirement comparison:

	Secondary Service	Primary Service
Upfront Construction Costs	Transformer (sometimes) Secondary Switchgear (\$75K)	Transformer (\$20-\$50k) Secondary Switchgear (\$75k) Primary Switchgear (\$500k)
SF Owned & Maintained Equipment	Secondary Switchgear & Secondary Service Entrance Conductor or Secondary Main Bus	Secondary Switchgear, Secondary Service Entrance Conductor, Primary Switchgear, & Transformer

PG&E Challenges

- PG&E's continued obstruction and unwillingness to comply with its current Tariff impose unreasonable delays and increased costs on the City
- PG&E currently requires this oversized, expensive equipment that is not required for any regulatory, technical, safety or reliability reasons
- PG&E's proposed changes to the WDT seek to memorialize its 'policy' of unnecessary requirements into the Tariff, in addition to other unjust and unreasonable requirements

Acquisition Efforts

- These circumstances are untenable and further highlight the need for City's independence from PG&E
- In September of 2019, the City submitted an offer to purchase PG&E's electric assets in San Francisco – PG&E rejected the offer
- In August 2020 the Mayor sent a letter to PG&E reaffirming the City's interest in acquiring PG&E's electric assets – PG&E again rejected the offer despite their precarious financial position
- The City continues to evaluate opportunities to decrease dependence on PG&E

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Thank You

