

1 [Charter Amendment - Revenue Bonds for Public Utilities Commission Clean Power, Water, and Clean  
2 Water Facilities]

3 **Describing and setting forth a proposal to the voters at an election to be held on June 5,**  
4 **2018, to amend the Charter of the City and County of San Francisco to authorize the**  
5 **Public Utilities Commission to issue revenue bonds for facilities needed to produce and**  
6 **deliver clean power when approved by ordinance receiving a two-thirds vote of the Board**  
7 **of Supervisors, and to clarify the scope of the Commission's bond authority with regard to**  
8 **the City's water and clean water utilities.**

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10 Section 1. Findings.

11 (a) The Public Utilities Commission (PUC) has been producing clean, greenhouse-gas-  
12 free electricity at facilities in the Hetch Hetchy system for delivery to San Francisco facilities  
13 since shortly after the passage of the Raker Act in 1913. The PUC provides clean, affordable  
14 electric power to all City departments including the Fire Department and Airport, public agencies  
15 like the San Francisco Unified School District, and for other purposes such as affordable housing  
16 developments. New facilities will enable the PUC to provide clean, affordable energy to new  
17 neighborhood developments such as Treasure Island, Hunters Point Shipyard, Pier 70, and  
18 Mission Rock.

19 (b) The PUC's provision of electric service saves the City approximately \$40 million  
20 every year.

21 (c) The PUC's provision of electric service also provides revenue that it reinvests into  
22 the City's clean and renewable energy facilities.

23 (d) The PUC's provision of clean, greenhouse-gas-free electricity supports the City's  
24 sustainability goals, including the goal, adopted in Board of Supervisors Resolution No. 349-11,  
25 of meeting 100% of electricity demand in San Francisco with renewable and/or greenhouse-gas-

1 free sources of supply by 2030. Currently, the PUC's greenhouse-gas-free electricity reduces the  
2 City's carbon footprint by approximately 387 million pounds per year.

3 (e) The City's use of this clean electricity also reduces emissions of particulate matter  
4 2.5 and nitrogen oxide, as compared to the electricity the City would otherwise receive. These  
5 chemicals, emitted primarily from motor vehicles, power plants, and refineries, significantly  
6 harm air quality and human health.

7 (f) The new facilities financed with the bonds authorized by this Charter amendment will  
8 increase the use of the PUC's clean power and further reduce harmful emissions. These new  
9 facilities will also increase sustainability by incorporating technologies like energy storage and  
10 electric vehicle charging stations.

11 (g) The new facilities financed with these bonds will support reliable electric service,  
12 earthquake resilience, and disaster recovery by including, by way of illustration but not  
13 limitation, grid and grid-connected technologies, like electronic control systems and distributed  
14 energy resources, and emerging "smart grid" innovations.

15 (h) From 1945 to 2015, the PUC provided service under a series of contracts that were  
16 approved by federal regulators. On expiration of the final contract in June 2015, the City was  
17 required by federal law and regulations to own more facilities in order to serve its customers.  
18 The bonding authority provided in this Charter amendment is necessary for the PUC to finance  
19 the cost of these facilities in an efficient and cost-effective way.

20 (i) The PUC will be able to provide service to its power customers with fewer delays and  
21 at lower cost if it has the ability to finance required facilities in the same manner as the PUC's  
22 water and clean water utilities, the Port, and the Airport, as well as municipal utilities operated  
23 by other jurisdictions.

24 (j) Revenue bonds issued under the authority provided in this Charter amendment would  
25 be subject to the review and oversight of the Public Utilities Revenue Bond Oversight

1 Committee, Administrative Code Sections 5A.30-5A.36, in addition to the requirements stated in  
2 Charter Section 8B.124, subsections (a) and (b).

3 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City  
4 and County, at an election to be held on June 5, 2018, a proposal to amend the Charter of the  
5 City and County by revising Section 8B.124, to read as follows:

6 NOTE: **Unchanged Charter text and uncodified text** are in plain font.  
7 **Additions** are *single-underline italics Times New Roman font*.  
8 **Deletions** are ~~*strike-through italics Times New Roman font*~~.  
9 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Charter  
10 subsections.

11 **SEC. 8B.124. WATER, ~~AND~~ CLEAN WATER, AND POWER REVENUE BONDS.**

12 Notwithstanding, and in addition to, the authority granted under Charter Section 9.107,  
13 the Public Utilities Commission is hereby authorized to issue revenue bonds, including notes,  
14 commercial paper, or other forms of indebtedness, when authorized by ordinance approved by a  
15 two-thirds vote of the Board of Supervisors, for the purpose of reconstructing, replacing,  
16 expanding, repairing, or improving water facilities, ~~or~~ clean water facilities, power facilities, or  
17 combinations of water, ~~and~~ clean water, and power facilities under the jurisdiction of the Public  
18 Utilities Commission or for any other lawful purpose of the water, clean water, or power utilities  
19 of the City in furtherance of the purposes herein provided. The Public Utilities Commission  
20 shall endeavor to finance new power facilities that increase delivery of clean energy, enhance  
21 reliability and safety, and increase sustainability by incorporating technologies like energy  
22 storage and electric vehicle charging, as well as other technologies that become available. In no  
23 event shall the Public Utilities Commission finance construction of a power  
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1 plant that generates electricity using fossil fuels or nuclear energy.

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4 APPROVED AS TO FORM:  
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6  
7 By:  (for TLM)  
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9 Deputy City Attorney

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