



CITY AND COUNTY OF SAN FRANCISCO  
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2008 JUL -8 PM 1:51

Ben Rosenfield  
Controller

Monique Zmuda  
Deputy Controller

BY *MR*

July 3, 2008

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place Room 244  
San Francisco, CA 94102-4689

RE: File 080648 - Charter amendment specifying energy policy goals and the use of power revenues (Third Draft)

Dear Ms. Calvillo,

Should the proposed Charter amendment be adopted, in my opinion, there could be costs and benefits to the City and County. The costs and benefits would vary widely depending on how the Public Utilities Commission implements the amendment.

There will be estimated early costs of between \$825,000 and \$1.75 million for a comprehensive clean and renewable energy plan which includes a workforce development component as specified by the amendment.

The most significant cost or savings related to this or any similar power proposal would occur if the Commission buys or builds power generation and/or distribution facilities. The proposal requires studies of the costs and benefits of this approach. There are several possible methods for costing the purchase or construction of power facilities and estimates range widely, but the amounts are certainly substantial—in the hundreds of millions. The PUC would have the authority to issue revenue bonds to fund the costs of buying or building power facilities.

Other costs or savings to be considered would come from the avoidance of profits and taxes for private power companies that would not be incurred by the City and the relative value of labor contracts and other efficiencies that might favor public or private power providers. Specific savings or costs cannot be determined at this time for other proposed objectives under the amendment such as generating renewable energy and reducing greenhouse gas production.

Finally, the amendment requires that revenues from the sale of electricity and other services in excess of those reserved by the Public Utilities Commission to pay for all operation expenditures, for the reconstruction and replacement fund, and to comply with the renewable energy requirements be transferred to the General Fund. Potential surplus cannot be determined at this time. We believe that a mandatory transfer of such surplus to the General Fund could represent a risk to the PUC with regards to its ability to achieve its goals and objectives.

Sincerely,

*Ben Rosenfield*  
Ben Rosenfield  
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

DATE: July 16, 2008  
TO: Angela Calvillo, Clerk of the Board  
CC: Mary Red, Assistant Clerk, Board of Supervisors  
FROM: A. Leigh Kienker, Environmental Planner *AK*  
RE: File No 080648, Proposed Charter Amendment, [SF Clean Energy Act.]

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I have reviewed the Fourth Draft for the proposed Charter amendment to establish San Francisco Public Utilities Commission (SFPUC) sustainable energy policy and municipal energy goals, (File No. 080648), dated July 11, 2008. The changes to the proposed Charter amendment as contained in the Fourth Draft are covered under the exemption from environmental review issued on June 3, 2008, for the Second Draft as it consolidated Charter measures (File No. 080638 and 080648), and clarified direction to the SFPUC for energy planning and reporting on provision of sustainable and public utility electric service, and an office of independent ratepayer advocate, to advance the interests of San Francisco customers. The exemptions for the original Charter Amendment proposals are equally applicable to the Fourth Draft, based on the California Environmental Quality Act Guidelines (CEQA): Section 15060(c)(2), finding that the proposed Charter amendment would not result in a direct or reasonably foreseeable indirect change in the environment, as defined by CEQA, Section 15306, finding that the proposed Charter amendment would be categorically exempt under Class 6 for information collection, and Sections 15378(b)(4) and 15378(b)(5), finding that the proposed Charter amendments do not meet the definition of a project as defined by CEQA.

Planning Case No. 2008.0603E

Memo