RULES COMMITTEE AGENDA: 6/12/19
ITEM: G.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: RULES AND OPEN GOVERNMENT COMMITTEE

FROM: Mayor Sam Liccardo
Vice Mayor Chappie Jones
Councilmember Sergio Jimenez
Councilmember Raul Peralez
Councilmember Pam Foley

SUBJECT: ENERGY RESILIENCE STUDY SESSION

DATE: June 6, 2019

Approved

Date 6/6/19

RECOMMENDATION

At the earliest opportunity, convene a Council study session to inform the Council and educate the public about the serious challenges that San José – and other Northern California cities – face regarding maintaining electric reliability and resilience in light of recent events. The study session should focus on the the impacts of recent and pending California Public Utilities Commission decisions authorizing utilities to unilaterally implement sudden de-energization (shutdowns) of transmission lines and subsequent regional power outages, in the wake of Pacific Gas and Electric Company's (PG&E) safety failures. The study session should offer at least a preliminary evaluation of options to boost the resilience to blackouts of San José's critical operations, residents, and businesses, including but not limited to:

1. Ensuring rapid and effective notification of residents—particularly those who have medical vulnerabilities (eg., dependence on dialysis, breathing assistance devices, etc.), senior citizens and non-English speakers—of expected outages as soon as the City learns from PG&E of warnings of imminent de-energization to supplement PG&E's required notification of all residents;
2. Assessing the ability of the City to make short-term and medium-term investments in energy storage, fuel cells, and backup generation that could provide sufficient resilience for critical operations, such as hospitals, emergency responders, the Regional Wastewater Treatment Plant, and the Airport;
3. Identifying other investments that can hasten the creation of micro-grids and islanding in the medium & long-term;

4. Identifying alternatives to PG&E electric service, including:
    a. Evaluating municipal purchase of PG&E's distribution assets in San José;
    b. Forming a regional publicly owned municipal utility district;
    c. Other alternatives that would improve electric service reliability, safety, resiliency, affordability, and expand clean energy options for San José.
5. Coordinating with the County and other agencies to protect vulnerable populations, including dialysis patients, seniors needing air conditioning on hot days, etc.;
6. Assessing next steps for the City to align public resources needed to move forward with any of these options to protect our community, including ballot measures, bond issuances, state grants, legislative advocacy, and the like.

DISCUSSION

As wildfires become more common due to climate change, the California Public Utilities Commission (CPUC) has begun to examine options for utility-initiated de-energization – shutting off power – as one potential solution to reduce wildfire risk. Over the past few years, PG&E's electrical infrastructure has started more than one fire a day throughout California,[1] resulting in devasting losses, rolling blackouts, and negative public health impacts. Although the City Council voted to establish San José Clean Energy in 2017, PG&E still operates and maintains our community's electrical distribution infrastructure. Without control of that infrastructure, San José depends upon PG&E to ensure the safety and energy reliability of our community—a very unsettling reality.

On December 13, 2018, the CPUC opened a new Rulemaking (R.18-12-005) to examine utilities' de-energization processes and practices in times of high fire risk. We need to better understand the consequences of de-energization, particularly its adverse impacts to vulnerable populations and critical operations. Mitigitating these unknown risks could include developing more micro-grids that can maintain power during blackouts, or purchasing PG&E's electrical infrastructure as the City of San Francisco is currently exploring. Our work will require coordination with County, regional, and State agencies to ensure resilience, and we should invite them to our effort.

In particular, resilience will require ensuring our first responders can respond during a blackout. That's why in February 2019, some of the members of this memo released a memo that called for best practices for improving resilience in critical municipal buildings, such as by equipping more buildings with photovoltaics and storage to meet energy load requirements to move them "off the grid" and ensure local control of critical facilities.

To better inform the Council and the community about the serious challenges that San José and other Northern California cities face, we should convene a Council study session that begins to explore the requirements for maintaining electric reliability and resilience, as well as the other complex questions we face.

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[1] https://www.wsj.com/articles/pg-e-sparked-at-least-1-500-california-fires-now-the-utility-faces-collapse-11547410768