

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ESTABLISHING PRINCIPLES TO GUIDE ADVOCACY REGARDING THE RESTRUCTURING OF CALIFORNIA'S ELECTRIC POWER SYSTEM AND LEGISLATIVE AND REGULATORY ENGAGEMENT, AND DIRECTING THE CITY MANAGER OR DESIGNEE TO ENGAGE WITH THE LEGISLATURE AND GOVERNOR'S OFFICE AS WELL AS REGULATORY BODIES TO HELP ENSURE THE CITY OF SAN JOSE HAS SAFE, RELIABLE, CLEAN, AND AFFORDABLE ELECTRIC SERVICE

WHEREAS, on August 8, 2017, the City Council of the City of San José ("City") approved an ordinance establishing San José Clean Energy ("SJCE"), a Community Choice Aggregation ("CCA") program, to procure and sell clean retail electricity to San José residents and businesses, reflecting the City's and communities' desire to accelerate greenhouse gas emission reductions and achieve the goals established in the City's Climate Smart plan; and

WHEREAS, Pacific Gas and Electric Company ("PG&E") continues to deliver electricity across transmission and distribution lines that PG&E owns, maintains and operates, and has proposed electric and gas rate increases in 2020-2022, including rates for customers receiving energy service from CCAs; and

WHEREAS, PG&E filed for bankruptcy in federal court on January 29, 2019; CAL FIRE made determinations on May 25, June 8, and October 9, 2018 indicating that PG&E equipment had sparked most of the major Northern California wildfires in 2017; and the California Public Utilities Commission ("CPUC") issued a report on December 27, 2018 alleging that PG&E had falsified electric and gas infrastructure locate and mark records from 2012 to 2017 making it more difficult for regulators and the public to guard against equipment safety risks; and

WHEREAS, concerns regarding PG&E’s history of safety violations, electric infrastructure neglect, financial mismanagement, and minimal public transparency require additional engagement by the City to ensure that safe, reliable, and clean energy options are available to the residents and businesses of San José; and

WHEREAS, on May 30, 2019, the CPUC adopted a decision establishing guidelines for investor-owned utility (“IOU”) de-energization programs in anticipation of the 2019 wildfire season, giving IOUs, including PG&E, full discretion to evaluate real-time and on the ground information to determine whether to de-energize PG&E owned transmission and distribution lines; and

WHEREAS, distribution level outages could impact residential, commercial, and large industrial customers in San José, including SJCE customers, and transmission level outages could impact large geographic regions, including the entire Silicon Valley or potentially the entire Bay Area; and

WHEREAS, while the CPUC’s decision instructs PG&E to coordinate a transmission shut-off with state and federal safety and electric reliability regulatory agencies, the decision grants PG&E full discretionary authority over whether and when to de-energize transmission and distribution lines; and

WHEREAS, on May 17, 2019, PG&E met with City staff to introduce their transmission and distribution de-energization plan, and the City Manager has requested a more detailed plan to help prepare the City’s first responders, residents, and businesses in the event of a PG&E de-energization event; and

WHEREAS, the City desires to establish principles to guide legislative and regulatory engagement as a response to PG&E’s anticipated de-energization events and support the restructuring of California’s electric power system to ensure the electric generation,

transmission, and distribution infrastructure serving the City is safe, reliable, clean, and affordable;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The following principles are hereby established to guide advocacy on behalf of the City of San José regarding the restructuring of California’s electric power system and legislative and regulatory engagement:
 - a. Safe, reliable operation of California’s electric system should include timely communication and transparency for government and customer oversight;
 - b. Wildfire mitigation measures must include policies and investments to reduce local impacts and empower local preparedness and emergency response;
 - c. Any PG&E Public Power Shutoff event should require government and stakeholder oversight and timely information sharing, planning, and coordination with local communities;
 - d. PG&E’s services should be reduced to improve safety, reliability, and environmental stewardship;
 - e. Any restructured electric market design must consider financial stability and public safety;

- f. Any electric market restructuring plan should support alternative utility ownership models to optimize local efforts to respond to climate change, safety risks, and affordability issues;
 - g. Efforts to implement local climate mitigation strategies to reduce California wildfire risks must be ensured; and
 - h. Corporate accountability should be tied to increased safety requirements.
2. The City Manager or designee is directed to engage with the California Legislature and Governor's office, as well as regulatory bodies, to help ensure the City of San José has safe, reliable, clean, and affordable electric service.

ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk