



Council Policy Prioritization: Early Consideration Response Form

Department CED, IGR, EM

Department Rep. Name/Ext. Lori Mitchell, Ray Riordan, Lee Wilcox

Policy/Ord. Subject _____

Rules Date 10/23/19 Item G(2)

Council Member Sponsorship Mayor

Staff Recommendation

- ☒ GREEN The Administration can implement this Nominated Idea under its current workplan
- ☐ ALREADY UNDERWAY ☐ MINIMAL WORK LESS THAN 40 HOURS ☐ REQUEST FOR INFORMATION
- ☒ YELLOW The Administration recommends Council send this Nominated Idea to the Priority Setting Process (See Complexity Level Below)
- ☒ RED The Administration recommends Council not adopt this Nominated Idea
- ☐ NEEDS CLARIFICATION OR MORE TIME TO EVALUATE

Criterion to Determine Scale of Project Complexity

Project complexity is determined by scoring the project in each of the 3 criteria below and then summing the score.

- a. Low Complexity is a sum of 6 or less.
- b. Medium Complexity is a sum of 7 - 9
- c. High Complexity is a sum of 10 or greater.

Total Score = **19**

Scoring Criterion		Low Complexity		Medium Complexity		High Complexity		
	Estimated Duration	6 - 9 months	<input type="checkbox"/> =1	9 - 18 months	<input checked="" type="checkbox"/> =2	More than 18 months	<input type="checkbox"/> =3	
	Organizational Complexity	Can Easily be Absorbed into Existing Workplan	<input checked="" type="checkbox"/> =1	Planned Work (Future)	<input checked="" type="checkbox"/> =2	Work Not Currently Proposed	<input checked="" type="checkbox"/> =3	
	(Internal)	Have staff with required skillset/ knowledge	<input type="checkbox"/> =1	Have staff with required skillset/requires moderate research	<input checked="" type="checkbox"/> =2	Do not have staff with required skillset/ requires significant research	<input checked="" type="checkbox"/> =3	
		Less than or equal 2 Staff required	<input type="checkbox"/> =1	3 - 4 Staff required	<input type="checkbox"/> =2	More than 5 Staff required	<input checked="" type="checkbox"/> =3	
	(External)	1 Additional Departments	<input type="checkbox"/> =1	2 Other Department Involved	<input type="checkbox"/> =2	3 or more Depts Involved	<input checked="" type="checkbox"/> =3	
	DEPT. Required	<input type="checkbox"/> Airport	<input type="checkbox"/> Housing	<input checked="" type="checkbox"/> CMO	<input type="checkbox"/> OED	<input type="checkbox"/> PRNS	<input type="checkbox"/> PD	<input type="checkbox"/> PBCE
	<input checked="" type="checkbox"/> CA	<input type="checkbox"/> ES	<input type="checkbox"/> DOT	<input type="checkbox"/> LIB.	<input checked="" type="checkbox"/> PW	<input type="checkbox"/> FD	<input type="checkbox"/> EM	

Analysis

Explain the rationale for Staff recommendation, including any mitigating factors that need to be considered (recent legislative action, significant workplan changes, etc). Please address the following as well.

On June 25, 2019, City Council adopted a resolution establishing principles to guide advocacy regarding the restructuring of California's electric power system to ensure the electric generation, transmission and distribution infrastructure serving the City of San José is safe, reliable, clean, and affordable.

On August 29, 2019, City Council conducted a study session on energy resiliency which discussed both the current state of the City's resiliency, as well as near and longer term options to improve it. At the conclusion of the Study Session, staff indicated that the work program associated with addressing the City's short and long term resiliency required scoping, research, evaluation, and the resources to complete the work; and would be returning to Council with that analysis this Fall, currently anticipated on November 19, 2019.

On October 9, 2019, PG&E initiated a PSPS event across thirty counties in California, including Santa Clara County. This included almost 20,000 customer accounts in San José that lost power for an average of more than 16 hours. The City of San Jose activated its Emergency Operation Center and operationalized the Power Vulnerability Plan developed over the summer to address a PG&E PSPS.

The information in this Early Consideration Response addresses a number of relevant items, some of which can be addressed as part of work underway and being scoped by the Administration within the context of the energy resiliency study session and normal emergency management follow up efforts to the PG&E PSPS. Numerous items require additional scoping, research, evaluation, and resources to address and potentially implement; accordingly, the items have been categorized as green, yellow, and red light as part of the Council Policy Prioritization process.

GREEN LIGHT: The Administration can implement this Nominated Idea under its current workplan. Item should be sent to Council to add to Department workplan. Explain how the Idea will be approached.

2. After-Action Report: The Office of Emergency Management will prepare the PG&E PSPS After-Action Report. Regarding a-c, staff is compiling and reviewing recorded costs for the planning and response to the PSPS event, and will evaluate currently available funding streams, and prepare an invoice/record of City costs. No private sector costs have been recorded, but staff will explore whether any private data becomes available or the feasibility of reasonably determining potential losses incurred, and if potential means for recovery by impacted parties become available. Regarding d, staff will review documents from the National Weather Service to identify the specifics of the weather event and timing in relation to the areas of impact, and how they compare to the stated thresholds of PG&E to initiate a PSPS. Regarding e, staff will assemble information on the unique tools and methods it used to accurately understand and assess the impacts of the event, and how it used them to communicate, manage, and minimize impacts of the event.

3bii, 3biii, & 3biv - Microgrids and Related Investments in Resilience: The Community Energy Department will complete the associated outreach and engagement activities within the next six to 12 months, as part of its efforts to advance Energy Resilience and Climate Smart goals that are in the early planning and programming stages.

5a - Voter Support for Bonds: Voter support for bonds and polling could be a green light. However, it is important to assess the purpose and requirement of polling from the standpoint of determining what may legally require voter approval versus efforts to understand the community sentiment and support for the City to take a major role in electrical distribution, local generation, and renewable energy storage. The Administration would also benefit from flexibility on the timing of polling. If the current polling schedule could reasonably accommodate polling this fall, the Administration could add it, but given the timeline, and the need to answer certain questions, it may be better to include it in early 2020 polling for the November 2020 ballot consideration.

YELLOW LIGHT: The Administration recommends Council send this Nominated Idea to the Priority Setting Process due to [describe cost implications, workload impacts, or other factors].

Table-Top Exercise: Require additional resources. As a result of the October 9/10 PSPS, the Office of Emergency Management is in the midst of preparing an After Action Report and updating the Power Vulnerability Plan. These time consuming efforts and the current weather conditions to which PG&E and other agencies are monitoring and responding to, prevent scheduling an expedited Tabletop Exercise. As the City prepares for winter weather, resources are being committed for the winter preparedness, limiting resources available to develop and execute a PSPS Tabletop Exercise. Recommend Priority Setting.

3a, 3bi - Microgrids and Related Investments in Resilience: Requires significant additional resources to identify and evaluate the business, technical, and legal requirements to develop microgrids that would serve key areas of the City (including areas positioned for development, redevelopment, and infrastructure investment) as well as to evaluate the scope and determine how many neighborhoods should be included to create a reasonable level of resiliency. It would require scoping, technical evaluation, costing, and a plan of implementation. The Community Energy Department (CED) is preparing a resource plan for City Council consideration (anticipated by November 19, 2019) that aims to address the resource needs of implementing the Council approved Electric Restructuring Advocacy Principles and the scoping follow up to the August 29 Energy Resilience Study Session, which could more fully include the associated resource requirements of Microgrids and Related Resiliency Investments. Alternatively, this item could go to the next Council Priority Setting Session.

4. Customer-Owned Utility: Requires resources to research the benefits, risks, costs and process of creating a customer-owned electric utility that would aim to inform the Council regarding the benefits and risks of mutualization, i.e., creating a customer-owned utility to enable Council to effectively consider whether the City should engage and enter into agreements with other jurisdictions for joint advocacy before the California legislature, CPUC, and Bankruptcy Court. Similar to the response above, the resource needs could be included in the CED Resource Plan. Alternatively, this item could go to the next Council Priority Setting Session.

5b. Voter Support for Bonds: Requires additional legal research to consider whether voter approval is needed to issue revenue bonds. In addition, it requires the completion of 3bi which will determine the scope and the amount of financing that would be required. Recommend Priority Setting.

6a,b,c - Full Municipalization: Requires additional resources to develop the scope and cost estimate of a feasibility study for full municipalization, and resources are currently not available to develop preliminary findings on the subject, nor to work with IBEW on the topic. Similar to the response above, the resource needs could be included in the CED Resource Plan. Alternatively, this item could go to the next Council Priority Setting Session.

7b-f - Regulatory and Legislative Advocacy: Generally, the items listed align with the proposed Public Safety Power Shutoff and Municipalization and Microgrids policies in the 2020 Legislative Program that the City Council will consider on December 3, 2019. This work has been initiated as a follow-up to the energy resiliency study session and City Council direction to Community Energy received on June 25, 2019. Similar to the response above, the resource needs could be included in the CED Resource Plan. Alternatively, this item could go to the next Council Priority Setting Session.

RED LIGHT: The Administration recommends Council not adopt this Nominated Idea due to [describe reason implementation would be difficult if not impossible – conflict with other laws, etc].

7a - Regulatory and Legislative Advocacy: Staff has concerns about advocating for use of City staff on PG&E distribution line inspection due to the training required, potential liability, and limited resources available to dedicate to this task.