



May 24, 2021

San Diego City Council
 202 C Street
 San Diego, CA 92101
 Via Email

RE: Community Response to the proposed Electric and Gas Franchise Agreements

Honorable City Councilmembers,

San Diego families pay the highest energy bills in the continental United States, pay SDG&E’s franchise fees, and hand SDG&E \$1 million a day in net profit. Throughout this process, San Diegans made clear that the status quo is not working for us, and called for short term agreements, a simple appraisal “Right to Purchase” clause, strong climate, equity, worker provisions and good union jobs, and a full exploration of public power alternatives.

After careful review of the Mayor’s proposed electric and gas Franchise Agreements and “Energy Cooperation Agreement,” we cannot support these agreements. We call on the City Council to protect San Diego families, schools, nonprofit organizations and businesses from decades more of mistreatment from SDG&E by voting no and rejecting the proposed terms. It is unacceptable that the proposed agreements include structural advantages for SDG&E that result in:

- **A defacto 20-year term length**, that includes no viable off ramp and self imposes steep penalties on the City should it decide to leave the agreements early;
- **Withholding \$20 million in equity dollars** for 16 years to disincentivize the City from leaving the agreements. That is the very definition of inequity and we cannot wait until 2037 to uplift communities of concern;

- **No firm commitments to climate, equity, wildfire safety, and protection of preserve lands and biodiversity**, when we need real enforceable action and a willing partner to meet the dire challenges we face today; neither the agreements nor the accompanying “Energy Cooperation Agreement” commit SDG&E to do anything aside from discuss and explore opportunities to collaborate; and
- **No meaningful accountability mechanisms** to hold SDG&E to its promises. Real accountability can only be achieved with a viable simple appraisal “Right to Purchase” clause or a short term deal to measure and judge SDG&E’s willingness to cooperate with the City.

Given this once-in-a-lifetime opportunity to reshape our broken energy system and restore public trust after a series of disastrous one-sided real estate deals, we hope the City Council will listen and stop this bad proposal from moving forward. Our leaders must call for an extension, negotiate better terms, and explore public power options that can help us build an inclusive, local, distributed clean energy future to achieve Zero Carbon and meet our climate and equity goals.

We look forward to continuing to partner on this critical issue. Thank you.

Sincerely,

Matthew Vasilakis
Co-Director of Policy
Climate Action Campaign

Tara Hammond
Founder & CEO
Hammond Climate Solutions

Joyce Lane
Board Vice President
SanDiego350

Lucero Sanchez
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