
A Public Electric Distribution Utility for San Diego

Bill Powers, P.E.

September 26, 2024

Why pursue public electric power in San Diego?

“(Monopoly) utilities pour their profits into political activity to reinforce their monopoly and guarantee more profits.” – Institute of Local Self-Reliance, 2024

“I believe in municipal ownership of these (utility) monopolies because if you do not own them they in turn will own you. They will rule your politics, corrupt your institutions and finally destroy your liberties.”

– Mayor Tom Johnson, Cleveland, 1901

The City Charter grants the City the right to provide electric power service if it chooses to do so

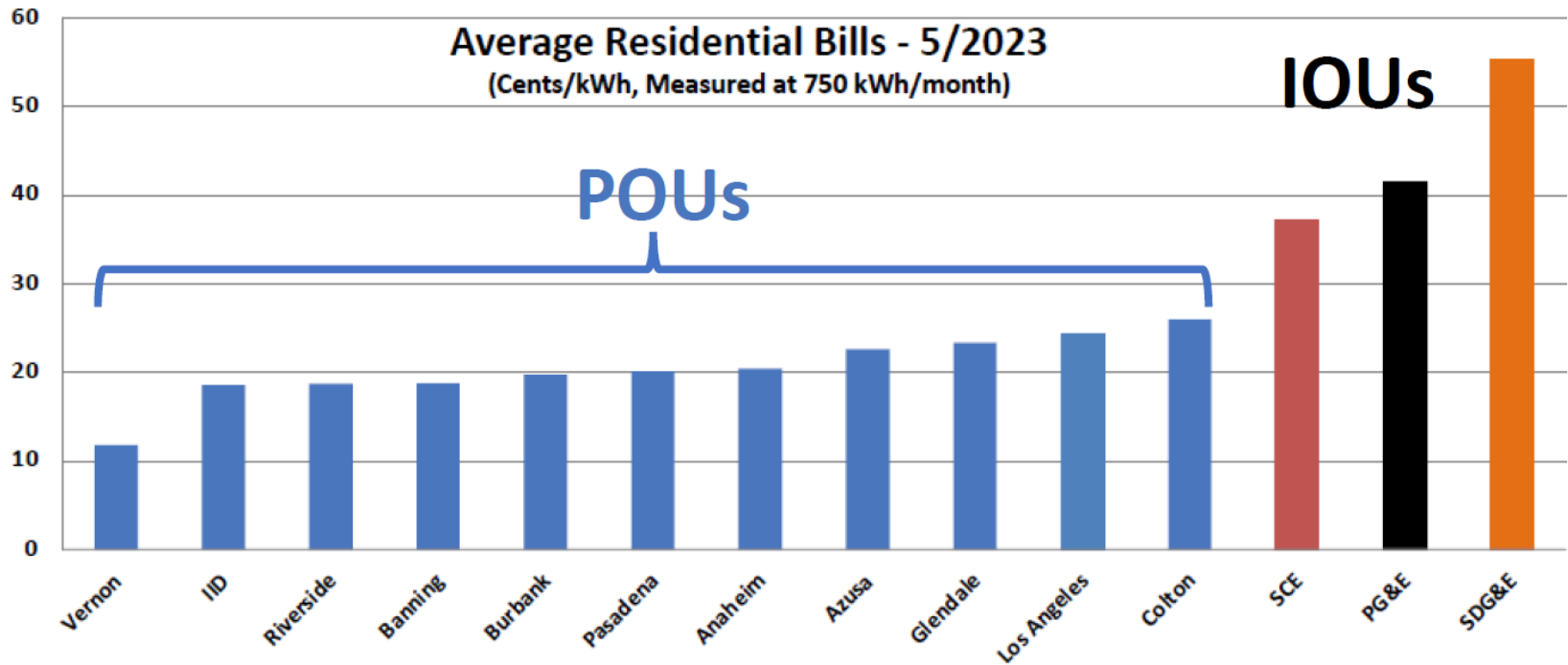
Section 1: Incorporation and Corporate Powers - The City of San Diego . . . may own and operate public utility systems, including . . . electrical power for the use of the City and its inhabitants and others.

Section 104: Term and Plan of Purchase - . . any franchise may be terminated by ordinance whenever the City shall determine to acquire by condemnation or otherwise the property of any utility necessary for the welfare of the City.

Current and rising electricity rates planned for the next few years make this change necessary for our welfare

Southern California publicly-owned utility (POU) rates versus private investor-owned utility (IOU) rates

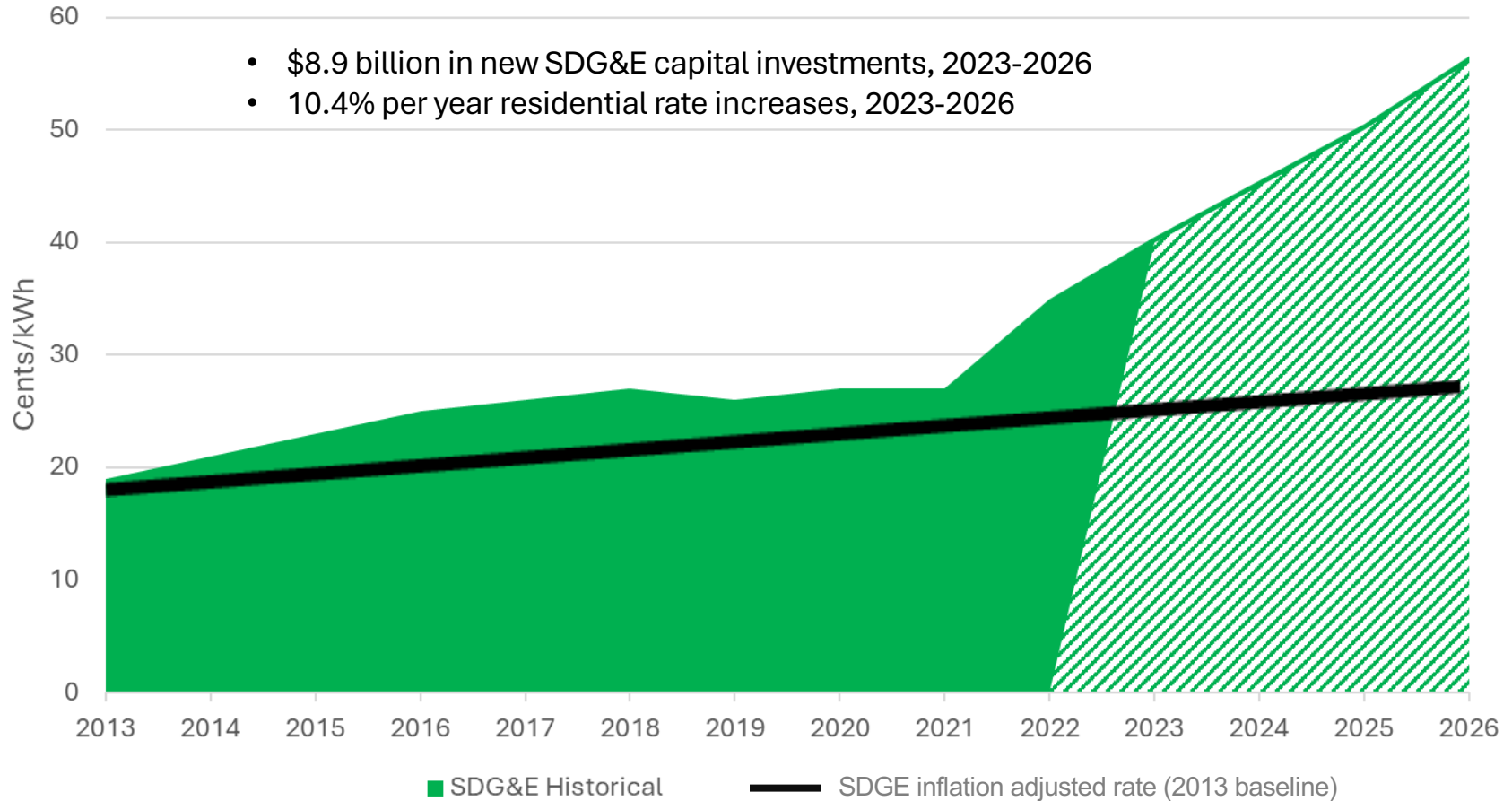
source: American Public Power Association (APPA), *The Growing Role of Public Power in California*, APPA Annual Conference, San Diego, June 11, 2024, p. 17.



SDGE rates are higher than every public power utility in the State of California. There are clear structural differences between for-profits and non-profit power

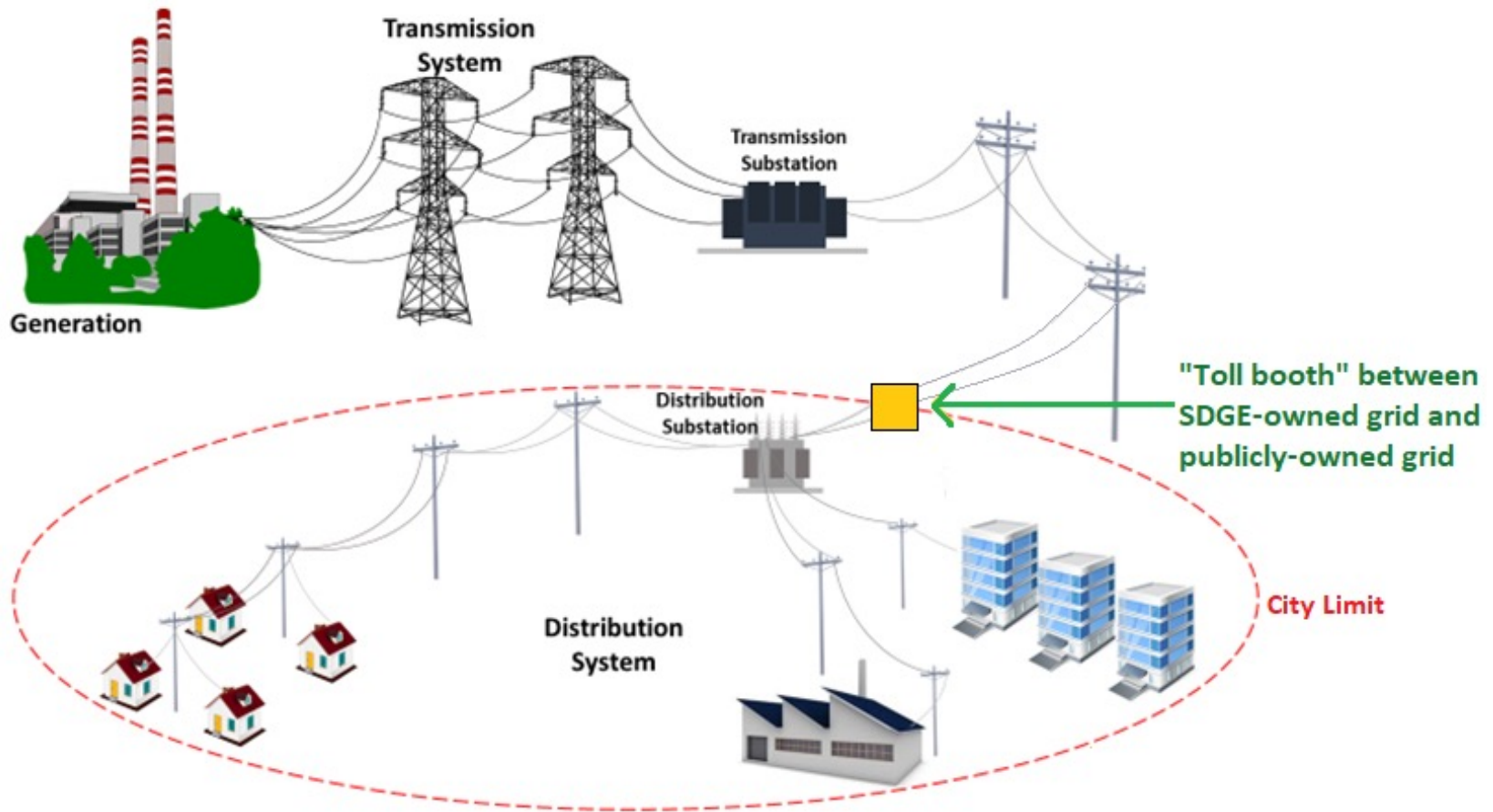
SDGE residential electricity rates up, up and *planned to keep increasing*

source of figure/data: 1) Sempra 2022 SEC Form 10-K, p. 85, 2) CPUC, SB 695 electric rates report, May 2023, p. 10.



San Diego public electric utility – would pay no SDGE transmission charges for power generated in the City

source of figure: U.S. DOE, Quadrennial Technology Review 2015, Transmission and Distribution Components, Figure 3.F.1, p. 1, 2015: https://www.energy.gov/sites/prod/files/2015/09/f26/QTR2015-3F-Transmission-and-Distribution_1.pdf (accessed on April 7, 2023).



Cost comparison: local solar versus remote utility-scale solar + transmission

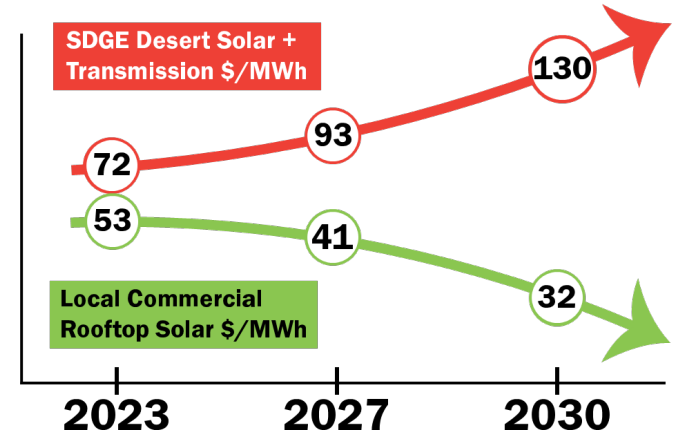
sources: 1) : CNBC, *Target looks to massive solar panels in a California parking lot as a green model to power its stores*, March 17, 2022:

<https://www.cnbc.com/2022/03/17/targets-solar-panel-carports-at-california-store-may-be-a-green-model.html>; 2) Solar Feeds, *Top 10 Biggest Solar Farms in the USA 2021*, September 13, 2021: <https://www.solarfeeds.com/mag/solar-farms-in-the-usa/>; Power San Diego comparative graphic using solar cost data from NREL 2022 Annual Technology Baseline V2, July 21, 2022 and CAISO transmission access charge trend, SDGE, 2018-2023 (with forecast cost trends projected through 2030).



Local Solar and Battery Storage Focus

With a change in focus, transmission costs are lowered and we can potentially entirely fill the decarbonization need.



Chronology of public power studies, 2017 – 2024

“D only” = electric distribution only; T&D = transmission & distribution utility

Year	Action	Result
2017	PowerServices public power study (NGO funded): eight scenarios, six “D only”, two “T&D”.	Identifies “D only” as best value which avoids added complexity of T&D utility.
2020	JVJ/NewGen Strategies public power study (City consultants) : three scenarios of “D only” evaluated.	Only studies “D only”. Identifies advantage of “D only” is to avoid involvement of Local Agency Formation Commission (LAFCO).
2020-2021	Renewal of electric and gas franchise agreements with SDGE is major political issue in San Diego.	JVJ advises City to form public electric and gas distribution utilities if SDGE does not accept proposed franchises w/o changes.
2021	Public demands for new agreement with off-ramp to public power fails. New public power study is authorized. Citizen attempt to form oversight task force for new study is thwarted.	There is no public visibility or accountability as Phase 1 study is prepared. Phase 1 study is issued as final report with no public review. No “D only” scenario is included.
2023	NewGen Strategies public power study #2 (City consultant) : evaluates only one scenario, a T&D scenario, in Phase 1 technical study.	Only studies T&D. LAFCO will be involved, increasing timeline from 5+ years to 11+ years (includes 6-yr initial LAFCO review).
2024	Public records act lawsuit requesting access to Phase 1 study financial model inputs is successful.	Public can input realistic assumptions, and evaluate the “D only” scenario, to document public power financial benefits.
2024-2025	Phase 2 of study in progress – primarily stakeholder outreach to SDGE, IBEW 465, SDCP, and unnamed community groups.	Phase 2 study budget cut in half due to City budget challenges in mid-2024. Unclear if or when Phase 2 will be completed.

Worker protections: union workers must be made whole in transition to public power by law

Public Utilities Code 854.2: *For three years after the transition period . . . the successor employer shall provide . . . no less than the wages, hours, and other terms and conditions of employment provided before the change of control (by the IOU) . . . and shall maintain no less than the total number covered employees (on staff) before a change of control.*



This effort needs your support.

Donations may be mailed to:

Public Power San Diego
c/o San Diego EarthWorks,
P.O. Box 9827,
San Diego 92169

Venmo: sdearthday
Memo: public power

Volunteer at:
Publicpowersd.org

Email: info@publicpowersd.org

Public Power San Diego is a project of San Diego EarthWorks, a California 501(c)3 non-profit corporation