

1 [Urging the Federal Energy Regulatory Commission to extend the price mitigation measures]

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3 **Resolution urging the Federal Energy Regulatory Commission to extend the September**
4 **30, 2002 date established for ending the price mitigation measures in the California**
5 **wholesale electric market in order to protect consumers from unreasonable prices, and**
6 **further urging the Commission to extend the May 1, 2002 filing deadline for a market**
7 **redesign proposal to allow time for the Independent System Operator (ISO) to engage**
8 **in a rational market redesign process with its stakeholders.**

9
10 WHEREAS, The Federal Power Act requires the Federal Energy Regulatory
11 Commission (FERC) to ensure just and reasonable prices; and,

12 WHEREAS, The current structure of California's electricity market has resulted in
13 California consumers paying outrageous prices and has left the State's utility distribution
14 companies on the verge of financial disaster; and,

15 WHEREAS, The price spikes of 2000-2001 only ended when FERC imposed the
16 current price mitigation measures that FERC plans to terminate on September 30, 2002; and,

17 WHEREAS, The State is still recovering from the price spikes of 2000-2001 and
18 continues to shoulder the burden of a seriously flawed electricity market design; and,

19 WHEREAS, It is likely that the State will experience the same price spikes of 2000-
20 2001 once the price mitigation measures are lifted; and,

21 WHEREAS, It is essential for the protection of California consumers and the California
22 economy that the existing price mitigation measures be continued until a rational market
23 design is developed and implemented; and

24 WHEREAS, The May 1, 2002 filing deadline that the FERC has imposed on the
25 California ISO for a market redesign proposal has resulted in a series of proposals that lack

1 comprehensive analysis of the potential cost impacts, making them impossible to implement
2 by September 30; and,

3 WHEREAS, If the FERC does not grant an extension of these deadlines, it will be
4 market participants and ultimately consumers that will suffer the consequences; and,

5 WHEREAS, The FERC's work on a proposal for a standard market design for use
6 throughout the country provides a further basis for extending the deadlines in California so
7 that the market design adopted here can be informed by the FERC's vision for electricity
8 markets nationwide; now, therefore be it

9 RESOLVED, That the City and County of San Francisco Board of Supervisors hereby
10 urges the Federal Energy Regulatory Commission to extend the September 30, 2002 date
11 established for ending the price mitigation measures in the California wholesale electric
12 market and further urges the Federal Energy Regulatory Commission to extend the May 1,
13 2002 date for a market redesign proposal to allow time for the Independent System Operator
14 to engage in a rational market redesign process with its stakeholders.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 020688

Date Passed:

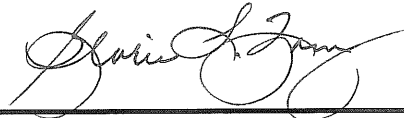
Resolution urging the Federal Energy Regulatory Commission to extend the September 30, 2002 date established for ending the price mitigation measures in the California wholesale electric market in order to protect consumers from unreasonable prices, and further urging the Commission to extend the May 1, 2002 filing deadline for a market redesign proposal to allow time for the Independent System Operator (ISO) to engage in a rational market redesign process with its stakeholders.

May 6, 2002 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,
Newsom, Peskin, Sandoval, Yee

File No. 020688

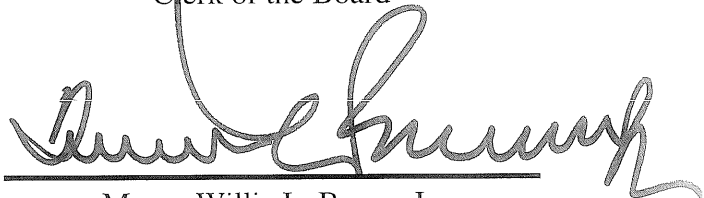
I hereby certify that the foregoing Resolution was ADOPTED on May 6, 2002 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

MAY 17 2002

Date Approved



Mayor Willie L. Brown Jr.