

1 [Closure of the Potrero Power Plant.]

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3 **Resolution urging the Public Utilities Commission and the City Attorney to present to**
4 **the California Independent System Operator a transmission-only solution to close the**
5 **entire Potrero Power Plant.**

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7 WHEREAS, The Governing Board of the California Independent System Operator
8 (ISO) adopted the San Francisco Action Plan (Action Plan) which detailed the requirements
9 for closing the Hunters Point Power Plant and the Potrero Power Plant, and the ISO has
10 continued to update the Action Plan since its adoption in November 2004; and,

11 WHEREAS, The Hunters Point Power Plant has been closed consistent with the Action
12 Plan; and,

13 WHEREAS, The City seeks to close the Potrero Power Plant as soon as possible and
14 has been working to develop a plan to replace the need for the Potrero Power Plant and
15 ensure reliable electric service to San Francisco; and,

16 WHEREAS, New information from the ISO in a June 2, 2008, letter to the City
17 establishes that once the Trans Bay Cable is in service, the Airport CT Project proposed by
18 the City will not be required to replace the reliability need for the Potrero Power Plant and the
19 ISO will agree to remove the reliability designation of Potrero Unit 3 even if a replacement
20 generation project has not been completed; and,

21 WHEREAS, This information is in contrast to consistent and recent statements from the
22 ISO that the addition of the Trans Bay Cable would not alter the requirements set forth in the
23 Action Plan; and,

24 WHEREAS, Substantial transmission upgrades to the San Francisco and Greater Bay
25 Area transmission systems are already underway; and,

1 WHEREAS, The City has repeatedly stated its preference for energy efficiency,
2 renewable energy, and transmission over fossil-fueled resources and, consistent with the
3 State's energy policies, has stated that any fossil-fueled resources that are required should be
4 clean, efficient, and flexible in order to promote environmental justice, reduce emissions, and
5 complement increasing reliance on renewable resources; and,

6 WHEREAS, Ordinance 124-01 directed City departments to develop plans to
7 implement all practical transmission, conservation, efficiency, and renewable alternatives to
8 fossil fuel generation in the City and County of San Francisco; and

9 WHEREAS, In December 2002, the Board of Supervisors unanimously adopted
10 Resolution 827-02, endorsing the Electricity Resource Plan which identifies eight goals that
11 were developed through public comment and used to guide the plan: maximize energy
12 efficiency, develop renewable power, assure reliable power, support affordable electric bills,
13 improve air quality and prevent other environmental impacts, support environmental justice,
14 promote opportunities for economic development, and increase local control over energy
15 resources; and

16 WHEREAS, The City has spent significant resources to ensure that Mirant's activities
17 at the Potrero Power Plant are consistent with the City's energy goals, including

18 (a) opposing Mirant's attempt to add an additional 540MW power plant to the Potrero
19 neighborhood,

20 (b) suing Mirant for operating Units 4, 5, and 6 in excess of the permitted hours,

21 (c) opposing Mirant's continued operation of Unit 3 using antiquated once-through
22 cooling technology that pollutes the Bay,

23 (d) suing Mirant for price gouging and market manipulation during the energy crisis of
24 2000-2001, and
25

1 (e) negotiating with Mirant for the permanent closure of all of Mirant's facilities at
2 Potrero; and,

3 WHEREAS, In view of this history, the City should be cautious and vigilant in taking
4 any steps that expand the operation of Mirant's facilities in San Francisco; now, therefore, be
5 it

6 RESOLVED, That the Board of Supervisors urges the Public Utilities Commission and
7 the City Attorney to submit to the ISO a proposal for amending the Action Plan on an
8 expedited basis to provide for a transmission-only solution to the closure of the Potrero Power
9 Plant.

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City and County of San Francisco

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

Tails

Resolution

File Number: 080779

Date Passed:

Resolution urging the Public Utilities Commission and the City Attorney to present to the California Independent System Operator a transmission-only solution to close the entire Potrero Power Plant.

June 17, 2008 Board of Supervisors — CONTINUED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, McGoldrick,
Mirkarimi, Peskin, Sandoval
Excused: 1 - Maxwell

June 24, 2008 Board of Supervisors — DIVIDED: Government Audit and Oversight Committee

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, McGoldrick,
Mirkarimi, Peskin, Sandoval
Noes: 1 - Maxwell

June 24, 2008 Board of Supervisors — DIVIDED

Ayes: 8 - Ammiano, Chu, Dufty, Elsbernd, McGoldrick, Mirkarimi, Peskin,
Sandoval
Noes: 3 - Alioto-Pier, Daly, Maxwell

June 24, 2008 Board of Supervisors — ADOPTED AS DIVIDED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, McGoldrick,
Mirkarimi, Peskin, Sandoval
Noes: 1 - Maxwell

File No. 080779

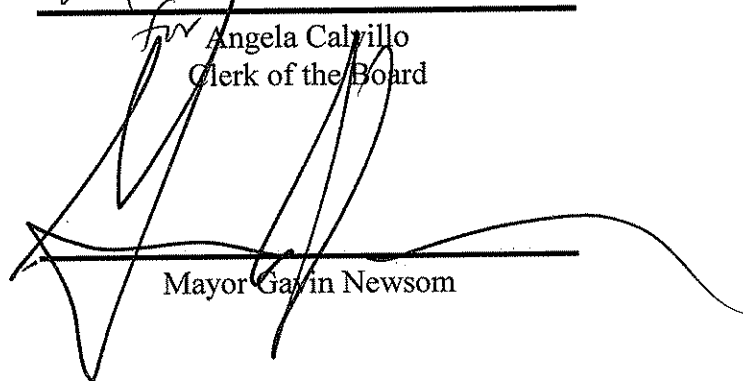
I hereby certify that the foregoing Resolution was **ADOPTED AS DIVIDED** on June 24, 2008 by the Board of Supervisors of the City and County of San Francisco.



for Angela Calvillo
Clerk of the Board

7/3/08

Date Approved



Mayor Gavin Newsom