

(619) 232-3486
 notices@sdtranscript.com

LEGAL NOTICES

FAX (619) 232-1239

NOTICE OF INTENT TO CIRCULATE PETITION

NOTICE IS HEREBY GIVEN of the intention of the person(s) whose name(s) appear(s) hereon to circulate a petition within the City of San Diego for the purpose of REPLACING SDGE WITH NOT-FOR-PROFIT MUNICIPAL ELECTRIC DISTRIBUTION UTILITY.

PROPOSITION __

**San Diego Municipal Code
 Chapter 7: Public Utilities and Transportation
 Article 4: Municipal Electric Distribution Utility Terms and Conditions**

Division 1: Municipal Electric Distribution Utility Terms and Conditions

§74.0101. Citation of Ordinance

This Article may be cited as the Municipal Electric Distribution Utility Terms and Conditions Ordinance.

§74.0102. Power San Diego. Purpose

Power San Diego is established as a not-for-profit municipal electric distribution utility to provide its customers in the City of San Diego with reliable, affordable electric service in accordance with this Article. In passing this measure the people of San Diego exercise their sovereign authority under the California Constitution and the City Charter to establish a municipal utility system and the terms and conditions for providing themselves with electric energy for heating, cooling, light, and power.

The people of San Diego intend to use every approach, power, and authority available to the City under the California Constitution and the City Charter to address the impact of electric usage on our community and on the climate, and to do so in the most transparent, effective, and affordable manner possible. This includes maximizing the use of local energy resources, especially solar energy paired with battery storage. The people of San Diego are acting with great urgency to address the crises of our times – unaffordable rates, declining reliability of service, and the rapid increase in extreme weather fueled by the climate crisis. Ownership and control by the people of San Diego of the electric distribution grid is needed to provide rate relief to residents and to best address local impact on climate change.

§74.0103. Definitions

As used in this Article, the following terms have the following meanings:

- (a) **Balancing Authority.** “Balancing Authority” means an entity in the electric system that is responsible for grid balancing.
- (b) **CAISO.** “CAISO” means the California Independent System Operator.
- (c) **COC.** “COC” means the Power San Diego Community Oversight Committee that is established in §74.0202.
- (d) **Cost-of-Service.** “Cost-of-Service” means the cost of owning, operating, maintaining, and financing the infrastructure used to provide electric energy and distribution service, including establishing and maintaining appropriate reserves; cost of service does not include any return on capital investment unless a return is required as security for debt service and does not include income taxes, fees, or other taxes except as provided in this Article.
- (e) **Covered Employee.** “Covered Employee” means a SDGE electric distribution utility employee covered by an existing union collective bargaining agreement on the day this initiative is approved by the voters, except (1) managerial, (2) supervisory, (3) confidential, (4) temporary, and (5) part-time employees who work less than 20 hours per week for SDGE.
- (f) **Customer.** “Customer” means a person to whom Power San Diego provides electricity.
- (g) **Electric Board.** “Electric Board” means the Electric Distribution Utility Board governing Power San Diego that is established in §74.0201.
- (h) **General Fund.** “General Fund” means the fund used to account for all financial resources except those required to be accounted for in special-purpose funds.
- (i) **In-Front-of-Meter.** “In-Front-of-Meter” means a generation source that delivers electricity directly to the electric grid.
- (j) **Net-Metering.** “Net-Metering” means a generation source, typically rooftop solar, that is located on the customer’s side of customer’s electric meter.
- (k) **Power San Diego.** “Power San Diego” means the municipal electric distribution utility established herein and owned and operated by the City of San Diego as a municipal utility providing electric distribution service in the City of San Diego pursuant to the terms of this Article.
- (l) **SDCP.** “SDCP” means San Diego Community Power.
- (m) **SDGE.** “SDGE” means San Diego Gas & Electric Company.
- (n) **Utility Distribution System.** “Utility Distribution System” means the utility distribution system in the City of San Diego that starts at high voltage (138 kV or 69 kV – HV) to medium voltage (12 kV or 4.16 kV – MV) transformers at the transmission (“T”) to distribution (“D”) substations, and consists of all poles, wires, appurtenances, and distribution substation hardware downstream of these T&D substations. Undergrounded distribution conductors and associated appurtenances, and the process of undergrounding distribution conductors and associated appurtenances, are elements of the Utility Distribution System.
- (o) **Utility Facility.** “Utility Facility” means any portion of a plant used or useful in providing distribution utility service and includes, but is not limited to, all distribution substation hardware, distribution poles, distribution wires, distribution appurtenances, electric power generators, energy storage devices, office buildings, equipment, equipment yards, replacement parts inventory, and transportation equipment.

§74.0104. Powers and Duties

In a manner consistent with the California Constitution, the City Charter, and other applicable laws, Power San Diego is hereby authorized to do all acts necessary for the exercise of the powers to fulfill its purpose, including but not limited to any or all of the following: provide electricity to customers; to make and enter into contracts; to employ agents and employees; to construct, provide for maintenance and operation of, or maintain and operate, any buildings, Utility Facility, or improvements; to acquire, hold or dispose of property; and generally to do any and all things necessary or convenient to accomplish the purposes set forth in this Article. The Electric Board established in 74.0201, has the responsibility to assure that Power San Diego adheres to its power and duties, and as otherwise provided herein.

Without limiting the generality of the foregoing, and consistent with the California Constitution, the City Charter, and other applicable laws, the powers and duties of Power San Diego include the following:

- (a) Issue or cause to be issued revenue bonds and any other financial instruments permitted by law for the purpose of exercising its powers and raising the funds necessary to carry out its purposes as described in this Article, and to pledge any property or revenues as security to the extent permitted by any applicable provision of law.
- (b) To employ special counsel, experts, and consultants for the purpose of advising and representing Power San Diego in all matters, proceedings and things relating to or concerning the development, finance, and distribution of electricity, and consistent with the City Charter. The fees and expenses of such counsel, experts, and consultants shall be paid from the proceeds of the revenue bonds or any other unencumbered funds of Power San Diego available for such purpose.
- (c) To manage the electric Utility Distribution System for the following purposes:
 - (1) To deliver electricity to Customers in a safe, affordable, and reliable manner.
 - (2) To ensure excellence, timeliness, and accuracy in billing, metering, and Customer service.
 - (3) To reduce Customer rates by maximizing the development of solar power, battery storage, and energy conservation in the City.
 - (4) To encourage and support San Diegans across all income levels and Customer categories to maximize deployment of solar and battery storage, through Net-Metering and In-Front-of-Meter tariffs and programs.
 - (5) To meet or exceed the City’s Climate Action Plan targets for the electric sector.
 - (6) To advance to the greatest extent practicable, economic, environmental, and social justice in the electric sector in all of the communities in the City.
 - (7) To provide for transparent and accountable governance.
 - (8) To support, secure, and sustain economic growth and benefits for the City.
 - (9) To build, own, and operate electric supply systems including but not limited to larger-scale solar and battery storage power systems and microgrids within the City limits and upon lands owned or controlled by the City for the benefit of the people.
 - (10) To regulate and control the use, sale, and distribution of electric energy and surplus electric energy owned or controlled by the City.
 - (11) To grant permits for connections with the electric works of the City and fix the charges for these connections.
 - (12) To sell, lease, or distribute outside of the City of San Diego any excess light, heat, or power over and above the amount which is necessary to serve its Customers.
 - (13) To fix the rates to be charged for electric energy or surplus electric energy for use inside or outside the City.
 - (14) To prescribe the time and the manner of payment for the collection of the rates and charges for electric energy.
 - (15) To complete, reconstruct, extend, change, enlarge, maintain, operate, and repair a public electric distribution utility acquired, constructed, owned, and operated by the City.
 - (16) To provide discounted rate structures to lower-income customers equal to or superior to those provided by the predecessor utility.
 - (17) To provide for enhanced communication, coordination and cooperation on renewable energy, electric vehicle infrastructure, and energy conservation planning and development with community-based organizations, including but not limited to community planning organizations, business associations, and other community associations representing residents, businesses, and institutions from within each of the community planning areas located in each City Council electoral district, and with other City departments and City advisory boards.

§74.0105. Initial Activities

No later than twelve months after its first meeting, and prior to making a purchase price offer for any Utility Facility or other property, the Electric Board shall adopt bylaws, retain expert professional staff and consultants, secure initial financing, conduct due diligence it considers necessary and develop a business plan as described in §74.0106. The City of San Diego will provide Power San Diego with initial expert professional staff and consultants and initial financing, to be repaid in full by Power San Diego and consistent with Charter Section 92 or any other available finance mechanism, as necessary to discharge its duties consistent with this Article.

§74.0106. Business Plan

Power San Diego shall, within twelve months of the first meeting of the Electric Board, develop and transmit to the Mayor and City Council a business plan that addresses, at a minimum: a transition plan; long-term operating forecasts; the capital improvement plan; financial reserve policies; rate setting policies; debt management policies; investment

management policies; credit strategies; key performance indicators tracking and evaluation; balance sheet management strategies; and strengths, weaknesses, opportunities, and threats analyses. The business plan shall be updated at a minimum every two years.

§74.0107. Acquisition of Property

Power San Diego shall, within twelve months of the first meeting of the Electric Board:

- (a) Identify the necessary property to be acquired;
- (b) Determine an acquisition price offer to be made for the property;
- (c) Deliver notice of the acquisition price offer, including detailed description of the necessary property to the owner(s) of the property to be acquired and all other information required by law;
- (d) The purchase price will either (1) be agreed upon, or (2) appropriate action will be taken to acquire the property in the manner required by law.

§74.0108. Retention of Employees

To ensure continuity and an experienced local workforce, for ten years after the date that Power San Diego begins distributing electricity to Customers, Power San Diego and its contractors shall provide to Covered Employees no less than the wages, hours, and other terms and conditions of employment provided to them on the date this initiative is approved by the voters, including any previously negotiated increase in wages, and shall maintain no less than the total number of Covered Employees attributable to the provision of electric distribution service in the City of San Diego employed by SDGE on the date this initiative is approved by the voters.

§74.0109. Annual Report

By June 30th of each year, beginning no more than twelve months after the first meeting of Electric Board, Power San Diego shall publish a report for the people of San Diego summarizing: (1) the activities and performance of Power San Diego in exercising its powers and meeting its duties to its Customers during the preceding calendar year, and (2) its plans for the current year and subsequent five years. Each annual report must describe in detail how Power San Diego's decisions, operations, and use of low-cost financing have supported and will support the City's progress toward its climate goals and how the Power San Diego focus on development of local solar and battery storage resources has affected and will affect job creation in the City.

§74.0110. Initial 5-Year Strategic Plan

Within eighteen months after the first meeting of the Electric Board, the Electric Board shall submit to the Mayor and City Council a five-year plan to identify initial affordability, reliability, and decarbonization goals and the means to achieve them. The strategic plan will be updated at a minimum of every five years. The five-year plan under this section must include, at a minimum, programs to:

- (a) Minimize the electricity cost burden on vulnerable residential Customers.
- (b) Establish rates that provide all residential Customers with a basic amount of lower-cost electricity to address essential needs, with increasingly higher rates paid for defined levels of increasingly higher consumption.
- (c) Maximize the adoption of rooftop and parking lot solar, associated battery storage, and energy conservation in the City to lower rates and expeditiously achieve Climate Action Plan targets.
- (d) Establish a relationship with SDCP and address issues of metering and billing.
- (e) Make necessary investments in the distribution network to upgrade reliability and to improve capacity for interconnections of new local renewable generation and battery storage facilities.
- (f) Minimize use of fixed charges in Power San Diego's rate structure.

§74.0111. Independent Performance Audit

Four years after the first meeting of the Electric Board, and at a minimum of every four years thereafter, the City Auditor shall perform an independent performance audit of the effectiveness of Power San Diego governance and operating structures to enable fulfillment of the duties of Power San Diego. The audit may suggest necessary changes to the governance structure of Power San Diego. A draft of the audit report will be provided to the COC for formal review and comment, and COC comments will be incorporated as an addendum to the final audit report. The Electric Board shall present the recommendations of the audit report, and COC comments on the audit report, at public hearings in each City Council district of the City.

§74.0112. Rate-Setting Procedure

Rates for electric energy and surplus energy shall be fixed by the Electric Board from time to time as necessary. Except as otherwise provided, rates shall be sufficient to recover all costs of operation, including maintaining appropriate reserves, and shall be fair and reasonable. Discounted rates may be made available to lower-income customers. Power San Diego shall collect revenue which, together with other available funds, shall be at least sufficient to pay, as the same shall become due, the principal and interest on all outstanding revenue bonds, including premiums, if any, due upon the redemption of any of the revenue bonds, in addition to paying, as it shall become due, the necessary expenses of operating and maintaining the Utility Facility, and all other obligations and indebtedness payable out of the revenue of Power San Diego.

§74.0113. Surplus Funds

After all Power San Diego Cost-of-Service revenue and reserves requirements are met as determined by the Electric Board, the City may transfer to the General Fund of the City any excess revenues accruing to Power San Diego. Such revenue transferred to the General Fund shall be available thereafter for use for any legal City purpose. All such surplus funds so transferred shall be credited on the accounts of the City as a reimbursement credit for an amount

equal to the estimated loss in taxation which would be paid to the City by Power San Diego if it were not municipally owned.

§74.0114. Municipal Electric Distribution Utility Terms and Conditions Ordinance Controls

The provisions of this Municipal Electric Distribution Utility Terms and Conditions Ordinance shall govern, supersede, and prevail over any inconsistent provisions of Ordinance No. 21328, to the extent such provisions relate to the Utility Distribution System. Any provisions of Ordinance No. 21328 inconsistent with this Municipal Electric Distribution Utility Terms and Conditions Ordinance, to the extent such provisions relate to the Utility Distribution System, shall be rescinded as of the date that Power San Diego begins distributing electricity to Customers.

§74.0115. Voter Approval

Notwithstanding any other provision of law enacted on or before the date upon which this Article is enacted, if this Article is approved by voters of the City at a citywide election, the revenue requirements, debt, or liability of Power San Diego necessary to comply with this Article are authorized by the people of the City of San Diego and are not subject to additional voter approval.

§74.0116. Effective Date

This Article takes effect on the date that voter approval is certified.

§74.0117. Interpretation; Severability

This Article shall be interpreted in a manner consistent with the California Constitution and the City Charter. If any section, subsection, sentence, clause, or phrase of this Article is for any reason held to be invalid by any court, then such section, subsection, sentence, clause, or phrase shall remain in force and effect to the maximum extent permitted by law. The invalidity of any portion of this Article shall not affect the validity of the remaining portions of this Article.

San Diego Municipal Code

Chapter 7: Public Utilities and Transportation Article 4: Municipal Electric Distribution Utility

Division 2: Municipal Electric Distribution Utility Terms and Conditions - Governance

§74.0201. Power San Diego Electric Board

(a) **Electric Board Established.** There shall be an Electric Board consisting of five members who shall be registered voters in the City. The members of the Electric Board shall be appointed to serve for five years and until their successors have been selected. Notwithstanding any other provision of this section, appointments shall be made so that not more than one (1) term of office shall expire in any year.

(b) **Qualifications.** All Electric Board members must be residents of the City of San Diego. There shall be at all times one Electric Board member from each of the five (5) disciplines listed in (1)-(5). The appointed Electric Board member(s) shall have a minimum of ten (10) years of directly relevant experience in the discipline they are appointed to fill on the Electric Board. The five (5) disciplines are:

- (1) Lawyer: Experience in utility law, business, regulatory or finance law;
- (2) Economist: Experience in utility or business economics;
- (3) Mechanical or electrical engineer: Experience in electricity generation, storage, efficiency, delivery, or related technologies;
- (4) Public health professional: Experience in medicine or public health as it relates to air pollution health effects; and
- (5) Environmental and social justice advocate: Experience in addressing the energy needs of low-income and moderate-income persons.

(c) **Selection.** For each Electric Board member discipline defined in (b)(1)-(5) above, at least three qualified candidates for each open appointment must be qualified by the Mayor for the specific open or vacant seat prior to selection to fill the position. Candidate applications for Electric Board member positions may be received on an ongoing basis. The Mayor shall provide candidates to fill Electric Board member disciplines in a timely manner. The Mayor must initiate the application process to fill vacancies three months prior to the end of the term of an Electric Board member. Candidates will be rated by the Mayor as "qualified" or "unqualified" based solely on the qualifications defined in (b)(1-5). The reasons a potential candidate is rated as unqualified must be documented in writing. The Mayor will forward the qualified candidate names for each open Electric Board member discipline to the City Council. Selection of the appointee will occur at the first regularly scheduled City Council meeting open to the public no later than thirty days before the term ends or within 90 days of a vacancy occurring. The qualified candidates in the candidate pool must be publicly announced prior to selection of the appointee. Selection of the appointee will be made from among the qualified candidates by the drawing of lots, also known as "sortition", by the president of the Council. A resident of the City of San Diego may file an action in Superior Court to compel the appointment of a vacancy that is not filled within the timeline described in §74.0201(c)-(d).

(d) **Term.** Electric Board members will serve no more than a single, five-year term. The initial Electric Board will be selected within six months of the certification of this ballot initiative. The initial set of Electric Board members, as described as (b)(1)-(5), will serve for one-year (environmental/social justice), two-year (public health), three-year (economics), four-year (law), and five-year (engineering) terms, respectively, to stagger future appointments one year apart. Vacancies shall be filled by the Mayor and City Council for an unexpired term. The filling of unexpired term vacancies will occur within 90 days of the vacancy occurring. The

(619) 232-3486
 notices@sdtranscript.com

LEGAL NOTICES

FAX (619) 232-1239

filling of the unexpired term vacancy may be delayed by up to 45 additional days to assure the appointee is selected by the drawing of lots from among at least three qualified candidates. If after the 45-day period three qualified candidates are not available, selection will be made by the drawing of lots from the available candidates. Appointees that fill initial terms of two years or less, or fill vacancies with two years or less remaining in the term, are eligible for a subsequent full five-year term.

(e) **Eligibility.** The term of an Electric Board member shall be immediately terminated if the member becomes an officer, paid employee, consultant, contractor, subcontractor, or member of the board of directors of an organization that has applied for or has a contract with the City for the provision of utility service. To avoid conflicts of interest or the appearance of impropriety, applicants for the Electric Board must certify that they are willing and able to adhere to City Council Policy No. 000-04.

(f) **Roles and Responsibilities.** The Electric Board has responsibility to assure that Power San Diego adheres to its powers, duties, and as otherwise provided herein. The Electric Board will engage with Mayor in meaningful consultations on filling the senior executive management positions of Power San Diego. Senior executive management positions include at least the following: Executive Director, Finance Director, and other senior executive management in the following areas: Distribution Operations and Maintenance; Strategic Planning; Engineering and Capital Planning; Customer Services; Regulatory and Compliance; IT, Communications, and Cyber-Security. The Electric Board will engage with the City Council in meaningful consultations on filling the position of Special Counsel necessary for the representation of Power San Diego consistent with Charter Section 40.

(g) **Compensation.** Electric Board member positions will be part-time and paid. Electric Board member compensation shall be equivalent to the compensation received by members of the San Diego Unified School District Board of Directors. Electric Board member compensation will be updated every two years to match any changes to the compensation received by members of the San Diego Unified School District Board of Directors.

(h) **Quorum; Chair.** Three members of the Electric Board constitute a quorum. The Electric Board shall elect from its members a Chair and a Vice-Chair. The Vice-Chair shall serve as acting Chair in the absence of the Chair. Officers shall hold office for one year and until their successors are elected, unless their membership on the Electric Board expires sooner. Elections shall be held during the meeting of the Electric Board in June of each year, but the Electric Board may fill the unexpired term of any vacancy occurring in the office of Chair or Vice-Chair at any meeting.

(i) **Meetings.** The Electric Board shall meet publicly on a monthly schedule and comply with the Ralph M. Brown Act, and shall establish a mechanism by which members of the public may communicate with the Electric Board.

(j) **Voting.** All decisions of the Electric Board must be made by a majority vote of the Electric Board members present.

(k) **Removal.** The City Council may remove any member of the Electric Board for misconduct, incompetency, conflict-of-interest, or for failing to attend three consecutive scheduled monthly Electric Board meetings without good cause. However, before the City Council may remove a member of the Electric Board, the Electric Board member shall be provided with written notice of the reasons for removal and all evidence offered in support, and a meaningful opportunity to present evidence in advance of a public hearing and be heard at the public hearing. Written notice of the reasons for removal and all evidence offered in support shall be provided to the Electric Board member no less than thirty days before the public hearing on removal.

§74.0202. Power San Diego Community Oversight Committee

(a) **Community Oversight Committee Established.** A nine-member Power San Diego Community Oversight Committee (COC) is hereby established pursuant to City Charter Section 43 and City Council Policy 000-13.

(b) **Purpose.** The COC will be a temporary citizen's committee providing input to the Mayor and the City Council on the effectiveness of Power San Diego programs, constituted for a ten-year period. The City Council may, at its discretion, at the end of the ten-year period, reconstitute the COC. The COC is created and established to recommend new or modified Power San Diego programs, and to provide recommendations for overall improvement of Power San Diego operations generally and in specific City Council districts. The COC shall provide its recommendations in a written report(s) to the Mayor, City Council, and Electric Board within one hundred eighty (180) days of the end of the first, second, third, and fourth two-year intervals following the initial meeting of the COC. The COC may take advisory action against a non-performing Electric Board member. A vote of no confidence by the COC against a member of the Electric Board, by a two-thirds vote by the full nine-member COC, shall be forwarded to the City Council.

(c) **Composition.** One COC committee member, who shall be a registered voter living in the district, will represent each of the nine City Council districts. A COC member will be nominated for each district by the City Council member for that district and confirmed by the full City Council.

(d) **Term.** COC members may serve up to two consecutive four-year terms. Appointees that fill initial terms of two years or less, or that fill vacancies with two years or less remaining in the term, are eligible for two subsequent full four-year terms. The schedule of COC member appointments will be synchronized with the City Council election cycle to stagger the appointment of COC members. COC members will be appointed or reappointed within ninety days of the certification of the City Council election for their City Council district. The initial COC will be appointed and have its initial meeting within twelve months of the certification of this ballot initiative.

(e) **Quorum; Chair.** Five members of the COC constitute a quorum. The COC shall elect from its members a Chair and a Vice-Chair. The Vice-Chair shall serve as acting Chair in the absence of the Chair. Officers shall hold office for one year, and until their successors are elected.

Elections shall be held during the COC meeting held in the second quarter of each year, but the COC may fill the unexpired term of any vacancy occurring in the office of Chair or Vice-Chair at any meeting.

(f) **Meetings.** The COC shall meet at least quarterly, comply with the Ralph M. Brown Act, and establish a mechanism by which members of the public may communicate with the COC. COC will receive reasonable staff support from Power San Diego.

(g) **Removal.** The City Council may remove COC members for any reason.

(h) **Compensation.** COC members will serve without compensation.

(i) **Vacancy.** Vacancies shall be filled by nomination of the Councilmember in whose district the vacancy occurs and confirmed by the City Council within 90 days of the notice of the vacancy.

§74.0203. Power San Diego Staff

(a) Senior executive management positions described in §74.0201(f), and Strategic Planning staff, Engineering and Capital Planning staff, Regulatory and Compliance staff, and control room operators, will be City employees.

(b) Subject to managed competition, other staff may be employees of qualified independent contractors selected through competitive bidding. Contracts may be bid for each distinct operational function listed in §74.0201(f), except those listed in §74.0203(a). Contracts will not exceed five years in duration. In addition to the criteria set forth in Chapter 2, Article 2, Divisions 30-36 and 38 of the San Diego Municipal Code, as applicable, the following criteria shall be considered when evaluating bids and proposals: professional, operational and managerial experience; familiarity with the systems to be administered; reliability and safety; and ability to improve Customer service and employee morale.

§74.0204. Oath of Office

Charter Section 211 applies to Electric Board members, COC members, and senior executive management staff.

§74.0205. Conflict-of-Interest Code

Electric Board members, COC members, and senior executive management staff of Power San Diego shall not have any personal or financial interests that would create conflicts-of-interest with their duties. A conflict-of-interest code shall be adopted for Power San Diego, subject to City Council approval, requiring all Electric Board members and COC members to complete and file statements of economic interests in accordance with the conflict-of-interest code.

§74.0206. Relationship to Other Organizations

(a) CAISO. Power San Diego will be independent of CAISO and will not use CAISO as the Balancing Authority. Power San Diego will establish and maintain a relationship with CAISO and with the Federal Energy Regulatory Commission to the benefit of San Diegans.

(b) SDCP. Power San Diego will purchase power supply from SDCP. This power would be purchased from SDCP as wholesale power and distributed by Power San Diego to its retail Customers. Power San Diego will also be empowered to develop its own local generation and energy storage resources.

END OF PROPOSITION

A STATEMENT OF THE REASONS FOR THE PROPOSED ACTION AS CONTEMPLATED IN SAID PETITION IS AS FOLLOWS:

STATEMENT OF REASONS

This ballot initiative will create a not-for-profit municipal electric distribution utility, to be known as "Power San Diego," to replace San Diego Gas & Electric (SDGE) electric distribution service. Municipal electric utilities are well-established in California. Their distinguishing characteristics are low rates and high reliability.

San Diegans pay the highest electric rates in the country, and these high rates are projected to continue to rise at 10 percent per year into the future. City ratepayers are shouldering the burden of record corporate profits. Continued control of our local electric grid by a private monopoly utility company that is driving rates relentlessly higher is detrimental to the people of San Diego.

We the people of San Diego intend to use every approach, power, and authority available under the California Constitution and the City Charter to lower electric rates, advance local climate action, and spur local economic development and employment. The mission of Power San Diego will be to provide electric service at fair, reasonable, and affordable rates while maximizing economic benefit to the people of San Diego.

San Diegans across all income levels and customer categories will be encouraged and supported to maximize deployment of solar and battery storage through favorable tariffs and programs. Local solar power will lower electric costs, including by avoiding high and rising transmission charges imposed by SDGE on all power sales regardless of where it is generated. Discounted rate structures will be made available to lower-income customers.

Power San Diego will welcome union labor and will pay its employees compensation and benefits that meet or exceed the terms of their current collective bargaining agreements.

Power San Diego will be a self-financed department of the City funded by customer revenue. It will be governed by a five-member Electric Board with oversight by a Citizens Oversight Committee.

Signatures of Proponents:

William E. Powers
 Date: 11/14/2023
 Residence Address
 4821 Lomitas Drive
 San Diego, CA 92116

Harry C. Powell
 Date: 11/14/2023
 Residence Address:
 3191 N. Mountain View Drive
 San Diego, CA 92116