

**Guidelines for Creating a New Franchise Agreement and Documentation to facilitate the task and provide additional information.** (Slide 6 notes – Brackin)  
7/31/2023

1. Rationale: You have received the updated version with reorganization and additional information that details strong arguments hopefully compelling the County to renegotiate the FA. Also attached is the Original 1955 antiquated FA.
2. PG&E's letter to CalFire' after CZU fire refusing to adhere to forest practice rules. (This shows PG&E's lack of knowledge of how Redwood's recover after a fire, as well as how to care for a watershed).
3. A set of documents providing a successful, forward-thinking and modernized FA by the City of San Diego due to a thoughtful process including:
  - a) Inviting public input (Letters sent to all gas & electric customers)
  - b) Coalition for Better FA's (Organization that helps guide City's & County's for securing better FA's)
  - c) Request for Bids (Sent out to new gas and electric service providers).
  - d) SDG&E's original FA from 12/17/1970.
  - e) The new SDG&E FA and related information on Website, including a memorandum of understanding which details maintaining existing equipment and new construction.  
**[www.sandiego.gov/sustainability/electric-gas-services](http://www.sandiego.gov/sustainability/electric-gas-services)**  
Important environmental and financial benefits that have resulted from the SDG&E FA, proving the utility can both function well and make a comfortable profit for its investors.
  - f) Summary in the San Diego Union-Tribune, *"San Diego City Council Gives Final Approval on New Electric and Gas Franchise Agreement with SDG&E."* (Which I will cover the highlights of the 20 year agreement).

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Highlights of the 20 year Agreement between SDG&E and the City of San Diego.

1. Ensure continued safe reliable delivery of energy.
2. Flexibility to change course after 10 years and become its own Municipality, such as LA, Sacramento, Palo Alto and 43 others that provide electricity in California which are members of CA Municipal Utilities Assoc.
3. This also Increases payment to SD from 2% of SDG&E gross income to 3% and 4.5% for undergrounding. The total package would be approx. \$80 million — \$70 million for the electric franchise, \$10 million for the gas franchise and \$20 million to help advance the city’s climate equity goals, which include a recently created Climate Equity Fund that will build parks, plant trees and improve public transit. The monies will come from shareholder funds, not ratepayer funds.
4. The utility will also put up \$10 million for various programs aimed at increasing access to solar power and rebates for residents living in historically underserved communities.
5. The SD administration has described the new agreement as a “reset” in the city’s sometimes fraught relationship with SDG&E.
6. The deal includes independent audits every two years to make sure the utility makes good on its promises.
7. Compelling reasons for the County to renew the FA; improve its crumbling power infrastructure, improve safety for its residents, stop unnecessary tree cutting, create a climate equity fund, while increasing the County’s revenue.