April 21, 2021

Mayor and Council
202 C Street
San Diego, CA 92101
Via Email

RE: Community Response to SDG&E’s Electric and Gas Franchise Agreement Bids

Honorable Mayor and Councilmembers,

San Diegan families pay the highest energy bills in the continental United States, pay SDG&E’s franchise fees, and hand SDG&E $1 million a day in net profit. During the City’s community forums and public feedback surveys, San Diegans made clear that the status quo is not working for them, and called for:

- **Short-term agreements**, recognizing that anything longer than 5 years is another bad real estate deal and corporate giveaway burdening ratepayers and limiting the City’s ability to pivot to achieve its climate, clean energy, public health, and equity goals;
- **Simple appraisal “right to purchase”** clause to give the City and community a viable exit strategy should SDG&E prove too intransigent to meet the terms and conditions of the Franchise Agreements or Cooperation Agreement;
- **Strong climate, equity and worker provisions** that can help the community transition toward a local, distributed 100% clean energy system, and achieve an equitable Zero Carbon future with a just transition and good union jobs; and
- **Public power feasibility study and business plan** to explore, vet and have shelf-ready options to deploy quickly in the event the City decides to step away from the investor-owned utility model.

We find ourselves, however, with fatally flawed electric and gas Franchise Agreement bid responses from SDG&E. These responses would trap the City and San Diego families into one-sided, 20-year contracts with no viable exit strategy or commitment to exploring public power alternatives to fossil fuel corporations.
SDG&E’s proposed Franchise Agreements would allow them to continue their pattern and practice of violating franchise contract terms, and prevent the City from meaningfully holding SDG&E accountable—something only short-term deals paired with viable offramps and public power alternatives can accomplish. The accompanying “Cooperation Agreement” proposed by SDG&E also falls well short, offering only vague corporate greenwashing when we need bold commitment and action.

Given this once-in-a-lifetime opportunity to reshape our broken energy system and restore public trust after a series of disastrous one-sided real estate deals, we hope the Mayor and Council will listen and transparently negotiate a better clean energy future for the community. Our leaders must negotiate short terms and a simple appraisal right-to-purchase offramp, commit to a public power feasibility study and business plan, and continue to support good union jobs, all in service to helping San Diego build an inclusive, local, distributed clean energy future to achieve Zero Carbon and meet our climate, equity and public health goals.

We look forward to continuing to partner on this critical issue. Thank you.

Sincerely,

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Change Begins With ME
We are Indivisible

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