

RESOLUTION NUMBER R-293560

ADOPTED ON JULY 25, 2000

BE IT RESOLVED, by the Council of the City of San Diego, that this Council:

1. Declares San Diego to be in a state of economic emergency.
2. Solicits Governor Gray Davis to support the state of emergency by providing financial assistance during the summer and requests the Governor to instruct the Public Utilities Commission (PUC) to implement a rate reduction and freeze at or below the rates in effect in July 1999.
3. Urges and will assist the PUC to implement reasonable electricity rate freezes for San Diego residents at a rate which is at or below the rates in effect in July 1999.
4. Urges the Federal Energy Regulatory Commission to institute immediate regulation of wholesale electricity rates.

BE IT FURTHER RESOLVED, as follows:

1. The State Attorney General is requested to investigate whether there has been collusion, price fixing or any other inappropriate behavior in the marketplace of electricity rates by any of the involved parties.
2. The PUC is requested to hold immediate hearings in San Diego to determine whether electricity deregulation in California has been implemented properly and that the PUC and State Legislature take immediate appropriate steps to correct any problems.
3. That the Federal Energy Regulatory Commission (FERC) is requested to reduce the current wholesale electricity rate throughout the Western Region to an appropriate level and implement a rate hold on future prices during the investigation so prices can be lowered immediately for the average San Diegan.
4. The PUC is requested to immediately support widespread real-time metering to give consumers more control over their energy consumption. Many consumers falsely believe that they can lower their electricity bills in direct proportion to their personal consumption. However, electricity rates are based on daily averages (blended rates), which are heightened by high peak

period usage. Real-time meters will enable consumers to see when those peak periods are, and to react accordingly. If a large number of consumers reduce their usage during these periods, it will have the effect of lowering electricity rates. Currently only some larger consumers have access to real-time metering. Smaller consumers should have the same option.

5. An ad hoc Citizens Electricity Deregulation Review Committee should be appointed by the Mayor with Council input to conduct hearings, review the progress of deregulation as it impacts San Diego, and to make recommendations to the Mayor and Council.

6. Electricity service distributors are requested to provide similar energy conservation incentives and/or rebates for homeowners and small businesses when it is done for large corporations and the City Manager is directed to examine the City's energy conservation incentives for new development.

7. The California Energy Commission (CEC) is requested to expedite siting and fast track approvals of new generation facilities; the PUC is requested to expedite sitings and fast track approvals of new transmission facilities; and the City Manager and City Attorney are directed to review the City's existing policies for siting generation and transmission facilities.

8. The City Manager is directed to be prepared to explore possible new joint ventures between the City and public or private entities to develop proposals for additional electricity supply.

APPROVED: CASEY GWINN, City Attorney

By Stuart H. Swett
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07/26/2000
07/31/2000 COR. COPY
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R-2001-181
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