

Gas & Electric Franchise Invitations to Bid

Questions & Responses

October 21, 2020

[City Responses in blue font]

The Invitations to Bid, including the exhibits (collectively referred to as ITB), contain the terms of the franchises that are the subject of this solicitation. If there is any perceived conflict between the ITB and these answers, the ITB shall control. In all instances, the City will comply with all applicable laws, including those of the City Charter, Public Utilities Code, and the California Public Utilities Commission (CPUC).

These questions received are in their original form and have not been edited for typos or grammatical errors.

1. Paragraph 2B in the ITBs explains the Grantee will pay and indemnify the City for all costs of acquisition of the Facilities.
 - a. What can the City provide prospective bidders so as to understand the City's existing rights to acquire Facilities from the current owner and any terms of such rights?

The City has a legal right under California State Law and the City Charter to acquire facilities by purchase or by condemnation. The "terms" of such rights would depend on the facts.

2. As discussed on page 85 of the provided Consultant Report dated April 22, 2020: "Should any entity other than SDG&E win the franchise agreement bid or the City choose municipalization of gas and electric systems within its boundaries, that portion within the City boundaries would have to be physical separated (severed) from the remainder of the SDG&E gas and electric systems located outside the City boundaries to allow for independent ownership and operations."
 - a. What can the City provide prospective bidders with regard to City's rights to sever the system from the existing owner of the Facilities and any terms of such rights?

Please see response to question 1(a).

3. Is the current franchise holder and will the future franchise holder be subject to and report on, the following:
- a. Equal Opportunity participation of women and covered persons in its workforce AND that of its major contractors and vendors? Particularly, will the wages and occupations for Women be reported?

The ITB addresses a potential future franchise, not the current franchise. The proposed franchise requires the franchisee to comply with all applicable laws. For example, the proposed franchise says municipal undergrounding surcharge-funded projects are expected to comply with the City's Equal Opportunity Contracting program.

- b. What number and percentages are actual City of San Diego residents?

This question is unclear.

- c. Does franchisee complete an EEO 1?

Please see response to question 3(a).

- d. Climate Action Plan mileage reductions for employees and contractors AND mileage reductions for its fossil fuels fleet?

The franchisee must comply with all applicable laws. If the franchisee is either an electric or gas corporation, then the franchisee would be under the jurisdiction of the California Public Utilities Commission, which has an extensive system of regulation addressing many environmental issues.

In addition, the franchisee is required to cooperate in good faith with the City's desire to accomplish the goals set forth in the City's Climate Action Plan and any revised or successive climate plan. Moreover, the franchise is specifically required to cooperate with the City toward the improvement of environmental and social justice and the franchisee shall support the City's 2019 Climate Equity Index and any subsequent versions or revisions.

- i. What number of miles and percentages are actual City of San Diego miles?

This question is unclear.

- e. What is the carbon reduction plan for the fleet, employees and vendors/contractors?

Please see response to question 3(d).

- f. Are any of franchisee's facilities located on transit routes?

The future franchisee is not yet known.

- i. What remedial efforts are required of franchisee?

This question is unclear.

- g. Does franchisee encourage or subsidize fossil fuel commuting by providing employee personal vehicles, mileage reimbursements, or free or subsidized parking?

The future franchisee is not yet known.

- h. Does franchise provide or subsidize travel by private or executive air transport or any class travel above "business class"?

The future franchisee is not yet known.

- i. Will any of these costs be transferred to ratepayers?

The California Public Utilities Commission determines which costs, if any, may be recovered by an electric or gas corporation through its rate-setting process.

- 4. Will franchisee directly or indirectly subsidize any City budget function or department?

The franchisee's franchise fees will be remitted to the City and deposited into the General Fund, the Environmental Growth Fund, and the Utilities Undergrounding Fund.

- a. Will franchisee seek or demand an offset or credit for these contributions?

The future franchisee is not yet known.

- b. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- 5. What is franchisee's employee live / work housing plan?

The future franchisee is not yet known.

- a. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- 6. What are franchisee's impacts on Storm Water pollution?

The future franchisee is not yet known. The franchisee must comply with all applicable laws including those pertaining to storm water pollution control.

- a. What remedial efforts are required of franchisee?

This question is unclear.

- b. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- 7. What are franchisee's impacts on potable water and sewage usage?

The future franchisee is not yet known. The franchisee must comply with all applicable laws including those pertaining to potable water and sewer usage.

- a. What remedial efforts are required of franchisee to reduce usage?

Please see response to question 7.

- b. What remedial efforts are required of franchisee?

This question is unclear.

- c. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- 8. What are franchisee's and its vendors/contractors impacts on solid waste generation and reporting?

The future franchisee and its vendors/contractors are not yet known. The franchisee must comply with all applicable laws including those pertaining to solid waste generation and reporting.

- a. What remedial efforts are required of franchisee to meet solid waste reduction goals?

Please see response to question 8.

- b. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- 9. What are franchisee's impacts from sea level rise?

The future franchisee is not yet known, and this question is unclear.

- a. What remedial efforts are required of franchisee?

This question is unclear.

- b. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- 10. Is the franchisee subject to registration and reporting under City Lobbying regulations?

The franchisee is required to comply with all applicable laws including the City's lobbying regulations.

11. What franchisee employees, officers, and directors are registered and regularly report?

The future franchisee is not yet known.

12. What gifts and grants are made by franchisee to San Diego persons, organizations, causes, or non-profits?

The future franchisee is not yet known.

- a. Will any of these costs be transferred to ratepayers?

Please see response to question 3(h)(i).

- b. How will even the appearance of conflicts of interests and political influence be avoided by franchise spending of ratepayer monies?

While this question is unclear, franchisee would be required to comply with all applicable laws including conflict of interest laws.

- c. Will franchisee include a line or disclaimer to be published with any gift or grant – *“Not paid for or made with ratepayer fees or money”*

The future franchisee is not yet known, but must comply with all applicable laws.

13. Will new franchisee, its vendors, and contractors be subject to the City of San Diego minimum wage regulations?

The Franchise requires the franchisee to comply with all applicable laws including, minimum wage and prevailing wage laws.

14. Will the future franchisee be subject to all current and future City of San Diego laws, rules, and regulations? Are there any special cut outs or exemptions from City regulations?

The Franchise requires the franchisee to comply with all applicable laws as stated in Section 1(c) of the Franchises.