



March 9, 2021

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

**RE: The City needs a partner—not an adversary—in climate and affordable clean energy**

Honorable Mayor and Councilmembers,

After months of community forums, public hearings and outreach events, one fact remains clear: the City needs a partner—not an adversary—to meet its climate goals and build an affordable clean energy future. Families have had enough of SDG&E’s skyrocketing rates and lack of cooperation with the city. This community feedback is the lived experience of residents who have been taken advantage of for decades by SDG&E.

As a reminder:

1. **SDG&E refused to cooperate with the City in 1970 and this harms ratepayers to this day.** When the City first tried to negotiate new agreements in 1970, SDG&E refused to cooperate until the City met their demands. Then, once those demands were met, SDG&E took the newly signed agreements to the CPUC and forced ratepayers to cover their multi-million dollar franchise fees, which we pay to this day.<sup>1</sup>
2. **SDG&E continues to try to force San Diego families to cover their shareholder liabilities.** Over and over again, SDG&E works to push costs from shareholders to ratepayers. Examples include SDG&E fighting for years in court to [pass off \\$400 million](#) in wildfire liabilities onto ratepayers (going all the way to the US Supreme Court), [losing \\$50 million](#) ratepayer dollars in fraudulent energy efficiency programs, and [overcharging the city millions](#) in undergrounding fees, forcing the City Attorney to release a scathing [memorandum](#) asking for basic information and receipts. SDG&E consistently works to appease their shareholders, not your constituents.
3. **SDG&E refuses to honor the existing Franchise Agreements.** Not much more can be said about the [pending \\$100 million Pure Water litigation](#) over SDG&E’s refusal to honor the existing agreements. The terms are clear and the City will win the case. And not just once, but twice, as the [City unfairly covers the MidCity pipeline costs](#) and sues SDG&E,

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<sup>1</sup> Howard V. Golub, “Report to the City of San Diego concerning Electric and Gas Distribution Systems”, The City of San Diego, JVJ Pacific Consulting LLC, June 22, 2020, 9-10.

again. The question is: why would the City sign new agreements with a company who willfully wastes taxpayer and ratepayer dollars?

4. **SDG&E continues to undermine and fight against meaningful climate action.** The City cannot meet its CAP goals through [overpriced, utility owned, and for-profit electric vehicle charging stations](#) or by allowing SDG&E to inflate our energy mix with [suspect renewable energy credits](#). Today, SDG&E is working overtime at the state legislature and CPUC to stop rooftop solar, a key component of reaching our 100% clean energy goal. They are [forcing ratepayers to cover \\$700 million](#) for an unnecessary and climate busting methane gas pipeline. SDG&E even [tried to kill the City's Community Choice Energy program](#). San Diego Community Power, before it even launched, after they [formed a shadow subsidiary](#) and [fought to handicap CCE programs by increasing fees](#).
5. **SDG&E keeps raising rates, regardless of the dire crises we face.** SDG&E rates are the highest in the continental United States. Not even climate change, a global pandemic, or an economic crisis will change SDG&E's quest for profit. [San Diegans are already behind \\$145 million](#) on their bloated energy bills. Now, SDG&E has another rate hike proposal. Rates, already approximately 18% higher from just a few years ago, will go higher if SDG&E's [requested rate increases](#) are approved. If SDG&E rate hike moves forward, San Diego families will have to shoulder even larger increases in their energy rates between now and 2023.

With so much on the line, we cannot afford another bad real estate deal with SDG&E. After an exhaustive community outreach effort, [residents made clear](#) that short term agreements (no longer than five years) coupled with annual audits, joint policies and a full exploration of public power alternatives is the only path forward for the City. We hope the City will keep this history in mind, and craft and implement community-centered Franchise Agreements.

Sincerely,



Matthew Vasilakis  
Co-Director of Policy  
Climate Action Campaign