



**Protect Our Communities Foundation**

4452 Park Blvd #202

San Diego, CA 92116

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February 21, 2020

Attn: Mr. Lee Friedman,  
Strategic Energy Initiatives Manager, Smart and Sustainable Communities Branch  
City of San Diego  
202 C Street,  
San Diego, CA 92101

RE: Franchise Agreement, Request for Expressions of Interest (RFEI)

Dear Mr. Friedman,

The Protect Our Communities Foundation (POC) appreciates the opportunity to share ideas regarding needed provisions for future energy franchise agreements through the RFEI. The current energy franchise agreements expire in January of 2021. Clearly, changes need to be made in order to protect San Diegans from high electricity rates. The current franchisee, SDG&E, had already been charging some of the highest rates in the country prior to the 2019-2021 rate cycle. Then for the rate cycle through 2021, the company raised rates again by approximately 17% - triple the rate of inflation.

POC believes the following two items are common sense recommendations for future franchise agreements. The recommendation will help to moderate energy costs and protect city residents.

1. Bidders on the franchise agreements must be in good standing with the City. The City is currently suing SDG&E due to a violation of the existing franchise agreements. SDG&E should not be allowed to bid on new contracts until resolving the lawsuit with the City of San Diego, nor should any other companies be allowed to bid unless they are in good standing with the city.
2. To protect ratepayers, the City must incentivize competition and eliminate conflicts of interest. Because gas and electric sources of energy compete to gain market share, the City must require the franchisee for gas services maintain different ownership than the franchisee for electricity services. Allowing a single company to bid on, and possibly win both energy franchises, creates a conflict of interest. The bidding process must be restricted to eliminate such conflicts.

Simply stated, POC favors competitive bidding from trustworthy companies free from conflicts of interest. We request the city consider these points going forward.

Sincerely,

Tyson Siegele  
Energy Analyst,  
Protect Our Communities Foundation  
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