

For Release:

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SF PUBLIC UTILITIES COMMISSION CANCELS POWER PLANT CONTRACT

Controversial \$273 Million Proposal Finally Rejected In Favor Of Phased Closure Of Existing Power Plant

San Francisco, CA, July 23, 2008 – The controversial plan to build \$273 million worth of brand new power plants to replace San Francisco’s aging Mirant Potrero Power Plant appears to have at last had its plug pulled. The San Francisco Public Utilities Commission (SFPUC) voted 3-0 yesterday to rescind the contract to build new power plants in Southeast San Francisco that has sat before the Board of Supervisors since March. Commissioners Richard Sklar, David Hochschild, and Dennis Normandy voted in favor of rescission, while Commissioner Ann Moller Caen was out of town and Commissioner F.X. Crowley left the room before the vote.

The rejection of the “peaker” power plant proposal caps a remarkable past several months in which Mayor Gavin Newsom, who once supported the plan, withdrew his backing to join a chorus of residents, environmentalists, social justice activists, and Supervisors Michela Alioto-Pier, Ross Mirkarimi, Chris Daly, and Tom Ammiano in opposing the measure. By reengaging state regulators in June of this year to reassess the 2004 plan that required the construction of new power plants to replace the Potrero Plant, Mayor Newsom was able to secure closure of over 90% of the Potrero Plant in 2010, with the remaining units to be retrofit and on standby as San Francisco develops in-city renewable energy sources.

According to the SFPUC, the new alternative will result in no cost to the City and drastically reduce pollution in the City’s Bayview-Hunters Point and Potrero neighborhoods. The SFPUC will now determine how many of the remaining Potrero units to retrofit, and whether the City can accelerate the estimated three to five years before the plant closes in totality. The new power plants were projected to run 2,000-4,000 hours per year for 18 to 30 years.

The retrofit option “is the true temporary solution before becoming power plant-free” said Commissioner Sklar in introducing yesterday’s resolution. Commissioner Hochschild added that the City should no longer consider “an investment of this size” in fossil fuel-burning power. Activists from the Sierra Club, the Green Party, and Brightline Defense pointed out that with SFPUC Deputy General Manager Barbara Hale’s July 1 announcement that the retrofit proposal would be cleaner than building brand new power plants the new peakers should be rejected as an option.

The Board of Supervisors, whose President Aaron Peskin is chief among the remaining power plant supporters, will have the opportunity to consider the impact of yesterday’s decision when it reviews the power plant contract on August 12. Meanwhile, the Board has requested that the SFPUC study whether the remaining units designated for retrofit may be replaced by transmission system upgrades, allowing the entire plant to be shut down in 2010.

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