



TOWN OF FAIRFAX

STAFF REPORT

March 1, 2023

TO: Mayor and Town Council

FROM: Heather Abrams, Town Manager

SUBJECT: Presentation from PG&E regarding Smart Meter Implementation

RECOMMENDATION

Receive presentation from PG&E Staff Mark Van Gorder regarding planned Smart Meter implementation in Fairfax.

BACKGROUND

On August 4, 2010, the Town Council adopted Ordinance 752 to place a moratorium on Smart Meter installation in Fairfax. On February 5, 2014, the Council adopted Ordinance 775 prohibiting Smart Meters. On February 1, 2017, the Council adopted Ordinance 805 to extend the prohibition on Smart Meters. On December 4, 2019, the Council adopted Ordinance 840 to further extend the prohibition of Smart Meters.

In April 2017, the Town Council received the attached letter from the California Public Utilities Commission (CPUC), which regulates PG&E's activities. The letter states that the CPUC, not the Town, has regulatory authority over PG&E, that the Town may face certain penalties if it attempts to enforce its Ordinances prohibiting Smart Meters, and the letter references a previous letter sent in 2010 by the CPUC to the same effect. CPUC staff were also invited to the March 1, 2023 Fairfax Council Meeting, but declined to attend and suggested residents review the CPUC's website on the benefits of Smart Meters.

DISCUSSION

Vice Mayor Coler requested that PG&E representatives provide information about the Smart Meter PG&E program, which PG&E plans to implement in 2023. Attached are PG&E's presentation slides. Within the presentation, and a letter that PG&E plans to mail to Fairfax customers, PG&E describes the process customers may use for opting out of receiving a smart meter. Town staff have heard from residents who wish to receive a smart meter and from residents who do not wish to receive a smart meter from PG&E.

FISCAL IMPACT

None

ATTACHMENTS

- A. 2017 Letter from CPUC
- B. PG&E Presentation Slides

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 17, 2017

By email to:
bcoler@townoffairfax.org
janet.coleson@bbklaw.com

Barbara Coler, Councilmember
Janet Coleson, Best, Best & Krieger/City Attorney for Town of Fairfax
Town of Fairfax
142 Bolinas Road
Fairfax, CA 94930

RE: Fairfax Ordinance No. 806, Extending the Prohibition on the Installation of Smartmeters and Related Equipment Within the Town of Fairfax

Dear Ms. Coler:

I understand that, on February 1, 2017, the Town Council adopted the above-referenced ordinance purporting to impose a moratorium on PG&E's installation of SmartMeters and related equipment within the Town of Fairfax for three years.¹ We write you again to inform you of our view that the City's ordinance constitutes an unlawful interference with the exclusive jurisdiction of the California Public Utilities Commission (CPUC or Commission) over the regulation of public utilities.

As explained in the August 2, 2010, letter from my predecessor to Michael Rock, former Fairfax Town Manager (see attachment); Section 8 of Article 12 of the California Constitution states that "[a] city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the Commission." The Legislature has granted the Commission authority over a public utility's infrastructure, including the installation of meters.²

¹ This ordinance essentially continues the policies embodied in Town of Fairfax Ordinance Nos. 752 and 775, adopted on August 4, 2010 and February 5, 2014, respectively.

² See Public Utilities Code section 761, granting the Commission authority (i) to regulate the practices, equipment, appliances, facilities, service and the methods of supply and distribution of public utilities and (ii) to determine whether any of those are unjust, unreasonable, unsafe, improper, inadequate, or insufficient; see also Public Utilities Code section 701, granting the Commission jurisdiction to regulate every public utility in the State and do all things, whether specifically designated in the Public Utilities Act or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction.

Barbara Coler, Councilmember
Town of Fairfax
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Pursuant to CPUC Decision No. 06-07-027, issued July 20, 2006, PG&E is authorized by the Commission to deploy "Smart Meters" throughout its service territory. This authority was reaffirmed in Decision 14-12-078 (*Application of Pacific Gas and Electric Company for Approval of Modifications to its SmartMeterTM Program and Increased Revenue Requirements to Recover the Costs of the Modifications*). As we have explained in previous letters as well as in the above-referenced Decisions, advanced metering technology is an important component of California's long-term goals to develop demand response capability throughout the state that would enhance electric system reliability, reduce power purchases and individual consumer costs for electric service, and reduce the emission of greenhouse gases and other toxic emissions. Natural gas SmartMeters are designed to achieve similar goals in the natural gas industry in California.

Your letter of February 14, 2017 to PG&E executives and posted on your town website urges that the pendency of requests for rehearing of Decision 14-12-078 renders PG&E actions to proceed with the installation of SmartMeters in the Town of Fairfax as improper to render moot the CPUC's rehearing process. This is not the case. California Public Utilities Code, Section 1735 explains:

"An application for rehearing shall not excuse any corporation or person from complying with and obeying any order or decision, or any requirement of any order or decision of the commission theretofore made, or operate in any manner to stay or postpone the enforcement thereof, except in such cases and upon such terms as the commission by order directs."

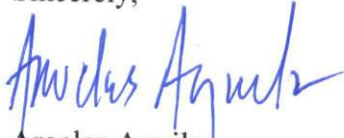
Therefore, PG&E is still required to proceed with the directives included in the above-referenced Commission Decisions to install SmartMeters within PG&E's territory in order to facilitate state mandates to empower customers to increase their control over their electricity usage and reduce toxic emissions all over the state of California.

Under well-settled principles of California law, the Town of Fairfax has no authority to issue a moratorium on this Commission-approved public utility infrastructure program. It is our opinion, therefore, that the Town's ordinance is unlawful and unenforceable.

We will be happy to discuss this matter further with you and other representatives of the City.

Barbara Coler, Councilmember
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Sincerely,



Arocles Aguilar
General Counsel
Public Utilities Commission of the
State of California
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-2015
arocles.aguilar@cpuc.ca.gov

cc: Geisha Williams, Pacific Gas and Electric Company
John Simon, Pacific Gas and Electric Company
Garrett Toy, Town Manager, Town of Fairfax; gtoy@townoffairfax.org
Tim Sullivan, Executive Director, CPUC

AA:ice

Attachment

ATTACHMENT

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 2, 2010

Michael Rock, Town Manager
Fairfax Town Hall
142 Bolinas Road
Fairfax, CA 94930
Fax: 415.453.1618

**Re: Proposed Emergency Ordinance Establishing A Temporary Moratorium On
The Installation Of Smart Meters**

Dear Mr. Rock:

It has been brought to our attention that on August 4, 2010, the Town Council of the Town of Fairfax is scheduled to consider a proposed emergency ordinance establishing a six-month moratorium on the installation of Smart Meters and related equipment within the Town of Fairfax or in, along, across, upon, under and over the public streets and places within the Town of Fairfax, and declaring the urgency thereof.

We are writing to inform you of our view that the Town of Fairfax's proposed ordinance would interfere with the exclusive jurisdiction of the California Public Utilities Commission (CPUC or Commission) over the regulation of public utilities.

Section 8 of Article 12 of the California Constitution states that "[a] city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the Commission."¹ The Legislature has granted the Commission authority over a public utility's infrastructure, including the installation of meters. (See Public Utilities Code section 761, granting the Commission authority (i) to regulate the practices, equipment, appliances, facilities, service and the methods of supply and distribution of public utilities and (ii) to determine whether any of those are unjust, unreasonable, unsafe, improper, inadequate, or insufficient; *see also* Public Utilities Code section 701, granting the Commission jurisdiction to regulate every public utility in the State and do all things,

¹ Although Section 8 contains a limited exception for municipal regulations adopted pursuant to a city charter existing on October 10, 1911, we note that the Town of Fairfax was not incorporated until 1931.

Michael Rock, Town Manager

August 2, 2010

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whether specifically designated in the Public Utilities Act or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction.)

Pursuant to CPUC Decision (D.) 06-07-027, since 2006 Pacific Gas and Electric Company (PG&E) has been and continues to deploy "Smart Meters" in its service territory. Similar initiatives are underway pursuant to subsequent Commission decisions pertaining to the other major electric utilities in the state in their respective service territories. In D.06-07-027, the Commission recognized that new, advanced metering technology may evolve, and ordered PG&E to monitor technological developments in order to upgrade its Advanced Metering Infrastructure (AMI) system as deemed appropriate by the CPUC. Thereafter, in D.09-03-026, the Commission approved PG&E's proposed upgrades to its Smart Meter program. The installation of advanced metering technology is an important component of the CPUC's long term goals to develop a more sophisticated, state-wide demand response capability, which would, in turn, enhance electric system reliability, reduce power purchase and individual consumer costs, and reduce the emission of greenhouse gases.

As part of your due diligence, I would ask that your office and the Town's legal counsel carefully consider the legal issues associated with the proposed ordinance.

Please feel free to contact me if you have any questions.

Thank you very much for your attention to this matter.

Sincerely,

/s/ Frank R. Lindh

Frank R. Lindh, General Counsel
Public Utilities Commission
of the State of California
505 Van Ness Avenue
San Francisco, CA 94102

(415) 703-2015
fri@cpuc.ca.gov

cc: Jim Karpiak, Town Counsel for the Town of Fairfax
Paul Clanon, Executive Director, CPUC

Pacific Gas and Electric Company

Town of Fairfax

March 1, 2023



1

Smart Meter installation timelines

2

Copy of Customer Communications

3

General FAQ





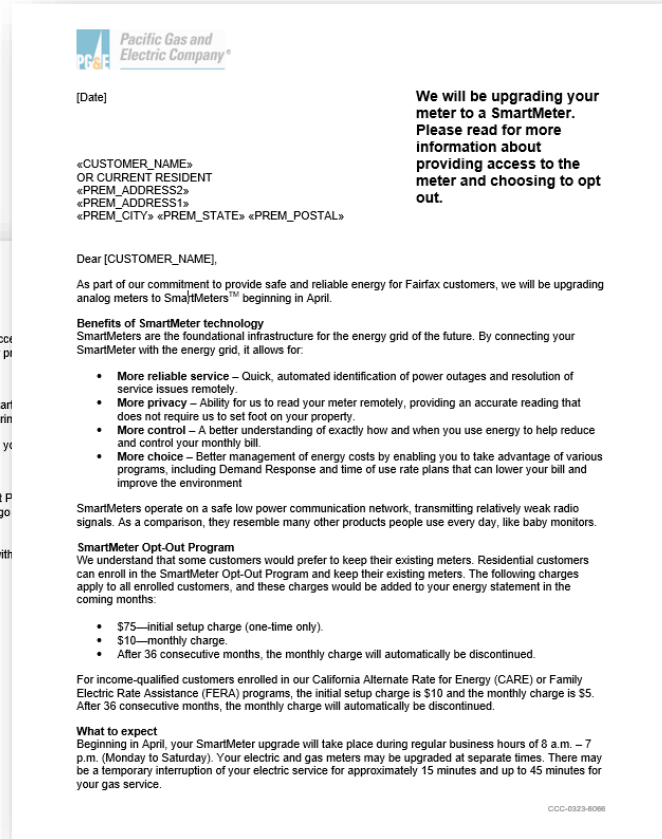
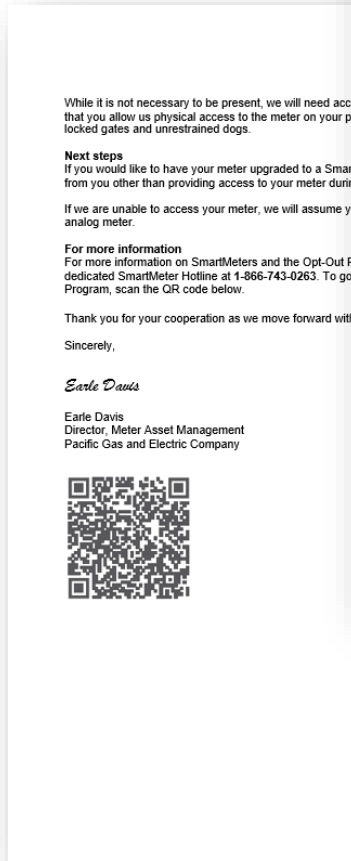
Overview of Smart Meter installation timelines

Communication Touch Points	Timing
Initial Customer Communications - First letter	30-days prior to work
Follow up/Reminder Communications - Second letter	15-days prior to work
Automated phone call to customer 48-hours prior	2-days prior to work
Installation beginnings	April 3, 2023
Expected completion of all installations	April 22, 2023



Examples of Communication

Initial Customer Letter



Field card examples

SmartMeter Opt-Out Program

We understand that some customers would prefer to keep their existing meters. Residential customers can enroll in the SmartMeter™ Opt-Out Program and keep their existing meters.



For more information, visit pge.com/smartmeter or call 1-866-743-0263



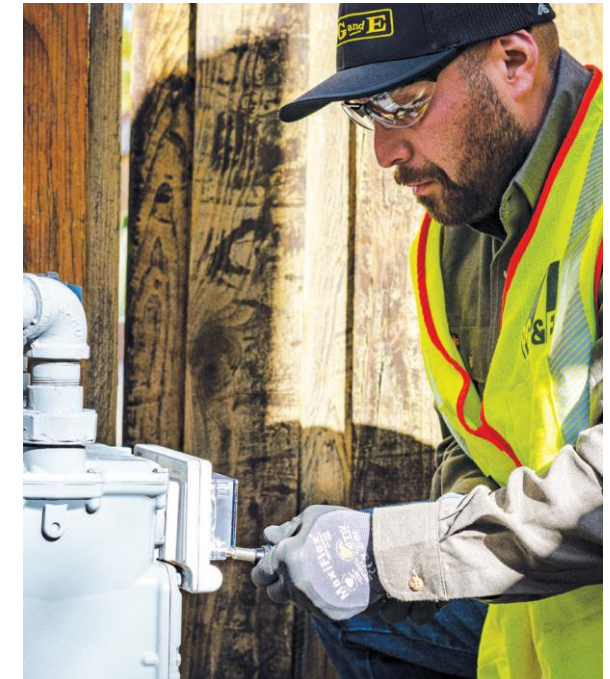
Understanding radio frequencies

SmartMeters operate on a safe low power communication network, transmitting relatively weak radio signals. As a comparison, they resemble many other products people use every day, like baby monitors.

To learn more, visit pge.com/radiofrequency

PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. ©2022 Pacific Gas and Electric Company. All rights reserved. CCC-0822-5569

- When will meter installations stop?
- Does PG&E follow up with property owners to confirm they want to Opt-Out?
- Some customers do not want to use the online option. Who answers the Opt-Out phone number?
- Who is installing SM in Fairfax - PG&E or Contractors. Do they carry badges identifying as PG&E representatives? Will they have collateral explaining the work they are there to do with the Opt-Out number?



Thank You

