

1 [Generation Solar: Residential and Commercial Solar Program]

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3 **Ordinance requiring the Public Utilities Commission and the Department of the**
4 **Environment in consultation with other City departments to implement Generation**
5 **Solar, a solar program for the residential and commercial sectors.**

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7 Note: Additions are *single-underline italics Times New Roman*;
8 deletions are *strikethrough italics Times New Roman*.
9 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

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12 Section 1. FINDINGS. The Board of Supervisors of the City and County of San
13 Francisco hereby finds and declares as follows:

14 A. The Board of Supervisors received approval from the voters to issue revenue
15 bonds in a principal amount not to exceed \$100 million to finance the acquisition, construction,
16 rehabilitation, installation and/or improvement of solar energy facilities and equipment, energy
17 conservation facilities and equipment and/or renewable energy facilities and equipment, in the
18 November 6, 2001 General Municipal Election (Proposition B), a copy of which is on file with
19 the Clerk of the Board in File No. 010983.

20 B. The voters approved a Charter amendment in the same General Municipal
21 Election authorizing the Board of Supervisors to provide for the issuance of revenue bonds,
22 without further voter approval, for the purpose of financing or refinancing the acquisition,
23 construction, installation, equipping, improvement or rehabilitation of equipment or facilities for
24 renewable energy and energy conservation (Proposition H), a copy of which is on file with the
25 Clerk of the Board in File No. 011103.

1 C. Solar energy facilities and equipment, energy conservation facilities and
2 equipment and/or renewable energy facilities and equipment provide viable means to produce
3 safe energy resources for the citizens of San Francisco and various agencies, departments
4 and enterprises of the City.

5 D. Solar energy technology allows electricity to be generated close to the source
6 where it is consumed and consequently provides increased energy independence and
7 diminishes the vulnerability of San Francisco to rolling blackouts or other failures of the
8 electric grid.

9 E. Solar energy offers a silent and reliable source of energy and produces energy
10 during times of peak demand without polluting the environment.

11 F. Solar energy helps to protect the City from price volatility in energy markets and
12 provides for diversity in sources and fuels used to provide electricity.

13 G. Revenue bonds authorized by voters at the November, 2001 General Municipal
14 Election cannot be issued in a cost effective manner until such time as the Hetch Hetchy
15 enterprise of the San Francisco Public Utilities Commission is rated by independent bond
16 rating agencies. The process for receiving such a bond rating, including development of a
17 long-range business plan for Hetch Hetchy and detailed plans for use of bond proceeds, is
18 expected to take 18 months or longer.

19 H. In order to implement the intent of the voters, the City must develop marketing
20 strategies and overcome potential hurdles to installation of solar facilities, including
21 negotiating grid interconnection with PG&E and streamlining the permitting process through
22 the Planning Department and the Department of Building Inspection.

23 I. While the City is gaining substantial experience in contracting and planning for
24 solar installations on City-owned property, City assistance regarding solar installations for
25 residential and commercial property is currently limited to technical assistance.

1 J. Institution of a residential and commercial solar program is the best manner in
2 which the City can develop additional expertise in the residential and commercial sectors.

3 K. Implementation of this Ordinance will provide a public benefit by providing the
4 City with the information it needs to carry out the solar bond measures adopted by the voters
5 and promoting the development of solar energy in the City. The development of solar and
6 other renewable resources will provide competitive pressure that will reduce energy prices for
7 the San Francisco Public Utilities Commission, City departments and San Francisco citizens.

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9 Section 2. GENERATION SOLAR: RESIDENTIAL AND COMMERCIAL SOLAR
10 PROGRAM IMPLEMENTATION PLAN AND BUDGET.

11 (a) Not later than December 31, 2003, the Public Utilities Commission (SFPUC) and
12 the Department of the Environment (SFE), in consultation with the City Attorney, the Mayor's
13 Office of Public Finance, the Department of Building Inspection and the Planning Department,
14 shall provide the Board of Supervisors with a joint plan and budget for implementing
15 Generation Solar, a solar program serving 100 residential and commercial properties in San
16 Francisco. The plan shall include, but not be limited to, the following:

17 (1) A delineation of the roles, responsibilities and respective budgets of each
18 department to deliver the program;

19 (2) A marketing plan to enlist program participants utilizing City resources that may
20 include the City's website, public service announcements on buses and in bus shelters, signs
21 at libraries and recreation centers, utility bills, tax notices, voter handbook mailings, Citywatch,
22 and other resources;

23 (3) A report on financing options for residential and commercial building owners,
24 including but not limited to self-financing, financing arranged by or through the City, together
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1 with a delineation of strategies to provide assistance applying for state and federal subsidies
2 and/or tax credits;

3 (4) Proposed changes to the San Francisco Building and Planning codes and
4 Department of Building Inspection and Planning Department procedures necessary to
5 expedite permitting, reduce permit fees, and protect access to sunlight for solar investments;

6 (5) A proposed methodology for screening and prioritizing program applicants;

7 (b) Not later than June 30, 2004 the SFPUC and SFE will develop the following items:

8 (1) A list of interested residential and commercial building owners obtained by
9 implementing the marketing plan;

10 (2) A database for program applicants including those not selected for the program;

11 (3) Proposals for negotiating and executing grid inter-connection agreements with
12 PG&E where necessary;

13 (4) A proposed apprenticeship training program for solar installers and maintenance
14 personnel, developed in consultation with City College and affected unions, including but not
15 limited to, IBEW Local #6 and the San Francisco Building Trades Council; and

16 (5) Proposed criteria for evaluating the success of the residential and commercial
17 solar program.

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19 Section 3. GENERATION SOLAR PROGRAM STAFFING.

20 Funding is appropriated in the FY 2003-04 Public Utilities Commission Hetch Hetchy
21 budget, project CUH960 Solar Power Project, for purposes of solar power implementation.

22 The Controller is hereby authorized to establish inter-departmental work orders and to
23 authorize the SFPUC and SFE to hire temporary positions necessary to implement this
24 ordinance.

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1 Section 4. GENERATION SOLAR: RESIDENTIAL AND COMMERCIAL SOLAR
2 PROGRAM REQUEST FOR PROPOSALS.

3 Not later than March 1, 2004, the SFPUC in consultation with SFE shall issue a
4 Generation Solar Request for Proposals for use by respondents in submitting proposals to
5 implement a residential and commercial solar program serving at least 100 residential and
6 commercial buildings. The Generation Solar RFP should request, at a minimum, the following
7 from respondents:

8 (a) A range of photovoltaic technology options and designs for residential and
9 commercial properties appropriate for flat and sloped roofs, including standard system
10 designs for the following:

11 (1) Installations for existing residential homes;

12 (2) Installations for existing apartment buildings, including proposals for how
13 to manage metering for separately metered apartments;

14 (3) Installations for existing commercial and industrial buildings; and,

15 (b) A range of conservation and energy-efficiency improvements to reduce on-site
16 electric loads for hosting properties, including standardized options for solar hot water heating;

17 (c) Information related to system warranties and insurance requirements;

18 (d) Proposals for contract monitoring by the City, remote system monitoring by the
19 City, maintenance contracts, and schedules for implementation;

20 (e) Financing proposals including, but not limited to, self-financing by building
21 owners and City financing repaid by monthly lease payments (including procedures to collect
22 delinquent payments);

23 (f) Proposals for how the City can best assist with marketing of the program;

24 (g) A methodology for analyzing solar exposure, peak shaving potential, and
25 energy-efficiency savings potential at candidate sites;

1 (h) Technical assistance for such applicants who wish to proceed with solar
2 installations and energy conservation improvements on their own; and

3 (i) Any other requirements that the SFPUC and the SFE deem necessary.
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5 Section 5. FUTURE SOLAR PROGRAM EXPANSION.

6 Not later than twelve months after launching the program, the SFPUC and SFE shall
7 present the following to the Board of Supervisors, to implement subsequent phases of San
8 Francisco's solar program:

9 (a) An evaluation report on the solar program with recommendations for
10 program expansion to assist the City in determining the most effective way to structure
11 future program options;

12 (b) A plan to pursue credit ratings for the Hetch Hetchy enterprise of the
13 Public Utilities Commission;

14 (c) Calculations and documentation of the energy subsidies provided to General
15 Fund departments and other City agencies;

16 (d) Recommendations to the Board of Supervisors for establishing energy rates that
17 will lead to higher bond ratings; and

18 (e) A plan to develop a revenue bond program, in conjunction with the Mayor's
19 Office of Public Finance, to finance the capital costs of future solar program expansion.
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21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By: _____
24 JOSEPH P. COMO
25 Deputy City Attorney