

File No. 105161

Committee Item No. 1

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 2/17/10

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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#### OTHER

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Completed by: Gail Johnson

Date 2/12/10

Completed by: \_\_\_\_\_

Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.



1 [Adopting Implementation Plan for CleanPowerSF.]  
2

3 **Ordinance adopting a revised Implementation Plan for the City's Community Choice**  
4 **Aggregation program, CleanPowerSF, and authorizing the filing of the Implementation**  
5 **Plan with the California Public Utilities Commission.**  
6

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

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

12 Section 1. Background

13 A. Ordinance 86-04 established and elected to implement a Community Choice  
14 Aggregation (CCA) program pursuant to Public Utilities Code Sections 218.3, 331.1, 366,  
15 366.2, 381.1, 394, and 394.25, finding that CCA provides a means by which the City may help  
16 ensure the provision of clean, reasonably priced, and reliable electricity to San Francisco  
17 customers. Ordinance 86-04 further found that a CCA Program could provide a means for the  
18 City to increase the scale and cost-effectiveness of conservation, energy-efficiency and  
19 renewable energy in San Francisco. Ordinance 86-04 directed City departments to develop a  
20 draft Implementation Plan (IP) and to prepare a draft Request For Proposals (RFP) to solicit  
21 an electricity supplier for the program.

22 B. Ordinance 147-07 continued implementation of a CCA program by adopting a  
23 June 6, 2007 Program Description and Revenue Bond Action Plan and Draft Implementation  
24 Plan (Draft IP) and setting forth requirements for the CCA program based on the Draft IP.  
25 The Ordinance stated that "The Board of Supervisors expects to consider modifications to the  
Draft IP as the development of the CCA Program progresses. In particular, the Board of  
Supervisors expects that the City will gain additional material information regarding the

Supervisor Mirkarimi, Campos, Mar, Duffy, Chiu, Daly  
BOARD OF SUPERVISORS

1 suppliers, costs, and financing mechanisms, among other things, from the Request for  
2 Information (RFI) that will be issued following adoption of this ordinance as well as from other  
3 work performed in connection with the CCA Program." (Page 7, lines 11-16.) The Ordinance  
4 directed the San Francisco Public Utilities Commission (SFPUC), in consultation with the  
5 Local Agency Formation Commission (LAFCO) to "draft for approval by the Board of  
6 Supervisors and submission to the CPUC a revised IP that is consistent with this ordinance,  
7 the companion ordinance adopting a CCA Governance Structure [Ordinance 146-07] and all  
8 applicable requirements. The revised IP should reflect additional information received through  
9 the RFI/RFP process." (Page 8, lines 5-9).

10 C. As required by Ordinance 147-07, the SFPUC issued a Request for Information  
11 (RFI) from potential suppliers in November 2007. In April 2009, the PUC issued a Request for  
12 Qualifications (RFQ) from potential suppliers.

13 D. Ordinance 232-09 authorized the issuance of an RFP for services related to the  
14 provision of electricity, finding it reasonable to allow some flexibility in meeting the CCA RFP  
15 requirements and program criteria set forth in Ordinances 86-04 and 147-07 in order to  
16 encourage robust responses to the RFP and to facilitate a successful CCA program.

17 E. The SFPUC issued the RFP on November 5, 2009 and received five responses.  
18 The independent review panel ranked highest the proposal from Power Choice, LLC. On  
19 February 9, 2010, in Resolution \_\_\_\_\_, the SFPUC authorized the SFPUC General  
20 Manager to begin negotiating a contract with Power Choice, LLC for necessary services for  
21 CleanPowerSF customers.

22 F. Public Utilities Code Sections 366.2(c)(3) and (4) require a CCA program to  
23 develop an IP "detailing the process and consequences of aggregation" and to include with  
24 the IP a "statement of intent" (SI) affirming that the program will provide for universal access,  
25 reliability, equitable treatment of all customers classes, and adherence to state law. Public

1 Utilities Code Sections 366.2(c)(3) and (4) require the IP to address the following subjects:  
2 organizational structure of the CCA program, its operations and funding; ratesetting and other  
3 costs to participants; provisions for disclosure and due process in setting rates; methods for  
4 entering and terminating agreements with other entities; rights and responsibilities of program  
5 participants; description of third parties who will be supplying electricity, including information  
6 about the supplier's financial, technical, and operational capabilities; and termination of the  
7 program. The IP is to be adopted at a public hearing and filed with the California Public  
8 Utilities Commission (CPUC).

9 G. As directed by Ordinance 147-07, the SFPUC, in consultation with LAFCO, has  
10 revised the Draft IP to reflect the results of the RFI/RFP process and to reflect the other work  
11 of SFPUC and LAFCO in connection with the CCA program.

12 H. On February 9, 2010, in Resolution \_\_\_\_\_, the SFPUC authorized the  
13 SFPUC General Manager to seek the approval of the Board of Supervisors to file a revised IP  
14 with the CPUC.

15 Section 2. Key Elements of the Revised Implementation Plan and Statement of Intent.

16 A. CleanPowerSF will seek to exceed State of California requirements for  
17 Renewable Portfolio Standards (RPS) and sets a goal of a 51% renewable portfolio by 2017.  
18 CleanPowerSF will meet its renewable goals, to the extent feasible, through new, preferably  
19 local, renewable sources of electricity generation and the use of demand side management  
20 efforts, including energy efficiency and conservation programs. Any decisions regarding  
21 construction of new facilities will only be reached after environmental review, including review  
22 under the California Environmental Quality Act.

23 B. CleanPowerSF intends to offer its customers stable and competitive rates with  
24 provisions for low-income ratepayer assistance. CleanPowerSF is committed to equitable  
25 treatment of all classes of customers. The program may offer customized rates to particular

1 customers where such opportunities are demonstrated to be of benefit to the entire program  
2 and therefore all CleanPowerSF customers.

3 C. To the extent beneficial for its customers, CleanPowerSF may roll out service to  
4 groups of its customers in phases, the details of any such phasing to be determined by the  
5 contract that the program signs with its electricity supplier.

6 D. In accordance with the City Charter and Ordinance 146-07, SFPUC will manage  
7 and control CleanPowerSF, and LAFCO will continue to advise the Board of Supervisors and  
8 SFPUC regarding the operation and management of the program.

9 E. In accordance with City Charter Section 8B.125, rates for CleanPowerSF  
10 services will be set by the SFPUC, subject to rejection by the Board of Supervisors. Before  
11 rates are set, the Rate Fairness Board will review the proposed rates and make a  
12 recommendation to the SFPUC regarding such proposed rates. Customers will be given  
13 notice and an opportunity to be heard before final rates are determined. Rates will cover  
14 electricity supply, capital, administrative and other costs of CleanPowerSF.

15 F. In accordance with Public Utilities Code Section 366.2(c)(2), electricity  
16 customers in San Francisco will be automatically enrolled in CleanPowerSF unless they opt  
17 out of the program. CleanPowerSF will provide all electricity customers in San Francisco two  
18 notices regarding the program within 60 days prior to their automatic enrollment and two  
19 additional notices within 60 days or two billing cycles after the start of service. The notices will  
20 include the terms and conditions of CleanPowerSF's service and an opportunity to opt out of  
21 the program.

22 G. CleanPowerSF intends to contract with a third party for electricity supply,  
23 account and billing services, and other services. The third party supplier will assist in  
24 developing plans for new renewable resources and new demand side management programs,  
25 including energy efficiency and conservation and may participate in the development of such

1 projects that CleanPowerSF decides to implement. Any decisions regarding construction of  
2 new facilities will only be reached after environmental review, including review under the  
3 California Environmental Quality Act. Eligible third party suppliers of electricity and other  
4 services have been identified using a competitive solicitation process and ranked using an  
5 independent review process. After SFPUC staff, in consultation with LAFCO, has negotiated  
6 a contract with a third party supplier, the contract will be reviewed and approved by the  
7 SFPUC and, if required under applicable City law, the Board of Supervisors.

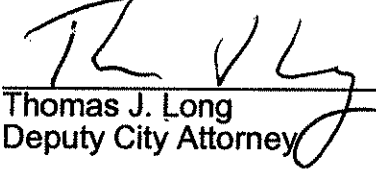
8 H. As required by Public Utilities Code Section 366.2(c)(4), CleanPowerSF affirms  
9 its intent to satisfy all applicable requirements of California law and to provide universal  
10 access to CleanPowerSF service, reliable service, and equitable treatment of all classes of  
11 customers.

12 Section 3. Adoption of the Implementation Plan.

13 A. The Board of Supervisors finds that the Draft IP and the program requirements  
14 set forth in Ordinance 147-07 should be revised in accordance with Section 2 of this  
15 ordinance to reflect the information obtained from the RFI/RFQ/RFP solicitation process and  
16 the additional information learned by the SFPUC and LAFCO through their implementation of  
17 the CCA program.

18 B. The Board of Supervisors adopts the IP described in this ordinance as the IP for  
19 CleanPowerSF and authorizes the General Manager of the SFPUC, in consultation with the  
20 Executive Officer of the LAFCO, to file with the CPUC an IP that is consistent with this  
21 ordinance.

1 APPROVED AS TO FORM:  
2 DENNIS J. HERRERA, City Attorney

3 By:   
4 Thomas J. Long  
5 Deputy City Attorney

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