

File No. 110731 Committee Item No. 9
 Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS
 AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date July 25, 2011

Board of Supervisors Meeting Date August 2, 2011

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|---------------------------------------|---------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Public Utilities Commission Resolution No. 11-0035 |
| * <input checked="" type="checkbox"/> | * <input checked="" type="checkbox"/> | 2011 updated Electricity Resource Plan |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
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Completed by: Alisa Somera Date July 22, 2011
 Completed by: Alisa Somera Date July 20, 2011

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

1 [Electricity Resource Plan Update]

2
3 **Resolution endorsing an updated Electricity Resource Plan to provide a long-term**
4 **vision of San Francisco's electricity future, to serve as a policy guide to be used in**
5 **proposing and implementing specific actions related to electric energy programs and**
6 **usage in San Francisco, and to identify potential steps toward achievement of San**
7 **Francisco's goal of having zero greenhouse gas emissions from its electric usage by**
8 **2030.**

9
10 WHEREAS, In 2002 San Francisco developed and endorsed through Resolution 827-
11 02 an Electricity Resource Plan (2002 ERP) to "provide a long-term vision of the City's
12 possible electricity future" and to serve as a "policy guide to be used in proposing and
13 implementing specific actions;" and

14 WHEREAS, As a result of the policies and actions it endorsed, the 2002 ERP has
15 achieved its primary goal of closing down the Hunters Point and Potrero Power Plants, two
16 older and higher-polluting fossil-fueled power plants located in the Southeastern portion of the
17 City, as well as encouraging San Francisco to develop renewable energy and promote energy
18 efficiency; and

19 WHEREAS, In 2008 the Board of Supervisors adopted and the Mayor signed
20 Resolution 227-08 which included the goals of California's Energy Action Plan which
21 established a "loading order" that future electric energy needs should be met with "energy
22 efficiency and demand response first, then renewable [energy] and lastly [with] clean burning
23 fossil generation;" and

1 WHEREAS, Also in 2008 in Ordinance 81-08 the Board of Supervisors and the Mayor
2 urged the Public Utilities Commission to "...develop a plan to achieve the goal of San
3 Francisco becoming [a] fossil fuel free [electric system] by 2030"; and

4 WHEREAS, In 2009, the Board of Supervisors adopted and the Mayor signed
5 Ordinance 94-09 which urged the Public Utilities Commission (PUC) to produce an update to
6 the 2002 ERP; and

7 WHEREAS, The Public Utilities Commission has prepared an update to the 2002 ERP
8 entitled "San Francisco's 2011 Updated Electricity Resource Plan: Achieving San Francisco's
9 Vision for Greenhouse Gas Free Electricity" (2011 Updated ERP) on file with the Clerk of the
10 Board of Supervisors in File No. 110731, which is hereby declared to be a part of this
11 resolution as if set forth fully herein; and

12 WHEREAS, In preparing the 2011 Updated ERP the Public Utilities Commission
13 reviewed applicable City ordinances and policies, incorporated the principles from California's
14 Energy Action Plan to prioritize energy efficiency, retained as consultants the Rocky Mountain
15 Institute who assisted with the 2002 ERP, convened a Green Technical Advisory Committee
16 (Green TAC) of experts in the field of renewable energy and energy efficiency, and carried out
17 extensive research and analytical work; and

18 WHEREAS, Consistent with the guidance of the Board of Supervisors that "the process
19 of updating the Electricity Resource Plan should include public outreach" the Public Utilities
20 Commission held numerous meetings in a variety of public forums to present the 2011
21 Updated ERP's findings, seek public input, and provide an opportunity for written comments;
22 and

23 WHEREAS, The 2011 Updated ERP incorporates relevant energy-related goals from
24 San Francisco's Climate Action Plan and Peak Oil Task Force; and

1 WHEREAS, The purpose of the 2011 Updated ERP is to develop a City-wide plan to
2 meet San Francisco's zero-GHG goal by 2030, affecting not only the electric energy for
3 municipal facilities provided by the Public Utilities Commission, but also the 83% of electric
4 energy currently being supplied to San Francisco by Pacific Gas & Electric (PG&E) and
5 various energy service providers; and

6 WHEREAS, This 2011 Updated Electricity Resource Plan discusses three broad
7 strategies to put San Francisco on its path towards zero-GHG emissions from its electric
8 sector, which are described in detail in the report; and

9 WHEREAS, The first strategy is to "Empower San Francisco citizens and businesses
10 to cost-effectively reduce GHG emissions associated with their own electric energy usage"
11 through such activities as encouraging energy efficiency; developing onsite renewable energy,
12 distributed generation, and electric storage technologies; improving building standards; and
13 establishing San Francisco as a "green test bed" to encourage the development of new
14 energy technologies. Implementation of Community Choice Aggregation could further
15 strengthen and expand these initiatives; and

16 WHEREAS, The second strategy is "To increase the amount of zero-GHG electricity
17 supplied to the City's customers from the wholesale energy market," both from throughout the
18 Western United States and within San Francisco, through such activities as Community
19 Choice Aggregation, development of green pricing options, and participation in regulatory
20 proceedings affecting those entities that provide electric power to San Francisco; and

21 WHEREAS, The third strategy is "Continuing and expanding PUC electric service
22 guaranteed to provide reliable, reasonably-priced, and environmentally sensitive service to its
23 customers" by ensuring that the PUC Power Enterprise is financially viable, develops
24 alternative service arrangements for services currently provided to the PUC through its
25

1 Interconnection Agreement with PG&E that expires in 2015, and continues and expands
2 environmental justice and the provision of community benefits; and

3 WHEREAS, The 2011 Updated ERP identifies potential actions, funding opportunities,
4 and timelines for pursuing each of these strategies; and

5 WHEREAS, The 2011 Updated ERP recognizes the opportunities that Community
6 Choice Aggregation (CCA) provides for San Francisco to achieve the goals of the 2011
7 Updated ERP; and

8 WHEREAS, Proposals in Chapter 4, Recommendation 4 (pages 59-60) encourages
9 potential amendments to Chapter 99 of the Administrative Code to designate the SFPUC as
10 the default provider of electric distribution services to "identified Community Scale Energy
11 Systems"; and

12 WHEREAS, The San Francisco Public Utilities Commission in Resolution 11-0035
13 endorsed "the goals, objectives, and general strategies" of the 2011 Updated ERP at its
14 March 8, 2011 meeting; and

15 WHEREAS, In accordance with PUC Resolution 11-0035, the General Manager of the
16 PUC forwarded the 2011 Updated ERP to the Board of Supervisors for its consideration and
17 endorsement, consistent with Ordinances 81-08 and 94-09; and

18 WHEREAS, The 2011 Updated ERP lays out a broad vision of how San Francisco's
19 energy future could evolve, and prior to recommendation of any particular project, activity or
20 action additional study and approval will be sought; and

21 WHEREAS, No project, activity, or action will be undertaken prior to adequate
22 environmental review and complete compliance with the California Environmental Quality Act
23 and the City's Environmental Quality Regulations adopted pursuant to San Francisco
24 Administrative Code Section 31; and
25

1 WHEREAS, It is in the best interest of the City to thoroughly study the 2011 Updated
2 ERP recommendations to ensure they provide benefits to the City including, but not limited to
3 such benefits as reduced greenhouse gas emissions, prudent fiscal management, increased
4 safety in operations, better local or system reliability, and more affordable service for
5 ratepayers; now, therefore, be it

6 RESOLVED, That the Board of Supervisors endorses the goals, objectives, and
7 general strategies in "San Francisco's 2011 Updated Electricity Resource Plan: Achieving San
8 Francisco's Vision for Greenhouse Gas Free Electricity " (the 2011 Updated ERP) and
9 recommends the City move forward after considering findings made by the Controller and
10 Budget Analyst; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors commends the PUC as well as
12 members of the community for participating in and developing the 2011 Updated ERP; and,
13 be it

14 FURTHER RESOLVED, That the 2011 Updated ERP should serve as a policy
15 guideline to be used by the City in considering and implementing specific actions; and, be it

16 FURTHER RESOLVED, That the 2011 Updated ERP, as requested by the Board of
17 Supervisors and the Mayor in Ordinance 94-09, shall supersede the 2002 ERP adopted by
18 Resolution 827-02.

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0035

WHEREAS, In 2002, San Francisco developed and endorsed through Resolution 827-02 an Electricity Resource Plan (2002 ERP) to “provide a long-term vision of the City’s possible electricity future” and to serve as a “policy guide to be used in proposing and implementing specific actions;” and

WHEREAS, As a result of the policies and actions it endorsed, the 2002 ERP will have achieved its primary goal of closing down the Hunters Point and Potrero Power Plants -- two older, higher-polluting fossil-fueled power plants located in the Southeastern portion of the City -- as well as encouraging San Francisco to develop renewable energy and promote energy efficiency; and

WHEREAS, In Ordinance 94-09, the Board of Supervisors urged the Public Utilities Commission to produce an update to the 2002 ERP; and

WHEREAS, In Ordinance 81-08, the Board of Supervisors urged the Public Utilities Commission to “...develop a plan to achieve the goal of San Francisco becoming [a] fossil fuel free [electric system] by 2030”; and

WHEREAS, In response to these requests the Public Utilities Commission has prepared an update to the 2002 ERP entitled “San Francisco’s 2011 Updated Electricity Resource Plan: *Achieving San Francisco’s Vision for Greenhouse Gas Free Electricity*” (2011 Updated ERP); and

WHEREAS, In preparing the 2011 Updated ERP the Public Utilities Commission reviewed applicable City ordinances and policies, retained as consultants the Rocky Mountain Institute who authored the 2002 ERP, convened a Green Technical Advisory Committee (Green TAC) of experts in the field of renewable energy and energy efficiency, and carried out extensive research and analytical work; and

WHEREAS, Consistent with the guidance of the Board of Supervisors in Ordinance 94-09 that “the process of updating the Electricity Resource Plan should include public outreach to citizens, businesses, and all potentially interested groups including the Power Plant Task Force” the Public Utilities Commission held numerous meetings in a variety of public forums to present the 2011 Updated ERP’s findings, seek public input, and provide an opportunity for written comments; and

WHEREAS, The 2011 Updated ERP incorporates relevant energy-related goals from San Francisco’s Climate Action Plan and Peak Oil Task Force; and

WHEREAS, The purpose of the 2011 Updated ERP is to develop a City-wide plan to meet San Francisco's zero-GHG goal by 2030, affecting not only the electric energy for municipal facilities provided by the Public Utilities Commission, but also the 83% of electric energy currently being supplied to San Francisco by Pacific Gas & Electric (PG&E) and various energy service providers; and

WHEREAS, This 2011 Updated Electricity Resource Plan discusses three broad strategies to put San Francisco on its path towards zero-GHG emissions from its electric sector, which are described in detail in the report; and

WHEREAS, The first strategy is to "Empower San Francisco citizens and businesses to cost-effectively reduce GHG emissions associated with their own electric energy usage" through such activities as encouraging energy efficiency; developing on-site renewable energy, distributed generation, and electric storage technologies; improving building standards; and establishing San Francisco as a "green test bed" to encourage the development of new energy technologies. Implementation of Community Choice Aggregation could further strengthen and expand these initiatives; and

WHEREAS, The second strategy is "To increase the amount of zero-GHG electricity supplied to the City's customers from the wholesale energy market" (both from throughout the Western United States and within San Francisco) through such activities as Community Choice Aggregation, development of green pricing options, and participation in regulatory proceedings affecting those entities that provide electric power to San Francisco; and

WHEREAS, The third strategy is "Continuing and expanding SFPUC electric service guaranteed to provide reliable, reasonably-priced, and environmentally sensitive service to its customers" by ensuring that Power Enterprise is financially viable, develops alternative service arrangements for services currently provided to the SFPUC through its Interconnection Agreement with PG&E that expires in 2015, and continues and expands environmental justice and the provision of community benefits; and,

WHEREAS, The 2011 Updated ERP identifies necessary actions, funding opportunities, and potential timelines for pursuing each of these strategies; and

WHEREAS, The 2011 Updated ERP recognizes the opportunities that Community Choice Aggregation (CCA) provides San Francisco to achieve the goals of the 2011 Updated ERP; and

WHEREAS, The 2011 Updated ERP lays out a broad vision of how San Francisco's energy future could evolve, and prior to recommendation of any particular project, activity or action additional study and approval will be sought; and

WHEREAS, No project, activity, or action will be undertaken prior to adequate environmental review and complete compliance with the California Environmental

Quality Act (CEQA) and the City's Environmental Quality Regulations (San Francisco Administrative Code Section 31).; now therefore, be it

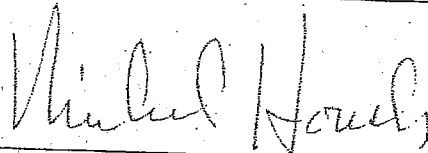
RESOLVED, That this Commission hereby endorses the goals, objectives, and general strategies in "San Francisco's 2011 Updated Electricity Resource Plan: *Achieving San Francisco's Vision for Greenhouse Gas Free Electricity*" (2011 Updated ERP); and be it further

RESOLVED, That this Commission directs the General Manager to forward the 2011 Updated ERP to the Board of Supervisors, consistent with their requests in Ordinances 94-09 and 81-08, for its consideration and endorsement; and be it further

RESOLVED, That this Commission directs the General Manager to develop the recommendations contained in the 2011 Updated ERP that are under the control of the Public Utilities Commission, and to work with other City agencies and third-parties, to develop the recommendations requiring coordinated action; and be it further

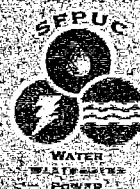
RESOLVED, That this Commission directs the General Manager to return to the Commission with further details including a financial and operational implementation plan, requisite environmental assessments, and alternatives once the recommendations are developed.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of March 8, 2011



Secretary, Public Utilities Commission

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
A Department of the City and County of San Francisco, California



San Francisco's 2011 Updated Electricity Resource Plan

Achieving San Francisco's Vision for Greenhouse
Gas Free Electricity

Prepared by the San Francisco Public Utilities Commission

MARCH, 2011