

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 17-0199

WHEREAS, The California Air Resources Board (CARB) adopted the Low Carbon Fuel Standard Program (LCFS Program) in 2009 to reduce by 10 percent the 2010 baseline level for carbon intensity (CI) of transportation fuels used in California (State Target). The applicable regulations are found in the California Code of Regulations, Title 17, Sections 95480, et seq. (CARB Regulations); and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) provides the San Francisco Municipal Transportation Agency (SFMTA) with greenhouse gas-free electric energy to operate its electric public transit fleet, pursuant to SFPUC rate schedule M-2; and

WHEREAS, Using the electricity provided by the SFPUC, the SFMTA operates its electric public transit fleet (electric trolley buses, cable cars and light-rail vehicles) with a CI below the State Target, and therefore accumulates credits, which can be sold via the CARB's market place to energy producers, such as refiners and fuel importers, with a CI above the State Target in order to balance State deficits. Each credit represents one metric ton of CO₂ equivalent (greenhouse gas) emissions avoided; and

WHEREAS, The SFMTA registered for the LCFS Program in September 2016 and began accumulating credits on a quarterly basis, starting in the fourth quarter of calendar year 2016; and

WHEREAS, In coordination with SFMTA, the SFPUC will sell credits in order to fund projects that will (1) advance the SFMTA's sustainability and climate action initiatives and goals, as described in the SFMTA Strategic Plan for the transportation sector Climate Action Strategy, the Departmental Climate Action Plan, the SFMTA Clean Air Plan, and the agency's APTA Sustainability Commitment (Green Projects); and (2) support the SFPUC's clean energy operations; and

WHEREAS, The estimated revenue to the City and County of San Francisco from the LCFS program is \$1 million to \$2 million per year and; and

WHEREAS, To realize this value the SFPUC and SFMTA propose to enter into a Memorandum of Understanding (MOU) where net revenues from the LCFS program will be shared 50/50 between the SFPUC and SFMTA; and

WHEREAS, The proposed MOU assigns responsibilities for participation in the LCFS program between the SFPUC and SFMTA, and establishes safeguards to limit program administration costs; and

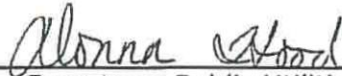
WHEREAS, This action would not result in a physical change in the environment and therefore does not constitute a "project" under California Environmental Quality Act Guidelines Section 15378; now, therefore, be it

RESOLVED, That this Commission hereby authorizes the Power Enterprise of the San Francisco Public Utilities Commission to sell credits through the California Air Resources Board (CARB) Low Carbon Fuel Standard Program (LCFS Program) to support the SFPUC's clean energy operations, and delegates to the General Manager authority to enter agreements necessary to effectuate the sales and to seek Board of Supervisors approval, if needed, of any sales under this Program in excess of \$1 million per Charter Section 9.118(a); and be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager of the San Francisco Public Utilities Commission to execute a Memorandum of Understanding with the San Francisco Municipal Transportation Agency regarding the City's participation in the Low Carbon Fuel Standard Program; and be it

FURTHER RESOLVED, That this Commission authorizes the MOU for a term not-to-exceed five (5) years, with an option to renew for an additional five (5) years, subject to approval of this Commission.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of September 12, 2017.



Secretary, Public Utilities Commission