

1 [Revenue Contract with Pacific Gas and Electric for Energy Conservation Programs]

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3 **Resolution authorizing the Department of the Environment to enter into a contract for**
4 **up to \$10,709,302 with Pacific Gas and Electric Company ("PG&E") to implement an**
5 **Energy Use and Demand Reduction Through Energy Efficiency Program in the City and**
6 **County of San Francisco.**

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8 WHEREAS, On December 9, 2003, the Board of Supervisors adopted the Electricity
9 Resource Plan ("Plan") as a policy guideline to be used in proposing and implementing
10 specific actions; and,

11 WHEREAS, The goals of the Plan, which were developed through public comment
12 include: maximizing energy efficiency, reducing air pollution and preventing other
13 environmental impacts, and supporting environmental justice; and

14 WHEREAS, The Plan recommended that the Department of the Environment pursue
15 development of energy conservation programs serving the private sector to meet or exceed
16 the objectives provided in the Plan; and,

17 WHEREAS, The Department of Environment has experience implementing energy
18 efficiency programs such as the Power Savers Program that saved over \$3 million in annual
19 electricity savings for more than 4000 small businesses and reduced 6 megawatts of
20 electricity load; and,

21 WHEREAS, In July 2003, the Board of Supervisors unanimously passed Resolution
22 481-03, which authorized the Department of the Environment to enter into a two-year revenue
23 contract with Pacific Gas and Electric Company ("PG&E") to offer energy efficiency programs,
24 using funds allocated by the California Public Utilities Commission (CPUC) from the Public
25 Goods Charge Fund (the "2003 Contract"); and,

1 WHEREAS, the Board of Supervisors authorized a one year extension of the 2003
2 Contract and increase of funding on June 28, 2005 (Resolution No. 509-05); and
3 WHEREAS, Department of the Environment services provided under the 2003 Contract in a
4 partnership entitled Peak Energy Program —which expired on June 30, 2006— contacted
5 over 15,000 businesses, reduced the peak load by 12 megawatts, and saved over 15 million
6 kilowatt hours- sufficient to power over 12,000 San Francisco residences; and

7 WHEREAS, The CPUC, at its regular meeting of September 22, 2005, awarded up to
8 \$11,500,000 of Public Goods Charge Funds for the Partnership Program between PG&E City
9 and County of San Francisco for additional energy efficiency programs; and,

10 WHEREAS, The Department of the Environment has negotiated a new three-year
11 revenue contract (to expire June 30, 2009) with PG&E to design and implement programs to
12 reduce overall energy use and electric demand during two “peak” electricity demand periods,
13 a daytime summer peak, and a winter evening peak that can be equal to or exceed the
14 summer peak (the “2006 Contract”); and,

15 WHEREAS, This contract allows the City to terminate the contract if the City becomes
16 a Community Choice Aggregator; and,

17 WHEREAS, a copy of the proposed 2006 Contract is on file with the Clerk of the Board
18 in File No. ____; and,

19 WHEREAS, Under the contract, the Department of the Environment will provide
20 technical assistance, installation, incentives, marketing, outreach, monitoring, verification and
21 other implementation support services for Energy Use and Demand Reduction through the
22 Energy Efficiency Program; and,

23 WHEREAS, PG&E may consider adding additional funds to the contract based on
24 program performance and the successful completion of goals; and,

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1 WHEREAS, Under the contract, the Director of the Department of the Environment will
2 have the authority for overall implementation of the contract; to enter into subcontracts for the
3 work; and to modify the scope of work and to add work as agreed by PG&E; now, therefore,
4 be it

5 RESOLVED, That pursuant to Charter section 9.118, the San Francisco Board of
6 Supervisors authorizes the Director of the Department of the Environment to enter into a
7 contract in substantially the form of the 2006 Contract in File No. ____ , and to take other steps
8 he or the City Attorney deem necessary and advisable to effectuate the purpose and intent of
9 this Resolution; and, be it

10 FURTHER RESOLVED, That the Director of the Department of the Environment may
11 negotiate and agree with PG&E to amend contract terms as necessary and advisable to allow
12 flexibility in program design and implementation, without limitation, providing there is no cost
13 to the City, and provided that additional revenues to the City do not exceed \$3,000,000.

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