

1 [Approval of the CleanPowerSF Program Including Local Sustainability Services and a  
2 Contract with Shell Energy North America]

3 **Resolution authorizing the Public Utilities Commission, subject to conditions, to**  
4 **launch the CleanPowerSF program, approving local sustainability services for**  
5 **CleanPowerSF customers, and authorizing the General Manager of the Public Utilities**  
6 **Commission to execute a contract with Shell Energy North America for a term of four**  
7 **years and six months for services required to launch the CleanPowerSF program.**  
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10 I. History and Background

11 WHEREAS, Public Utilities Code Section 366.2 allows public agencies to aggregate  
12 the electrical load of interested electricity consumers within their jurisdictional boundaries.  
13 Pursuant to this law, the City has established a Community Choice Aggregation (CCA)  
14 program known as CleanPowerSF to provide electric power to the residents and businesses  
15 located within its jurisdiction. The San Francisco Board of Supervisors established the City's  
16 CCA program in May 2004 (Ordinance 86-04). The Ordinance found that CCA would allow the  
17 City to increase the scale and cost-effectiveness of renewable energy, conservation and  
18 energy efficiency in San Francisco and to increase local control over electricity prices and  
19 resources. To implement the program, Ordinance No. 86-04 directed the development of a  
20 draft Implementation Plan (IP) and the preparation of a draft Request for Proposals (RFP) to  
21 solicit an electricity supplier for the program. In December 2004, the Board of Supervisors  
22 created a Citizens Advisory Task Force (Task Force) to advise the City regarding the draft  
23 Implementation Plan and the draft RFP; and  
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1           WHEREAS, Mayor Gavin Newsom signed a Declaration of Mayor or Chief County  
2 Administrator Regarding Investigation, Pursuit or Implementation of Community Choice  
3 Aggregation on December 16, 2005; and

4           WHEREAS, After an extensive process that involved public meetings of the San  
5 Francisco Local Agency Formation Commission (LAFCO), the Task Force, the San Francisco  
6 Public Utilities Commission (SFPUC) and interested parties and advocacy groups, the Board  
7 of Supervisors approved a Draft Implementation Plan (Draft IP) in June 2007 setting forth  
8 goals and policies for the City's CCA program (Ordinance 147-07). Ordinance No. 147-07  
9 directed the issuance of a Request For Information (RFI) and a subsequent Request for  
10 Proposals (RFP) to solicit input and bids from interested parties regarding the development of  
11 the program. Ordinance No. 147-07 stated that the RFI responses and other information  
12 obtained in implementing the program might suggest changes to the Draft IP to improve its  
13 viability, and allowed for such changes. As required by Ordinance No. 147-07, SFPUC issued  
14 an RFI in November 2007. In April 2009, SFPUC issued a request for qualifications ("RFQ")  
15 from potential electricity suppliers. SFPUC, in consultation with LAFCO, used the information  
16 obtained from these solicitations to prepare an RFP; and

17           WHEREAS, The Board of Supervisors approved the issuance of an RFP in October  
18 2009 (Ordinance 232-09). Like Ordinance 147-07, Ordinance No. 232-09 provided that RFP  
19 responses and other information obtained in implementing the program might suggest  
20 changes to Draft IP that would improve the viability of the City's CCA program, and allowed  
21 for such changes. In November 2009, SFPUC issued the RFP. The City received five  
22 responses to its RFP and, in January 2010, identified Power Choice, LLC as the highest  
23 ranked proposer. The City engaged in negotiations with Power Choice, LLC for electricity  
24 supply and other services; and  
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1           WHEREAS, In January 2010, SFPUC prepared a revised Implementation Plan (IP) and  
2 Statement of Intent to file with the California Public Utilities Commission (CPUC) in  
3 accordance with Ordinance 147-07. As anticipated in Ordinances 147-07 and 232-09, the  
4 Implementation Plan was revised to allow more flexibility in the resources that may be used to  
5 make up the CleanPowerSF supply portfolio, and to specify that the SFPUC may roll out the  
6 program in phases if phasing allows it to maximize demand-side management programs and  
7 renewable energy impacts, synergies with local ordinances and other customer programs,  
8 cost of service and customer load characteristics, and other operational considerations. The  
9 Board of Supervisors held a hearing on the IP in the Budget and Finance Committee on  
10 February 17, 2010, and forwarded the Ordinance adopting the IP to the full Board of  
11 Supervisors with a recommendation for approval. The Board of Supervisors considered and  
12 voted on the Ordinance adopting the revised IP at its public meetings on February 23, 2010  
13 and March 2, 2010. On March 2, 2010, The Board of Supervisors finally approved the  
14 Ordinance and authorized the filing of the IP with the CPUC (Ordinance 45-10). The IP was  
15 certified by the CPUC on May 18, 2010; and

16           WHEREAS, The SFPUC authorized the General Manager to execute a service  
17 agreement with Pacific Gas and Electric Company (PG&E) on May 11, 2010. The General  
18 Manager executed the Community Choice Aggregation Service Agreement (the Service  
19 Agreement) with PG&E on May 27, 2010. In May 2012, the City and PG&E agreed to extend  
20 the Service Agreement until December 31, 2018. The Service Agreement is a contract that  
21 governs the business relationship between PG&E and the City with respect to CleanPowerSF.  
22 Among other things, the Service Agreement includes provisions for audits, dispute resolution,  
23 events of default, billing and payment terms and indemnity. The Service Agreement  
24 incorporates by reference PG&E's CCA tariffs that set forth the operational and financial  
25 duties of aggregators and PG&E in establishing and conducting CCA service; and

1           WHEREAS, Negotiations with Power Choice, LLC, were unsuccessful, and on August  
2 5, 2010, the SFPUC issued a second RFP seeking an electricity supplier for the program. No  
3 bidders met the minimum qualifications of that RFP, and on February 8, 2011, in Resolution  
4 11-0027, the SFPUC a) authorized the General Manager to negotiate with one or more  
5 creditworthy firms to create a program that most closely achieves the City's goals and b)  
6 directed the General Manager to direct SFPUC staff to develop a process and scope of work,  
7 together with stakeholders and consultants, to request bids for renewable generation and  
8 green resource commitments to further the adopted City goals for CCA as described in  
9 Ordinance 147-07. Shortly thereafter, SFPUC engaged in negotiations with Shell Energy  
10 North America (Shell) for electricity supply and Noble Americas for customer care and billing  
11 services; and

12           WHEREAS, Work began on November 16, 2011, in accordance with the SFPUC Task  
13 Order: Modeling and Conceptual Framework for CCA Deployment to study options for a  
14 potential build-out of in-City renewable energy resources, comprised of both demand  
15 reduction and new renewable generation, and assess their associated financing alternatives  
16 (including 2001 proposition H bonds and use of collateral), SFPUC management and  
17 integration of local supplies, levelized costs, and jobs potential, and to develop contract term  
18 sheets and RFPs; and

19           WHEREAS, In Ordinance No. 232-09 the Board of Supervisors authorized approval by  
20 resolution for future CleanPowerSF approvals; and

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22           **II.     CleanPowerSF Program**

23           WHEREAS, Enrollment in the CleanPowerSF program will be launched in phases to  
24 groups of customers, to allow for build-out of local and regional energy resources if these  
25 programs are approved by the City, and to mitigate the risks inherent in purchasing power.

1 The first phase will follow the state-mandated opt-out process, enrolling sufficient customers  
2 to meet the volume of electricity specified in the Shell agreement, not to exceed an average of  
3 approximately 30 MW, and any customer within San Francisco will be eligible to participate in  
4 that enrollment phase; and

5 WHEREAS, the Shell agreement does not preclude a build-out of local and regional  
6 energy resources, if such build-out is approved by the City after any necessary environmental  
7 review, because the Shell agreement allows the City to replace purchases from Shell with  
8 other resources (subject to making Shell whole for any losses) and because program roll out  
9 will be phased; and

10 **A. Program Characteristics and Local Sustainability Services**

11  
12 WHEREAS, The CleanPowerSF program will initially offer customers one or more  
13 products consistent with the contracted Shell purchases, and will leverage the potential  
14 development of new renewable resources to achieve high rates of customer acceptance.  
15 These initial products will allow for development of new renewable resources to be integrated  
16 into the electricity portfolio as a customer revenue stream, revenue bond financing, and other  
17 financing mechanisms are established, if a program for developing renewable resources is  
18 planned and approved by the City;

19 WHEREAS, The integration of a large-scale local build-out of renewable energy and  
20 efficiency resources, as described in Ordinance No. 147-07, if such a program is planned and  
21 approved by the City, may facilitate establishing a successful CleanPowerSF program that will  
22 be price competitive, attractive to electricity customers, financially robust, productive of clean  
23 energy jobs, and of sufficient scale and rapid construction to achieve significant greenhouse  
24 gas reductions; and

1           WHEREAS, The CleanPowerSF program will offer local sustainability services to  
2 CleanPowerSF customers including:

3           1. incentives for the installation of solar projects on properties of participating  
4 CleanPowerSF customers pursuant to the GoSolarSF Program, and

5           2. augmented energy efficiency programs for the benefit of participating  
6 CleanPowerSF customers; and

7  
8           3. study of a local build-out of renewable energy facilities. The SFPUC has indicated  
9 its commitment to studying a local build-out of renewable energy facilities as a component of  
10 CleanPowerSF, and anticipates immediate commencement of that build-out, if such program  
11 is approved by the City, when (i) consultant studies and RFP preparation have been  
12 concluded, (ii) sufficient revenues are generated or identified to commence the build-out, (iii)  
13 SFPUC has completed environmental analysis of the physical impacts of any specific build-  
14 out projects where required and made appropriate findings, and (iv) the SFPUC approves a  
15 plan, budget, and timeline for the local build-out; and

16           WHEREAS, The SFPUC will commence studies for local build-out of renewable energy  
17 facilities consistent with the requirements of the California Environmental Quality Act,  
18 California Public Resources Code Section 21000 et. seq. (CEQA); and

19           WHEREAS, the SFPUC and the Board of Supervisors will explore use of sources of  
20 revenue such as 2001 proposition H bonds, municipal bonds, power purchase agreements,  
21 public agency loans and/or other favorable financing and contractual mechanisms for local  
22 and regional renewable energy generation and also energy demand reduction projects in  
23 CleanPowerSF, to the extent such projects are planned and approved by the City; and  
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1 WHEREAS, before any specific local build-out programs or projects are approved, the  
2 SFPUC will undertake all necessary CEQA review of the proposed programs or projects  
3 identified in the study process and of their alternatives, including a no project alternative, and  
4 shall obtain all requisite approvals; and

5 **B. Cost Overview**

6 WHEREAS, The SFPUC approved in Resolution 11-0194 and submitted to the Board  
7 of Supervisors an appropriation request for \$19.5 million, which is on file with the Clerk of the  
8 Board of Supervisors in File No. 11-1371. The request includes

- 9
- 10 1. \$13 million as collateral and reserves required under the Shell agreement,
  - 11 2. \$6 million for local sustainability services for CleanPowerSF customers as  
12 follows (half to be used in 2013 and half to be used in 2014):
    - 13 a. \$2,000,000 dollars for energy efficiency programs;
    - 14 b. \$2,000,000 dollars for GoSolarSF incentives; and
    - 15 c. \$2,000,000 dollars for studies of local build-out of renewable energy  
16 facilities, and
  - 17 3. \$500,000 for start-up costs and costs related to the Noble Americas contract for  
18 customer billing, data management and other administrative services; and

19

20 WHEREAS, The \$19.5 million is in addition to a total of \$6 million that already has  
21 been appropriated to CleanPowerSF through September 2011, including \$1 million in July  
22 2011; and

23 WHEREAS, In the event the CleanPowerSF Program is discontinued or terminated all  
24 unspent amounts appropriated, including any of the \$6,000,000 for local sustainability  
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1 services for CleanPowerSF customers, will be de-appropriated and returned to Hetch Hetchy  
2 Power Enterprise fund balance reserves; and

3 **III. Rates for CleanPowerSF Customers**

4 WHEREAS, CleanPowerSF rates will be approved by the SFPUC and Board of  
5 Supervisors through the process established in section 8B.125 of the City's Charter, including  
6 review by the Rate Fairness Board, and the SFPUC must determine that those rates are  
7 sufficient to cover the cost of power and services provided by Shell as well as other costs  
8 required for the program prior to launching the program; and  
9

10 WHEREAS, The SFPUC staff will propose rates to the Rate Fairness Board that will  
11 cover all costs to provide service to CleanPowerSF customers, including the cost of power it  
12 expects Shell to provide, based on market information and consultation with Shell, the cost of  
13 the services it expects Noble Americas to provide, and the costs of solar incentives, energy  
14 efficiency programs, and studies to guide development of local renewable facilities; the Rate  
15 Fairness Board will consider the rate proposal, and may report to the SFPUC regarding its  
16 analysis; the SFPUC will establish rates for CleanPowerSF and submit those rates to the  
17 Board of Supervisors for its approval or rejection; and

18 WHEREAS, The SFPUC will review the power prices proposed by Shell before it  
19 authorizes the General Manager to complete a power purchase transaction, in order to  
20 determine that the rates established by the SFPUC and Board of Supervisors will be adequate  
21 to recover all costs of providing service to customers; and

22 WHEREAS, If the SFPUC determines that the adopted CleanPowerSF rates are not  
23 adequate to cover all costs of providing service to CleanPowerSF customers, it will not  
24 authorize the General Manager to complete a power purchase transaction and launch the  
25 program; and



1           **IV.     Contract with Shell**

2           WHEREAS, The SFPUC, in consultation with LAFCO, has negotiated the key terms of  
3 a contract with Shell for electricity necessary for commencement of the CleanPowerSF  
4 Program, and to serve as the primary power purchasing component of the program over its  
5 first four and one-half years. The draft contract is on file with the Clerk of the Board of  
6 Supervisors in File No.11-1340 and declared to be a part of this resolution as if set forth fully  
7 herein; and

8           WHEREAS, The draft Shell contract consists of three parts: (i) a Master Agreement  
9 (setting forth general terms and conditions and providing that Shell and the City may enter into  
10 transactions to buy particular amounts, quantities and types of electric products); (ii) a  
11 Security Agreement (giving Shell control over the account that holds the receipts received  
12 from CleanPowerSF customers and a first priority security interest in that account); and (iii) a  
13 Confirmation (specifying the price, quantity and type of product for specific electricity purchase  
14 transactions); and

15           WHEREAS, Shell represents and warrants that no new facilities are required to be  
16 constructed in order for Shell to meet its supply obligations under the contract; and

17           WHEREAS, the contract requires Shell to provide energy to the City with an average  
18 carbon content equal to or less than the average carbon content of energy supplied by PG&E  
19 to its customers; and

20           WHEREAS, Shell will provide and the City will purchase the following for four and one  
21 half-years: (i) electricity to serve CleanPowerSF customers; (ii) scheduling coordinator  
22 services to go along with the power supplied; and  
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1           WHEREAS, The contract allows the City and Shell to enter into additional  
2 Confirmations for procurement of additional electricity services; and

3           WHEREAS, The contract requires the City to provide \$13 million for startup costs and  
4 program reserves, consisting of the following:

5                   1. \$7 million to be held in an escrow account subject to joint instructions by the  
6 City and Shell, as partial collateral for a termination payment in the event the City defaults and  
7 Shell terminates the agreement. The termination payment is intended to cover reasonable risk  
8 and costs that might be incurred by Shell should the program cease operations during the  
9 contract period. This amount may be reduced in subsequent years of the contract if market  
10 conditions and the progressive completion over time of the contract reduce Shell's exposure  
11 to potential financial losses (see Sections 2.3(f) and 5.3);

12                   2. \$4.5 million to fund a Program Reserve to be deposited into the customer  
13 revenues secured account, controlled by Shell. The Program Reserve is intended to provide  
14 security to Shell that there will be sufficient cash on hand in the customer revenues secured  
15 account to cover Shell's monthly bills. The City must restore the balance of the Program  
16 Reserve to at least \$4.5 million within five Business Days of a notice by Shell that the  
17 Program Reserve is below this amount (see Sections 2.3(d) and 5.2);

18                   3. \$1.5 million to be held by the City in an Operating Reserve, to ensure short-  
19 term unanticipated costs associated with startup and initial program expenses do not create  
20 long-term program stability issues (for example, additional costs associated with bringing in  
21 additional customers, or delays in receipt of revenues, in the event that opt-out rates are  
22 higher than anticipated); and  
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1           WHEREAS, Shell will not have a right to collect the termination payment or the  
2 Program Reserve unless and until the City executes a Confirmation and all other conditions  
3 are satisfied; and

4           WHEREAS, The draft contract does not specify the amount or price of the electricity to  
5 be provided by Shell; these will be determined before the program is launched, after Shell has  
6 obtained prices for the electricity it will provide; and

7           WHEREAS, The contract includes terms that are non-standard for City contracts,  
8 including a modification to the standard appropriation of funds language (see Section 8.2(c)):

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10           1. if Shell terminates the contract as a result of a City default, the General  
11 Manager must seek an appropriation or supplemental appropriation to fully fund the applicable  
12 termination payment, but approval of such appropriation is within the sole discretion of the  
13 SFPUC and/or the Board of Supervisors;

14           2. a failure by the City to pay the full termination payment is an event of default  
15 under the Agreement;

16           3. the contract does not include standard City language stating that the  
17 contractor assumes the risk of a failure on the part of the City to appropriate additional funds;  
18 and

19           WHEREAS, Consistent with standard energy industry practice, it is not an event of  
20 default for Shell to fail to deliver a product it is required to provide under the agreement. If  
21 Shell fails to deliver a product it contracted to provide:

22  
23           1. the City may purchase a replacement product and charge to Shell the  
24 difference between the price of such purchase and the contract price (see Section 4.1);

1           2. in the case of renewable energy and resource adequacy capacity, if penalties  
2 are imposed on the City as a result of Shell's failure to perform, Shell must reimburse the City  
3 for the penalties (see Sections 4.2 (a) and 4.3);

4           3. in the case of bundled renewable energy, if on an annual basis Shell fails to  
5 deliver at least 90% of the product it contracted to provide, in addition to any payments made  
6 by Shell described in (i) and (ii) above, Shell must pay the City 25% of the contract price for  
7 every MWh Shell failed to deliver (see Section 4.2(b)); and

8           WHEREAS, The contract imposes the following financial requirements on the City and  
9 makes it an event of default if the City fails to meet them within the relevant cure periods:

10           1. All receipts from CleanPowerSF customers served by Shell must be  
11 deposited in an account controlled by Shell, but owned by the City (see Sections 2.3 (i) and  
12 7.4);

13           2. Disbursements from the customer receipts account must be made by Shell  
14 in accordance with a pre-established waterfall, pursuant to which on a monthly basis, Shell  
15 gets paid first, the Program Reserve is retained, and any amount remaining is transferred to  
16 the City (which the City intends to deposit in the CPSF Customer Fund) (see Section 7.3);

17           3. The CleanPowerSF program must be financially healthy, but the City has a  
18 sixty day cure period to restore financial health if end of the month financial reports indicate  
19 there is a problem (see Section 5.1);

20           4. The termination payment is calculated as the difference between the  
21 contract price and the market price of any product the City commits to buy pursuant to a  
22 Confirmation; but the termination payment is capped at \$15 million unless the City terminates  
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1 the CleanPowerSF program at a time when the program is healthy (see Sections 6.2, 6.3, 6.4,  
2 6.5); and

3 WHEREAS, The SFPUC approved the draft contract with Shell on December 13, 2011,  
4 in Resolution No. 11-0194, and authorized the General Manager to execute the contract,  
5 subject to conditions; and

6 **V. Contract with Noble Americas**

7  
8 WHEREAS, In Resolution 11-0194, on December 13, 2012, the Public Utilities  
9 Commission authorized the General Manager to negotiate an agreement with Noble Americas  
10 (Noble) for customer care and billing services to support CleanPowerSF and directed the  
11 General Manager to submit the final contract to the Public Utilities Commission for approval;  
12 and

13 WHEREAS, SFPUC staff, in concert with LAFCo staff, has negotiated an agreement  
14 with Noble for customer care and billing services, which is on file with the Clerk of the Board  
15 of Supervisors in File No. 11-1340; and

16 WHEREAS, Noble will provide services that include: managing the electronic data  
17 exchange with PG&E, maintaining customer information and billing administration systems,  
18 providing reports on energy use and billing, preparing settlement quality meter data, tracking  
19 opt-out notices, maintaining a customer care operation center and creating a plan for  
20 eventually transitioning the services to CleanPowerSF; and

21 WHEREAS, Noble will make commercially reasonable efforts to locate a customer  
22 care center in San Francisco in order to provide local jobs; and

23  
24 WHEREAS, Other key terms of the Noble agreement include the following:

- 25 1. the term is 4.5 years and the guaranteed maximum cost is \$9 million dollars;

1           2. the total monthly fees charged by Noble for the CleanPowerSF program will be at  
2 least \$25,000 per month;

3           3. the City can cancel the agreement without charge prior to the start up date, but if  
4 the cancellation occurs after that date, CleanPowerSF will pay a cancellation fee based on  
5 milestones, up to a maximum amount of \$250,000; and

6           4. the agreement will become effective after satisfaction of specified conditions,  
7 including, appropriation of necessary funds and approval by the SFPUC; and

8  
9           **VI. Conditions for Contract Effectiveness and CleanPowerSF Program Launch**

10           WHEREAS, Even after approval by the Board of Supervisors and execution by the  
11 General Manager, the Shell contract will not become effective until satisfaction of conditions  
12 established by the contract as well as those established by the SFPUC and the Board of  
13 Supervisors; and

14           WHEREAS, The Shell contract establishes conditions that must be satisfied before it  
15 becomes effective, including but not limited to the following: (i) the conditions placed by the  
16 City on the launch of CleanPowerSF have been satisfied; (ii) the City has directed PG&E to  
17 deposit the payments from CleanPowerSF customers for amounts due to the City for  
18 CleanPowerSF services into a customer receipts account controlled by Shell; (iii) the City has  
19 entered into an agreement that gives Shell control of the customer receipts account, has  
20 granted Shell a first priority lien on the amounts in the account, and has appropriated and  
21 deposited \$4.5 million in the account; (iv) the City has appropriated and placed \$7 million  
22 dollars into an escrow account as collateral for a termination payment to Shell in the event of  
23 a City default; (v) the CPUC has accepted an amendment to the City's implementation plan  
24 and statement of intent filed with the CPUC pursuant to California Public Utilities Code  
25 Section 366.3, that identifies Shell as the primary supplier of power for CleanPowerSF; and

1 (vi) the City has posted the CCA Bond required by the CPUC and advised Shell of the amount  
2 thereof; and

3 WHEREAS, The SFPUC in its December 2011 resolution established the following  
4 conditions which must be satisfied before the Shell contract becomes effective: (i)  
5 CleanPowerSF rates are approved by the SFPUC and Board of Supervisors through the  
6 process established in section 8B.125 of the City's Charter, and the SFPUC has determined  
7 that those rates are sufficient to cover the cost of power and services provided by Shell as  
8 well as other costs required for the program, (ii) the CPUC has made its final determination of  
9 the CCA bond amount required by Public Utilities Code Section 366.2 and the SFPUC has the  
10 resources and all necessary authorizations to obtain the bond, (iii) all appropriations required  
11 by the CCA supplier contracts have been authorized, and (iv) the SFPUC Power Enterprise  
12 has rates in place to be financially stable and in compliance with its reserve policies, (v) a  
13 contract for customer billing, data management and other administrative services with Noble  
14 Americas or another entity has been approved; and

15 WHEREAS, This action is not considered a "project" as defined in the California  
16 Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA")  
17 for the reasons set forth in the memorandum prepared by the Bureau of Environmental  
18 Management for the SFPUC dated July 18, 2012. Said memorandum is on file with the Clerk  
19 of the Board of Supervisors in File No. 11-1340 and is incorporated herein by reference; now,  
20 therefore, be it

21  
22 RESOLVED, That any projects for local build-out of renewable energy facilities will be  
23 subject to SFPUC and Board of Supervisors review of environmental impacts and compliance  
24 with the CEQA prior to Board of Supervisors approval of appropriations or financing of such  
25 projects; and, be it

1 FURTHER RESOLVED, That the SFPUC should work with stakeholders to establish  
2 favorable financing mechanisms for the local build-out of new renewable generation projects  
3 and demand reduction as components of CleanPowerSF, if such programs are planned and  
4 approved by the City

5 FURTHER RESOLVED, That the Board of Supervisors intends that the steps to study,  
6 plan, prepare RFPs and submit for City approval a local renewables build-out be commenced  
7 as soon as practicable; and be it

8 FURTHER RESOLVED that the Board of Supervisors supports expenditure by the  
9 SFPUC of six million dollars for CleanPowerSF participating customers, including \$2,000,000  
10 for energy efficiency, \$2,000,000 for studies related to local build-out activities, and  
11 \$2,000,000 for GoSolarSF, which will further environmental quality and local job creation but  
12 would only be expended if the CleanPowerSF program is launched; and be it

13 FURTHER RESOLVED, That the Board of Supervisors, subject to all conditions set  
14 forth in the contract and this resolution and all conditions adopted by the SFPUC, approves  
15 the contract with Shell in substantially the form on file with the Clerk of the Board of  
16 Supervisors, with such additions or modifications as may be acceptable to the General  
17 Manager of the Public Utilities Commission and the City Attorney, and that do not materially  
18 decrease the intended public benefits to the City; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
20 Manager, in consultation with the City Attorney, and on approval of the SFPUC, to amend or  
21 modify the Shell contract, including the Master Agreement, the Security Agreement, and any  
22 Confirmations, to the extent that such amendment or modification does not materially change  
23 the terms or decrease the intended public benefits to the City; and, be it  
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1           FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
2 Manager to execute an initial Confirmation to purchase power from Shell provided that (1) the  
3 amount of electricity procurement shall not exceed an average of 30 MWs, (2) the conditions  
4 set forth in the Shell contract are satisfied, and (3) the conditions imposed by the SFPUC and  
5 the Board of Supervisors on effectiveness of the contract and program launch are satisfied;  
6 and, be it

7           FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
8 Manager to enter into additional Confirmations, on approval of the SFPUC, so long as the  
9 Charter does not require approval by the Board of Supervisors and the SFPUC has  
10 determined that CleanPowerSF rates approved by the SFPUC and Board of Supervisors  
11 through the process established in section 8B.125 of the City's Charter, are sufficient to cover  
12 the cost of additional power and services provided by Shell pursuant to the additional  
13 Confirmation, as well as other costs required for the program.