

1 [Accept and Expend Grant - Replacement of Refrigeration Equipment in Small Businesses -
2 \$403,000]

3 **Ordinance authorizing the Department of the Environment to accept and expend a**
4 **grant in the amount of \$403,000 from the California Public Utilities Commission,**
5 **through Pacific Gas and Electric Company, to study the impact that the replacement of**
6 **old refrigeration equipment in San Francisco businesses would have on energy usage**
7 **and peak power demand in the City, and amending Ordinance Number 146-11(Annual**
8 **Salary Ordinance, FY2011-2012 and FY 2012-2013) to reflect the addition of one (1)**
9 **Class 5640 Environmental Specialist grant funded position (.25 FTE) at the Department**
10 **of the Environment.**

11 Note: Additions are single-underline italics Times New Roman;
12 deletions are ~~strikethrough italics Times New Roman~~.
13 Board amendment additions are double underlined.
14 Board amendment deletions are ~~strikethrough normal~~.

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

16 **Section 1. Findings**

17 The California Public Utilities Commission ("the CPUC") requires the Investor-Owned
18 Utilities ("IOUs") to use ratepayer dollars to fund and administer a portfolio of programs that
19 enhance system reliability and provide in-state benefits, including cost-effective energy
20 efficiency.

21 Since 2003, the City, through the Department of the Environment, and the Pacific Gas
22 and Electric Company ("PG&E"), the IOU serving the City, have entered into a series of
23 contracts and contract modifications to conduct energy efficiency programs in the City using
24 funds allocated for this purpose by the CPUC through PG&E. Under the current contract of
25 \$14,395,000, the Department of the Environment is operating the San Francisco Energy
Watch ("SFEW") program, which since 2010, has provided technical services and \$5,948,000

1 in incentives to upgrade over 1,600 business and multifamily buildings in San Francisco,
2 reducing energy bills by \$7,462,000 annually.

3 In 2011, under the direction of the CPUC, PG&E issued a special solicitation for local
4 government “Innovator Pilot” programs. The Department of the Environment submitted a
5 proposal, “Retirement Plan for Commercial Food Service Refrigeration” which was selected
6 and awarded \$403,000.

7 This grant will address the pervasive use of old, inefficient refrigeration units in
8 restaurants and convenience stores in San Francisco. For most of these establishments,
9 refrigeration represents the majority of their monthly electricity usage. Because refrigeration
10 units operate 24 hours a day, they are subject to peak pricing rates. Often the equipment is
11 leased or supplied free by a manufacturer, in which case the owner has no choice about the
12 age or efficiency of the model. There is also a prevalence of older, used equipment
13 continually being re-circulated in the marketplace.

14 The purpose of this pilot program is twofold. First, it is intended to document a
15 representative sample of real-time data on the energy and greenhouse gas reduction impacts
16 of replacing two specific types of refrigeration equipment used in the food service industry.
17 This information will be analyzed to determine if current energy-savings estimates are
18 accurate, and if an increase in existing rebate levels for replacing such equipment is
19 warranted. The findings can also potentially be used in support of new codes and standards.
20 Secondly, there will be a survey conducted on the number and types of refrigeration units
21 typically found in restaurants and convenience stores in San Francisco to determine if they
22 were acquired new, used, or provided free. The Department of the Environment will use this
23 data in planning new approaches to help these small businesses reduce their energy bills.

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1 This grant was awarded with the understanding that the Department of Environment
2 will leverage the resources of its Energy Watch Program, which, together with similar prior
3 energy efficiency programs, has provided services to restaurants and convenience stores in
4 San Francisco for the past ten years. The Energy Watch database will be the primary source
5 for identifying potential program participants, and Energy Watch staff will provide support in
6 conjunction with their normal duties.

7 The results of the project findings and recommendations for action will be submitted to
8 PG&E and the CPUC and will be distributed broadly, including to other local jurisdictions.

9 **Section 2. Authorization to Accept and Expend Funds.**

10 The Board of Supervisors hereby authorizes the Department of the Environment to
11 accept and expend \$403,000 from PG&E's Local Government Innovator Pilot funds,
12 authorized by the California Public Utilities Commission, to support implementation of the
13 "Retirement Plan for Commercial Food Service Refrigeration" pilot program in San Francisco.

14 The Department of the Environment is further authorized to furnish whatever additional
15 information or assurances the funding agency may request in connection with this grant, and
16 to execute any and all agreements necessary to carry out the purpose of the grant.

17 The grant budget includes provision for indirect cost of \$52,349.

18 The term of the CPUC/PG&E refrigeration pilot grant is from April 30, 2012 through
19 February 28, 2014

20 **Section 3. Grant-funded Position; Amendment to FY 2011-2012 Annual Salary**
21 **Ordinance.**

22 The hereinafter designated sections and items of Ordinance No. 146-11 (Annual Salary
23 Ordinance, FY 2011-2012 and FY 2012-2013) are hereby amended to ADD ONE (1) position
24 in the Department of the Environment, and reads as follows:

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1 Department: ENV-22
2 Program: CIP - ENERGY
3 Subfund: 2S-ENV-GNC
4 Index Code: 220253

6 Amendment:	Number of Positions:	Class and Item No.:	Compensation Schedule:
8 Add	.25 FTE	5640 Environmental Specialist	\$ 2483 B \$3018

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

APPROVED AS TO CLASSIFICATION
DEPARTMENT OF HUMAN RESOURCES

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13 By: _____
Thomas Owen
Deputy City Attorney

By: _____
Micki Callahan
Director

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16 APPROVED: _____
Edwin Lee
Mayor

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19 APPROVED: _____
Ben Rosenfield
Controller

1 RECOMMENDED:

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Melanie Nutter, Director
Department of the Environment

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