



TO: Mayor Breed  
CC: Sean, Andrea  
RE: Supplemental Appropriations

FROM: Radhika Mehlotra  
through Anna Duning  
DATE: November 28, 2022

	IMMEDIATE RESPONSE NEEDED		PLEASE REVIEW	X	FYI
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**Madam Mayor:**

The SF Public Utilities Commission (SFPUC) has alerted the Mayor’s Budget Office that CleanPowerSF will be receiving a total of \$4.6M in funds from the State via PG&E to implement energy efficiency programs for food service providers. The department would like to add this to their budget as soon as possible, so that they can begin implementing the program.

This is not a grant, and therefore, needs to be added to the SFPUC budget through the supplemental appropriations process.

You will be meeting with Dennis Herrera on Thursday, December 1. He will brief you about this funding and ask if you are willing to sponsor the supplemental.

**Energy Efficiency Community Food Service Program Background**

The program aims to assist restaurants, grocery stores, corner stores and non-profits like food banks and meal services in achieving energy efficiency savings. The program does so by working with an energy services company (ESCO) to provide energy efficiency measures like efficient refrigerators, induction stoves, and other equipment at no up-front cost to the participating business. For two years following equipment installation, energy savings at the meters are measured by CleanPowerSF, and the business makes payments on the equipment equal to the savings they see on their bill. Additionally, incentive payments are made to the ESCO based on savings performance – the more savings are achieved, the more the ESCO receives in incentives.

Funding for the program originates from ratepayers - SFPUC is receiving San Francisco’s portion of the funding collected from our customers to implement programs. Funding is specifically restricted to this program, and must be reported to the California Public Utilities Commission (CPUC) annually and must be spent in the following five categories:

1. Administration (Capped at 10% of budget)
2. Marketing, Education and Outreach
3. Direct Implementation Non-Incentive
4. Incentives
5. Energy Measurement and Verification

**Next Steps:**

If you are supportive of this program, the Mayor's Budget Office and Controller will prepare the supplemental appropriation legislation for you to introduce.