

1 [Revenue Contract with PG&E for Energy Conservation Programs.]

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3 **Resolution authorizing the Department of the Environment under Charter Section 9.118**  
4 **to enter into a contract for up to \$11,540,000 with Pacific Gas and Electric Company**  
5 **("PG&E"), to implement an Energy Use and Demand Reduction Through Energy**  
6 **Efficiency Program in the City and County of San Francisco.**

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8 WHEREAS, California Public Resources Code Section 381 requires electrical  
9 companies to collect a surcharge on all retail sales, called "the Public Goods Charge," and  
10 turn that money over to the California Public Utilities Commission ("the CPUC"); and

11 WHEREAS, Section 381 authorizes the CPUC to allocate that money to fund programs  
12 that enhance system reliability and provide in-state benefits, including cost-effective energy  
13 efficiency, renewable energy technologies, and public interest research; and

14 WHEREAS, The City, through the Department of the Environment, and the Pacific Gas  
15 and Electric Company ("PG&E") have, since 2003, entered into a series of contracts and  
16 contract modifications to conduct energy efficiency programs in the City using Public Goods  
17 Charge funds allocated for this purpose by the CPUC through PG&E; and

18 WHEREAS, The CPUC, at its regular meeting of September 24, 2009 made an initial  
19 award of \$12,000,000 of Public Goods Charge revenues to fund the partnership program  
20 between PG&E and the City for additional energy efficiency programs; and

21 WHEREAS, The Department of the Environment has negotiated a new revenue  
22 contract with PG&E ("the 2010-2012 Contract"), a copy of which is on file with the Clerk of the  
23 Board in File No. 091369; and

24 WHEREAS, The proposed Contract provides, in relevant part, that:

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- 1 • PG&E shall fund the design and implementation of local programs to reduce  
2 energy use;
- 3 • The City shall offer a broad spectrum of energy efficiency programs and  
4 services targeting mainly small businesses and multifamily PG&E customers in  
5 San Francisco, including free energy assessments and discounted installations  
6 of energy efficient lighting, refrigeration, and HVAC means, and, on a case-by-  
7 case basis, incentives for calculated non-residential retrofit-demand response  
8 projects;
- 9 • The term of the contract shall be from 2010 through 2012;
- 10 • The contract budget shall be \$11,540,000; and
- 11 • The City may terminate the contract if the City becomes a Community Choice  
12 Aggregator.

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

15 WHEREAS, Under the contract, the Director of the Department of the Environment will  
16 have the authority for overall implementation of the contract, to enter into subcontracts for the  
17 work, and to modify the scope of the work and to add work as agreed by PG&E; and

18 WHEREAS, The activities to be funded under the 2010-2012 Contract would further the  
19 goals established in the City's 2003 Electricity Resource Plan, which goals include:  
20 maximizing energy efficiency; reducing air pollution and other adverse environmental impacts;  
21 and promoting environmental justice; and

22 WHEREAS, Charter Section 9.118 provides that the Board of Supervisors must  
23 approve contracts, and amendments to contracts, having anticipated revenues to the City of  
24 one million dollars or more; now, therefore, be it

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1           RESOLVED, That pursuant to Charter Section 9.118, the Board of Supervisors  
2 authorizes the Director of the Department of the Environment to enter into a contract in  
3 substantially the form of the 2010-2012 Contract on file in Board File No. 091369, and to take  
4 other steps that the Director and the City Attorney deem necessary and advisable to  
5 effectuate the purpose and intent of this Resolution; and, be it

6           FURTHER RESOLVED, That the Director of the Department of the Environment may,  
7 with the approval of the City Attorney, negotiate and agree with PG&E to amend the contract  
8 terms as necessary and advisable to allow flexibility in program design and implementation,  
9 provided that: (1) there is no additional cost to the City; (2) additional revenues to the City do  
10 not exceed \$3,000,000; and (3) the additional term of the agreement does not exceed three  
11 years.