

1 [Adopting Implementation Plan for CleanPowerSF.]
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3 **Ordinance adopting a revised Implementation Plan for the City's Community Choice**
4 **Aggregation program, CleanPowerSF, and authorizing the filing of the Implementation**
5 **Plan with the California Public Utilities Commission.**
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7 NOTE: Additions are single-underline italics Times New Roman;
8 deletions are ~~strike-through italics Times New Roman~~.
9 Board amendment additions are double-underlined;
10 Board amendment deletions are ~~strikethrough-normal~~.

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

12 Section 1. Background

13 A. Ordinance 86-04 established and elected to implement a Community Choice
14 Aggregation (CCA) program pursuant to Public Utilities Code Sections 218.3, 331.1, 366,
15 366.2, 381.1, 394, and 394.25, finding that CCA provides a means by which the City may help
16 ensure the provision of clean, reasonably priced, and reliable electricity to San Francisco
17 customers. Ordinance 86-04 further found that a CCA Program could provide a means for the
18 City to increase the scale and cost-effectiveness of conservation, energy-efficiency and
19 renewable energy in San Francisco. Ordinance 86-04 directed City departments to develop a
20 draft Implementation Plan (IP) and to prepare a draft Request For Proposals (RFP) to solicit
21 an electricity supplier for the program.

22 B. Ordinance 147-07 continued implementation of a CCA program by adopting a
23 June 6, 2007 Program Description and Revenue Bond Action Plan and Draft Implementation
24 Plan (Draft IP) and setting forth requirements for the CCA program based on the Draft IP.
25 The Ordinance stated that "The Board of Supervisors expects to consider modifications to the
Draft IP as the development of the CCA Program progresses. In particular, the Board of
Supervisors expects that the City will gain additional material information regarding the

1 suppliers, costs, and financing mechanisms, among other things, from the Request for
2 Information (RFI) that will be issued following adoption of this ordinance as well as from other
3 work performed in connection with the CCA Program.” (Page 7, lines 11-16.) The Ordinance
4 directed the San Francisco Public Utilities Commission (SFPUC), in consultation with the
5 Local Agency Formation Commission (LAFCO) to “draft for approval by the Board of
6 Supervisors and submission to the CPUC a revised IP that is consistent with this ordinance,
7 the companion ordinance adopting a CCA Governance Structure [Ordinance 146-07] and all
8 applicable requirements. The revised IP should reflect additional information received through
9 the RFI/RFP process.” (Page 8, lines 5-9).

10 C. As required by Ordinance 147-07, the SFPUC issued a Request for Information
11 (RFI) from potential suppliers in November 2007. In April 2009, the PUC issued a Request for
12 Qualifications (RFQ) from potential suppliers.

13 D. Ordinance 232-09 authorized the issuance of an RFP for services related to the
14 provision of electricity, finding it reasonable to allow some flexibility in meeting the CCA RFP
15 requirements and program criteria set forth in Ordinances 86-04 and 147-07 in order to
16 encourage robust responses to the RFP and to facilitate a successful CCA program.

17 E. The SFPUC issued the RFP on November 5, 2009 and received five responses.
18 The independent review panel ranked highest the proposal from Power Choice, LLC. On
19 February 9, 2010, in Resolution 10-0020, the SFPUC authorized the SFPUC General
20 Manager to begin negotiating a contract with Power Choice, LLC for necessary services for
21 CleanPowerSF customers.

22 F. Public Utilities Code Sections 366.2(c)(3) and (4) require a CCA program to
23 develop an IP “detailing the process and consequences of aggregation” and to include with
24 the IP a “statement of intent” (SI) affirming that the program will provide for universal access,
25 reliability, equitable treatment of all customers classes, and adherence to state law. Public

1 Utilities Code Sections 366.2(c)(3) and (4) require the IP to address the following subjects:
2 organizational structure of the CCA program, its operations and funding; ratesetting and other
3 costs to participants; provisions for disclosure and due process in setting rates; methods for
4 entering and terminating agreements with other entities; rights and responsibilities of program
5 participants; description of third parties who will be supplying electricity, including information
6 about the supplier's financial, technical, and operational capabilities; and termination of the
7 program. The IP is to be adopted at a public hearing and filed with the California Public
8 Utilities Commission (CPUC).

9 G. As directed by Ordinance 147-07, the SFPUC, in consultation with LAFCO, has
10 revised the Draft IP to reflect the results of the RFI/RFP process and to reflect the other work
11 of SFPUC and LAFCO in connection with the CCA program.

12 H. On February 9, 2010, in Resolution 10-0019, the SFPUC authorized the
13 SFPUC General Manager to seek the approval of the Board of Supervisors to file a revised IP
14 with the CPUC.

15 Section 2. Key Elements of the Revised Implementation Plan and Statement of Intent.

16 A. CleanPowerSF will seek to exceed State of California requirements for
17 Renewable Portfolio Standards (RPS) and sets a goal of a 51% renewable portfolio by 2017.
18 CleanPowerSF will meet its renewable goals, to the extent feasible, through new, preferably
19 local, renewable sources of electricity generation and the use of demand side management
20 efforts, including energy efficiency and conservation programs. Any decisions regarding
21 construction of new facilities will only be reached after environmental review, including review
22 under the California Environmental Quality Act.

23 B. CleanPowerSF intends to offer its customers stable and competitive rates with
24 provisions for low-income ratepayer assistance. CleanPowerSF is committed to equitable
25 treatment of all classes of customers. The program may offer customized rates to particular

1 customers where such opportunities are demonstrated to be of benefit to the entire program
2 and therefore all CleanPowerSF customers.

3 C. To the extent beneficial for its customers, CleanPowerSF may roll out service to
4 groups of its customers in phases, the details of any such phasing to be determined by the
5 contract that the program signs with its electricity supplier.

6 D. In accordance with the City Charter and Ordinance 146-07, SFPUC will manage
7 and control CleanPowerSF, and LAFCO will continue to advise the Board of Supervisors and
8 SFPUC regarding the operation and management of the program.

9 E. In accordance with City Charter Section 8B.125, rates for CleanPowerSF
10 services will be set by the SFPUC, subject to rejection by the Board of Supervisors. Before
11 rates are set, the Rate Fairness Board will review the proposed rates and make a
12 recommendation to the SFPUC regarding such proposed rates. Customers will be given
13 notice and an opportunity to be heard before final rates are determined. Rates will cover
14 electricity supply, capital, administrative and other costs of CleanPowerSF.

15 F. In accordance with Public Utilities Code Section 366.2(c)(2), electricity
16 customers in San Francisco will be automatically enrolled in CleanPowerSF unless they opt
17 out of the program. CleanPowerSF will provide all electricity customers in San Francisco two
18 notices regarding the program within 60 days prior to their automatic enrollment and two
19 additional notices within 60 days or two billing cycles after the start of service. The notices will
20 include the terms and conditions of CleanPowerSF's service and an opportunity to opt out of
21 the program.

22 G. CleanPowerSF intends to contract with a third party for electricity supply,
23 account and billing services, and other services. The third party supplier will assist in
24 developing plans for new renewable resources and new demand side management programs,
25 including energy efficiency and conservation and may participate in the development of such

1 projects that CleanPowerSF decides to implement. Any decisions regarding construction of
2 new facilities will only be reached after environmental review, including review under the
3 California Environmental Quality Act. Eligible third party suppliers of electricity and other
4 services have been identified using a competitive solicitation process and ranked using an
5 independent review process. After SFPUC staff, in consultation with LAFCO, has negotiated
6 a contract with a third party supplier, the contract will be reviewed and approved by the
7 SFPUC and, if required under applicable City law, the Board of Supervisors.

8 H. As required by Public Utilities Code Section 366.2(c)(4), CleanPowerSF affirms
9 its intent to satisfy all applicable requirements of California law and to provide universal
10 access to CleanPowerSF service, reliable service, and equitable treatment of all classes of
11 customers.

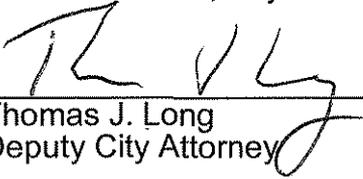
12 Section 3. Adoption of the Implementation Plan.

13 A. The Board of Supervisors finds that the Draft IP and the program requirements
14 set forth in Ordinance 147-07 should be revised in accordance with Section 2 of this
15 ordinance to reflect the information obtained from the RFI/RFQ/RFP solicitation process and
16 the additional information learned by the SFPUC and LAFCO through their implementation of
17 the CCA program.

18 B. The Board of Supervisors adopts the IP described in this ordinance as the IP for
19 CleanPowerSF and authorizes the General Manager of the SFPUC, in consultation with the
20 Executive Officer of the LAFCO, to file with the CPUC an IP that is consistent with this
21 ordinance.

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

3 By:

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5 Thomas J. Long
6 Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 100161

Date Passed: March 02, 2010

Ordinance adopting a revised Implementation Plan for the City's Community Choice Aggregation Program, CleanPowerSF, and authorizing the filing of the Implementation Plan with the California Public Utilities Commission.

February 23, 2010 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 10 - Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and
Mirkarimi
Excused: 1 - Alioto-Pier

March 02, 2010 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and
Mirkarimi
Excused: 1 - Alioto-Pier

File No. 100161

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
3/2/2010 by the Board of Supervisors of the
City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom

3-12-10

Date Approved