[Feasibility Study of Implementing Community Choice Aggregation by Joining Marin Clean Energy]

Ordinance electing to study the feasibility of implementing a community choice aggregation program for the benefit of electric customers in San Francisco through an agreement with Marin Clean Energy.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Background.

(a) For many years, the City has pursued implementation of CleanPowerSF a community choice aggregation (CCA) program, which would allow San Francisco citizens to receive cleaner, more sustainable electricity at rates comparable to Pacific Gas and Electric (PG&E) rates. See Ordinance Nos. 86-04, 147-07, 232-09, 45-10. Under CCA, the City would provide the electricity, and PG&E would continue to deliver the electricity. While customers could choose to opt out of the CCA program and remain with PG&E for all portions of electric service, many San Francisco citizens have expressed their desire to be part of a CCA program.

(b) In 2008, the City enacted Ordinance No. 81-08 (Environment Code, Chapter 9) that established the following greenhouse gas (GHG) emission limits for the City and County of San Francisco:

- by 2017, the City is to reduce GHG emissions 25% below 1990 levels, and
- by 2025, the City is to reduce GHG emissions 40% below 1990 levels, and
- by 2050, the City is to reduce GHG emissions 80% below 1990 levels.

(c) The 2013 update to the San Francisco Climate Action Strategy, which outlines thirty-five separate actions that would be necessary to meet the legislated GHG emission limits, states that "moving to 100% renewable electricity is the single biggest step the City can take to reduce GHG emissions."

(d) The Climate Action Strategy states that implementing 100% renewable electricity would account for 45.7% of all possible GHG emission reductions in San Francisco.

(e) State law provides that cities and counties may offer CCA service either directly or through a joint powers agency (JPA) with one or more other public entities. State law requires cities and counties to implement CCA programs through an ordinance. California Public Utilities Code, Section 366.2(c)(12).

(f) Marin Clean Energy (MCE) is a JPA governed by a 13-member Board of Directors representing the public entities that have joined MCE. MCE operates a CCA program that has been providing service to customers since May 2010. In addition to customers in Marin County, MCE has expanded to offer service in other counties, and currently provides service to the City of Richmond. MCE has established a process for evaluating requests from other jurisdictions to join MCE.

(g) PG&E's electricity portfolio was only 19% renewable in 2012, but both the City's proposal for CleanPowerSF and MCE's "deep green" CCA service provide 100% renewable electricity service. http://www.pge.com/myhome/edusafety/systemworks/electric/energymix/index.shtml.

(h) Under the City's Charter, the San Francisco Public Utilities Commission has exclusive management and control of energy programs like CCA, including independent
authority to determine whether the City works with MCE to offer CCA service in San Francisco.

Section 2. CCA Service through Marin Clean Energy.

(a) MCE currently serves approximately 124,000 customers. It offers two types of service—a "light green" service that is 50% renewable energy and a "deep green" service that is 100% renewable energy. MCE states that its purpose is "to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiencies and local economic and workforce benefits. It is the intent of MCE to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production at competitive rates for customers." (http://marincleanenergy.org/sites/default/files/key-documents/ MCEGeneralPresentation1.15.14_0.pdf.)

(b) MCE has established a process to consider requests by other cities and counties to join the JPA and receive service from MCE. MCE will evaluate such requests and consider executing an agreement with the requesting entity to fund an analysis of the impacts of expanding MCE to include the new entity. For larger jurisdictions with more than 40,000 customers, MCE may require additional information and analysis. After completion of the analysis, the MCE Board of Directors will consider approval of the request. If MCE approves the request, the entity requesting membership must then authorize CCA service through MCE.

Section 3. Election to Implement CCA. In view of the potential benefits of CCA service to San Francisco electric customers, including the potential contribution of a CCA to San Francisco's ability to meet its GHG emission limits, the Board of Supervisors elects to work with MCE to study the feasibility of the City implementing a CCA program by either joining
MCE or otherwise working with MCE to provide CCA service. The Board of Supervisors urges the Public Utilities Commission to review the analysis that MCE provides, and to compare the benefits of MCE's CCA service to those of CleanPowerSF, including price, the potential resource mix of power purchases, and the ability to fund construction of local renewable energy resources. When this comparison is complete, the Board of Supervisors urges the Public Utilities Commission to take all necessary and appropriate steps to implement the CCA program that offers most advantages to San Francisco electric customers.

Section 4. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

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

By: Theresa L. Mueller
Deputy City Attorney

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May 08, 2014 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

May 13, 2014 Board of Supervisors - PASSED, ON FIRST READING
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

May 20, 2014 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 5/20/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board