[Approval of the CleanPowerSF Program Including Local Sustainability Services and a Contract with Shell Energy North America.]

Resolution authorizing the Public Utilities Commission, subject to conditions, to launch the CleanPowerSF program, approving local sustainability services for CleanPowerSF customers, and authorizing the General Manager of the Public Utilities Commission to execute a contract with Shell Energy North America for a term of up to five four-years and six-months for services required to launch the CleanPowerSF program; and delegating authority to non-materially amend or modify the contract.

I. History and Background

WHEREAS, Public Utilities Code Section 366.2 allows public agencies to aggregate the electrical load of interested electricity consumers within their jurisdictional boundaries. Pursuant to this law, the City has established a Community Choice Aggregation (CCA) program known as CleanPowerSF to provide electric power to the residents and businesses located within its jurisdiction. The San Francisco Board of Supervisors established the City’s CCA program in May 2004 (Ordinance 86-04). The Ordinance found that CCA would allow the City to increase the scale and cost-effectiveness of renewable energy, conservation and energy efficiency in San Francisco and to increase local control over electricity prices and resources. To implement the program, Ordinance No. 86-04 directed the development of a draft Implementation Plan (IP) and the preparation of a draft Request for Proposals (RFP) to solicit an electricity supplier for the program. In December 2004, the Board of Supervisors created a Citizens Advisory Task Force (Task Force) to advise the City regarding the draft Implementation Plan and the draft RFP; and
WHEREAS, Mayor Gavin Newsom signed a Declaration of Mayor or Chief County Administrator Regarding Investigation, Pursuit or Implementation of Community Choice Aggregation on December 16, 2005; and

WHEREAS, After an extensive process that involved public meetings of the San Francisco Local Agency Formation Commission (LAFCoQ), the Task Force, the San Francisco Public Utilities Commission (SFPUC) and interested parties and advocacy groups, the Board of Supervisors approved a Draft Implementation Plan (Draft IP) in June 2007 setting forth goals and policies for the City's CCA program (Ordinance 147-07). Ordinance No. 147-07 directed the issuance of a Request For Information (RFI) and a subsequent Request for Proposals (RFP) to solicit input and bids from interested parties regarding the development of the program. Ordinance No. 147-07 stated that the RFI responses and other information obtained in implementing the program might suggest changes to the Draft IP to improve its viability, and allowed for such changes. As required by Ordinance No. 147-07, SFPUC issued an RFI in November 2007. In April 2009, SFPUC issued a request for qualifications ("RFQ") from potential electricity suppliers. SFPUC, in consultation with LAFCoQ, used the information obtained from these solicitations to prepare an RFP; and

WHEREAS, The Board of Supervisors approved the issuance of an RFP in October 2009 (Ordinance 232-09). Like Ordinance 147-07, Ordinance No. 232-09 provided that RFP responses and other information obtained in implementing the program might suggest changes to Draft IP that would improve the viability of the City's CCA program, and allowed for such changes. In November 2009, SFPUC issued the RFP. The City received five responses to its RFP and, in January 2010, identified Power Choice, LLC as the highest ranked proposer. The City engaged in negotiations with Power Choice, LLC for electricity supply and other services; and
WHEREAS, In January 2010, SFPUC prepared a revised Implementation Plan (IP) and Statement of Intent to file with the California Public Utilities Commission (CPUC) in accordance with Ordinance 147-07. As anticipated in Ordinances 147-07 and 232-09, the Implementation Plan was revised to allow more flexibility in the resources that may be used to make up the CleanPowerSF supply portfolio, and to specify that the SFPUC may roll out the program in phases if phasing allows it to maximize demand-side management programs and renewable energy impacts, synergies with local ordinances and other customer programs, cost of service and customer load characteristics, and other operational considerations. The Board of Supervisors held a hearing on the IP in the Budget and Finance Committee on February 17, 2010, and forwarded the Ordinance adopting the IP to the full Board of Supervisors with a recommendation for approval. The Board of Supervisors considered and voted on the Ordinance adopting the revised IP at its public meetings on February 23, 2010 and March 2, 2010. On March 2, 2010, The Board of Supervisors finally approved the Ordinance and authorized the filing of the IP with the CPUC (Ordinance 45-10). The IP was certified by the CPUC on May 18, 2010; and

WHEREAS, The SFPUC authorized the General Manager to execute a service agreement with Pacific Gas and Electric Company (PG&E) on May 11, 2010. The General Manager executed the Community Choice Aggregation Service Agreement (the Service Agreement) with PG&E on May 27, 2010. In May 2012, the City and PG&E agreed to extend the Service Agreement until December 31, 2018. The Service Agreement is a contract that governs the business relationship between PG&E and the City with respect to CleanPowerSF. Among other things, the Service Agreement includes provisions for audits, dispute resolution, events of default, billing and payment terms and indemnity. The Service Agreement incorporates by reference PG&E’s CCA tariffs that set forth the operational and financial duties of aggregators and PG&E in establishing and conducting CCA service; and
WHEREAS, Negotiations with Power Choice, LLC, were unsuccessful, and on August 5, 2010, the SFPUC issued a second RFP seeking an electricity supplier for the program. No bidders met the minimum qualifications of that RFP, and on February 8, 2011, in Resolution 11-0027, the SFPUC a) authorized the General Manager to negotiate with one or more creditworthy firms to create a program that most closely achieves the City’s goals and b) directed the General Manager to direct SFPUC staff to develop a process and scope of work, together with stakeholders and consultants, to request bids for renewable generation and green resource commitments to further the adopted City goals for CCA as described in Ordinance 147-07. Shortly thereafter, SFPUC engaged in negotiations with Shell Energy North America (Shell) for electricity supply and Noble Americas for customer care and billing services; and

WHEREAS, Work began on November 16, 2011, in accordance with the SFPUC Task Order: Modeling and Conceptual Framework for CCA Deployment to study deployment options and prepare RFPs for a potential build-out of in-City renewable energy resources, comprised of both demand reduction and new renewable generation, and assess their to study and prepare associated financing alternative mechanisms (including 2001 proposition H bonds and use of collateral), SFPUC management and integration of local supplies by the SFPUC, levelized costs, and jobs potential, and to develop associated contract term sheets and RFPs all to be used if the City approves a local build-out after environmental review; and

WHEREAS, In Ordinance No. 232-09 the Board of Supervisors authorized approval by resolution for future CleanPowerSF approvals; and

II. CleanPowerSF Program

WHEREAS, Enrollment in the CleanPowerSF program will be launched in phases to groups of customers, to allow for mitigate the risks inherent in purchasing power, and to better integrate into CleanPowerSF a proposed build-out of local and regional energy resources if
these programs when and if component installations of this build-out are approved by the City, and to mitigate the risks inherent in purchasing power. The first phase will follow the state-mandated opt-out process, enrolling sufficient customers to meet the volume of electricity specified in the Shell agreement, not to exceed an average of approximately 30 MW, and any customer within San Francisco will be eligible to participate in that enrollment phase; and

WHEREAS, the Shell agreement does not preclude a build-out of local and regional energy resources, if such build-out is approved by the City after any necessary environmental review, because the Shell agreement allows the City to replace purchases from Shell with other resources (subject to making Shell whole for any losses) and because program rollout will be phased; and

A. Program Characteristics and Local Sustainability Services

WHEREAS, The CleanPowerSF program will initially offer customers one or more products, consistent with the contracted Shell purchases, and will leverage which support the potential development of new renewable and efficiency resources, if such programs are approved by the City, to achieve high rates of customer acceptance create local jobs, promote locally owned power production and to balance generation sources. These initial products will allow for development of new renewable resources to be integrated into the electricity portfolio as a customer revenue stream, revenue bond financing, and other financing mechanisms are established, if a program for developing renewable resources is planned and approved by the City; and upon completion of any necessary environmental review; and

WHEREAS, The Board of Supervisors believes the integration of a large-scale local build-out of renewable energy and efficiency resources, as described in Ordinance No. 147-07, if such a program is planned and approved by the City, may facilitate establishing a successful CleanPowerSF program that will be price competitive, attractive to electricity
customers, financially robust, productive of clean energy jobs, and of sufficient scale and rapid
construction to achieve significant greenhouse gas reductions, with the understanding that
such a program must first be planned and approved by the City with any necessary
environmental review; and

WHEREAS, The CleanPowerSF program will offer local sustainability services to
CleanPowerSF customers including:

1. incentives for the installation of solar projects on properties of participating
CleanPowerSF customers pursuant to the GoSolarSF Program, and

2. augmented energy efficiency programs for the benefit of participating
CleanPowerSF customers; and

3. study of and possible development of a local build-out of renewable energy facilities,
if the City approves such a program after necessary environmental review. The SFPUC has
indicated its commitment to studying and, if the City approves such a program, developing a
local build-out of renewable energy facilities as a component of CleanPowerSF, and
anticipates immediate commencement of that build-out, if such program is approved by the
City, when (i) consultant studies and RFP preparation have been concluded, (ii) sufficient
revenues are generated or identified to commence the build-out, (iii) SFPUC has completed
environmental analysis of the physical impacts of any specific build-out projects where
required and made appropriate findings, and (iv) the SFPUC approves a plan, budget, and
timeline for the local build-out; and

WHEREAS, The SFPUC will commence has commenced studies and RFP preparation
for a local build-out of renewable energy facilities consistent with the Ordinance No. 147-07
and environmental review requirements of the California Environmental Quality Act, California
Public Resources Code Section 21000 et. seq. (CEQA); and
WHEREAS, the SFPUC and the Board of Supervisors will explore use of sources of revenue such as 2001 proposition H bonds, municipal bonds, power purchase agreements, public agency loans and/or other favorable financing and contractual mechanisms for local and regional renewable energy generation and also energy demand reduction projects in CleanPowerSF, with the understanding that to the extent that such projects must be planned and approved by the City and subjected to any necessary environmental review; and

WHEREAS, before any specific local build-out programs or projects are approved, the SFPUC will undertake all necessary CEQA review of the proposed programs or projects identified in the study process and of their alternatives, including a no project alternative, and shall obtain all requisite approvals; and

**B. Cost Overview**

WHEREAS, The SFPUC approved in Resolution 11-0194 and submitted to the Board of Supervisors an appropriation request for $19.5 million, which is on file with the Clerk of the Board of Supervisors in File No. 111371. The request includes

1. $13 million as collateral and reserves required under the Shell agreement,
2. $6 million for local sustainability services for CleanPowerSF customers as follows (half to be used in 2013 and half to be used in 2014):
   a. $2,000,000 dollars for energy efficiency programs;
   b. $2,000,000 dollars for GoSolarSF incentives; and
   c. $2,000,000 dollars for studies of local build-out of renewable energy facilities, and
3. $500,000 for start-up costs and costs related to the Noble Americas contract for customer billing, data management and other administrative services; and
WHEREAS, The $19.5 million is in addition to a total of $6 million that already has
been appropriated to CleanPowerSF through September 2011, including $1 million in July
2011; and

WHEREAS, In the event the CleanPowerSF Program is discontinued or terminated all
unspent amounts appropriated, including any of the $6,000,000 for local sustainability
services for CleanPowerSF customers, will be de-appropriated and returned to Hetch Hetchy
Power Enterprise fund balance reserves; and

III. Rates for CleanPowerSF Customers

WHEREAS, CleanPowerSF rates will be approved by the SFPUC and Board of
Supervisors through the process established in section 8B.125 of the City's Charter, including
review by the Rate Fairness Board, and the SFPUC must determine that those rates are
sufficient to cover the cost of power and services provided by Shell as well as other costs
required for the program prior to launching the program; and

WHEREAS, The SFPUC staff will 1) propose rates to the Rate Fairness Board that will
cover all costs to provide service to CleanPowerSF customers, including the cost of power it
expects Shell to provide, based on market information and consultation with Shell, the cost of
the services it expects Noble Americas to provide, and the costs of solar incentives, energy
efficiency programs, and studies to guide development of local renewable facilities and 2)
include in that proposal a discount for low income customers; the Rate Fairness Board will
consider the rate proposal, and may report to the SFPUC regarding its analysis; the SFPUC
will establish rates for CleanPowerSF and submit those rates to the Board of Supervisors for
its approval or rejection; and

WHEREAS, The SFPUC will review the power prices proposed by Shell before it
authorizes the General Manager to complete a power purchase transaction, in order to
determine that the rates established by the SFPUC and Board of Supervisors will be adequate
to recover all costs of providing service to customers; and

WHEREAS, If the SFPUC determines that the adopted CleanPowerSF rates are not
adequate to cover all costs of providing service to CleanPowerSF customers, it will not
authorize the General Manager to complete a power purchase transaction and launch the
program; and

WHEREAS, The SFPUC will recommend the inclusion of a component into
CleanPowerSF rates to begin recovering the reserves required for this program within the
contract period so that customers of CleanPowerSF will bear the costs of the program; and

IV. Low Income Customers and CleanPowerSF Program Accessibility.

WHEREAS, The SFPUC will include in its CCA rates a discount for low income
customers that is commensurate with discounts typically provided to PG&E customers for
electric service; and

WHEREAS, CleanPowerSF rates should be structured to include a component for a
hardship fund to support additional discounts for low income customers that require additional
financial assistance to participate in the program; and

WHEREAS, The SFPUC should explore various ways of funding the cost of such a
discount, including by voluntary donations from other CleanPowerSF customers through their
monthly bills, similar to the current California Alternative Rates for Energy (CARE) program
offered through PG&E; and

WHEREAS, The overall electric bills of CleanPowerSF low income customers can be
further reduced by targeting energy efficiency services and GoSolarSF incentives to low
income customers; and

Supervisor Campos
BOARD OF SUPERVISORS
WHEREAS, These and other mechanisms can be used to minimize barriers to
participation in CleanPowerSF by low income residents while maintaining the financial viability
of the program; and

WHEREAS, Unless the SFPUC can ensure, using these and other mechanisms, that
low income CleanPowerSF customers will be offered rates similar to rates for low income
customers served by PG&E, the SFPUC shall exclude low income customers in the initial
phases of the CleanPowerSF program; and

V. Contract with Shell

WHEREAS, The SFPUC, in consultation with LAFCoO, has negotiated the key terms
of a contract with Shell for electricity necessary for commencement of the CleanPowerSF
Program, and to serve as the primary power purchasing component of the program over its
first up to five four-and-one-half years. The draft contract is on file with the Clerk of the Board
of Supervisors in File No.111340 and declared to be a part of this resolution as if set forth
fully herein; and

WHEREAS, The draft Shell contract consists of three parts: (i) a Master Agreement
(setting forth general terms and conditions and providing that Shell and the City may enter into
transactions to buy particular amounts, quantities and types of electric products); (ii) a
Security Agreement (giving Shell control over the account that holds the receipts received
from CleanPowerSF customers and a first priority security interest in that account); and (iii) a
Confirmation (specifying the price, quantity and type of product for specific electricity purchase
transactions); and

WHEREAS, Shell represents and warrants that no new facilities are required to be
constructed in order for Shell to meet its supply obligations under the contract; and

Supervisor Campos
BOARD OF SUPERVISORS
WHEREAS, the contract requires Shell to provide energy to the City with an average carbon content equal to or less than the average carbon content of energy supplied by PG&E to its customers; and

WHEREAS, Shell will provide and the City will purchase the following for up to five and one-half years: (i) electricity to serve CleanPowerSF customers; (ii) scheduling coordinator services to go along with the power supplied; and

WHEREAS, The contract allows the City and Shell to enter into additional Confirmations for procurement of additional electricity services; and

WHEREAS, The contract requires the City to provide $13 million for startup costs and program reserves, consisting of the following:

1. $7 million to be held in an escrow account subject to joint instructions by the City and Shell, as partial collateral for a termination payment in the event the City defaults and Shell terminates the agreement. The termination payment is intended to cover reasonable risk and costs that might be incurred by Shell should the program cease operations during the contract period. This amount may be reduced in subsequent years of the contract if market conditions and the progressive completion over time of the contract reduce Shell's exposure to potential financial losses (see Sections 2.3(f) and 5.3);

2. $4.5 million to fund a Program Reserve to be deposited into the customer revenues secured account, controlled by Shell. The Program Reserve is intended to provide security to Shell that there will be sufficient cash on hand in the customer revenues secured account to cover Shell's monthly bills. The City must restore the balance of the Program Reserve to at least $4.5 million within five Business Days of a notice by Shell that the Program Reserve is below this amount (see Sections 2.3(d) and 5.2);

3. $1.5 million to be held by the City in an Operating Reserve, to ensure short-term unanticipated costs associated with startup and initial program expenses do not create
long-term program stability issues (for example, additional costs associated with bringing in additional customers, or delays in receipt of revenues, in the event that opt-out rates are higher than anticipated); and

WHEREAS, Shell will not have a right to collect the termination payment or the Program Reserve unless and until the City executes a Confirmation and all other conditions are satisfied; and

WHEREAS, The draft contract does not specify the amount or price of the electricity to be provided by Shell; these will be determined before the program is launched, after Shell has obtained prices for the electricity it will provide; and

WHEREAS, The contract includes terms that are non-standard for City contracts, including a modification to the standard appropriation of funds language (see Section 8.2(c)):

1. if Shell terminates the contract as a result of a City default, the General Manager must seek an appropriation or supplemental appropriation to fully fund the applicable termination payment, but approval of such appropriation is within the sole discretion of the SFPUC and/or the Board of Supervisors;

2. a failure by the City to pay the full termination payment is an event of default under the Agreement;

3. the contract does not include standard City language stating that the contractor assumes the risk of a failure on the part of the City to appropriate additional funds; and

WHEREAS, Consistent with standard energy industry practice, it is not an event of default for Shell to fail to deliver a product it is required to provide under the agreement. If Shell fails to deliver a product it contracted to provide:

1. the City may purchase a replacement product and charge to Shell the difference between the price of such purchase and the contract price (see Section 4.1);
2. in the case of renewable energy and resource adequacy capacity, if penalties are imposed on the City as a result of Shell's failure to perform, Shell must reimburse the City for the penalties (see Sections 4.2 (a) and 4.3);

3. in the case of bundled renewable energy, if on an annual basis Shell fails to deliver at least 90% of the product it contracted to provide, in addition to any payments made by Shell described in (i) and (ii) above, Shell must pay the City 25% of the contract price for every MWh Shell failed to deliver (see Section 4.2(b)); and

WHEREAS, The contract imposes the following financial requirements on the City and makes it an event of default if the City fails to meet them within the relevant cure periods:

1. All receipts from CleanPowerSF customers served by Shell must be deposited in an account controlled by Shell, but owned by the City (see Sections 2.3 (i) and 7.4);

2. Disbursements from the customer receipts account must be made by Shell in accordance with a pre-established waterfall, pursuant to which on a monthly basis, Shell gets paid first, the Program Reserve is retained, and any amount remaining is transferred to the City (which the City intends to deposit in the CPSF Customer Fund) (see Section 7.3);

3. The CleanPowerSF program must be financially healthy, but the City has a sixty day cure period to restore financial health if end of the month financial reports indicate there is a problem (see Section 5.1);

4. The termination payment is calculated as the difference between the contract price and the market price of any product the City commits to buy pursuant to a Confirmation; but the termination payment is capped at $15 million unless the City terminates the CleanPowerSF program at a time when the program is healthy (see Sections 6.2, 6.3, 6.4, 6.5); and
WHEREAS, The SFPUC approved the draft contract with Shell on December 13, 2011, in Resolution No. 11-0194, and authorized the General Manager to execute the contract, subject to conditions; and

VI. Contract with Noble Americas

WHEREAS, In Resolution 11-0194, on December 13, 2011, the Public Utilities Commission authorized the General Manager to negotiate an agreement with Noble Americas (Noble) for customer care and billing services to support CleanPowerSF and directed the General Manager to submit the final contract to the Public Utilities Commission for approval; and

WHEREAS, SFPUC staff, in concert with LAFCo staff, has negotiated an agreement with Noble for customer care and billing services, which is on file with the Clerk of the Board of Supervisors in File No. 111340; and

WHEREAS, Noble will provide services that include: managing the electronic data exchange with PG&E, maintaining customer information and billing administration systems, providing reports on energy use and billing, preparing settlement quality meter data, tracking opt-out notices, maintaining a customer care operation center and creating a plan for eventually transitioning the services to CleanPowerSF; and

WHEREAS, Noble will make commercially reasonable efforts to locate a customer care center in San Francisco in order to provide local jobs; and

WHEREAS, Other key terms of the Noble agreement include the following:

1. the term is 4.5 years and the guaranteed maximum cost is $9 million dollars;

2. the total monthly fees charged by Noble for the CleanPowerSF program will be at least $25,000 per month;
3. the City can cancel the agreement without charge prior to the start up date, but if the
cancellation occurs after that date, CleanPowerSF will pay a cancellation fee based on
milestones, up to a maximum amount of $250,000; and

4. the agreement will become effective after satisfaction of specified conditions,
including, appropriation of necessary funds and approval by the SFPUC; and

VI. Conditions for Contract Effectiveness and CleanPowerSF Program Launch

WHEREAS, Even after approval by the Board of Supervisors and execution by the
General Manager, the Shell contract will not become effective until satisfaction of conditions
established by the contract as well as those established by the SFPUC and the Board of
Supervisors; and

WHEREAS, The Shell contract establishes conditions that must be satisfied before it
becomes effective, including but not limited to the following: (i) the conditions placed by the
City on the launch of CleanPowerSF have been satisfied; (ii) the City has directed PG&E to
deposit the payments from CleanPowerSF customers for amounts due to the City for
CleanPowerSF services into a customer receipts account controlled by Shell; (iii) the City has
entered into an agreement that gives Shell control of the customer receipts account, has
granted Shell a first priority lien on the amounts in the account, and has appropriated and
deposited $4.5 million in the account; (iv) the City has appropriated and placed $7 million
dollars into an escrow account as collateral for a termination payment to Shell in the event of
a City default; (v) the CPUC has accepted an amendment to the City’s implementation plan
and statement of intent filed with the CPUC pursuant to California Public Utilities Code
Section 366.3, that identifies Shell as the primary supplier of power for CleanPowerSF; and
(vi) the City has posted the CCA Bond required by the CPUC and advised Shell of the amount
thereof; and

Supervisor Campos
BOARD OF SUPERVISORS
WHEREAS, The SFPUC in its December 2011 resolution established the following conditions which must be satisfied before the Shell contract becomes effective: (i) CleanPowerSF rates are approved by the SFPUC and Board of Supervisors through the process established in section 8B.125 of the City's Charter, and the SFPUC has determined that those rates are sufficient to cover the cost of power and services provided by Shell as well as other costs required for the program, (ii) the CPUC has made its final determination of the CCA bond amount required by Public Utilities Code Section 366.2 and the SFPUC has the resources and all necessary authorizations to obtain the bond, (iii) all appropriations required by the CCA supplier contracts have been authorized, and (iv) the SFPUC Power Enterprise has rates in place to be financially stable and in compliance with its reserve policies, and (v) a contract for customer billing, data management and other administrative services with Noble Americas or another entity has been approved; and

WHEREAS, This action is not considered a "project" as defined in the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA") for the reasons set forth in the memorandum prepared by the Bureau of Environmental Management for the SFPUC dated July –18, 2012. Said memorandum is on file with the Clerk of the Board of Supervisors in File No. 111340 and is incorporated herein by reference; now, therefore, be it

RESOLVED, That any proposed projects for local build-out of renewable energy facilities will be subject to SFPUC and Board of Supervisors review of environmental impacts and compliance with the CEQA prior to Board of Supervisors approval of appropriations or financing of such projects; and, be it

FURTHER RESOLVED, That the SFPUC should and the City will work with stakeholders to establish favorable bond capacity and financing mechanisms, including 2001 proposition H bonds and use of collateral, for the local build-out of new renewable generation
projects and demand reduction as components of CleanPowerSF, if such programs are
planned and approved by the City; and, be it

FURTHER RESOLVED, That the Board of Supervisors intends that the steps to study,
plan, prepare RFPs and submit for City approval a local renewables build-out be commenced
as soon as practicable; and be it

FURTHER RESOLVED, That because a timely integration of the local build-out of
renewables and efficiency, if such build-out is approved by the City, would enhance the
economic and structural characteristics of CleanPowerSF, and planning and RFP preparation
for such build-out is planned to be completed by SFPUC consultants by November of 2012,
and that, to the extent such work is completed on time, RFP’s should be released in
accordance with SFPUC Task Order Title: Modeling and Conceptual Framework for CCA
Deployment, to solicit bids for the local build-out work identified in that task order, on or before
February 1, 2013; and, be it

FURTHER RESOLVED that the Board of Supervisors supports expenditure by the
SFPUC of six million dollars for CleanPowerSF participating customers, including $2,000,000
for energy efficiency, $2,000,000 for studies related to local build-out activities, and
$2,000,000 for GoSolarSF, which will further environmental quality and local job creation but
would only be expended if the CleanPowerSF program is launched; and, be it

FURTHER RESOLVED, That the Board of Supervisors directs the SFPUC to give
priority to low-income CleanPowerSF customers for receipt of energy efficiency and
GoSolarSF services and to undertake an aggressive outreach campaign to such customers
for these services; and be it

FURTHER RESOLVED, That the Board of Supervisors strongly urges the SFPUC to
minimize barriers to participation in CleanPowerSF for low income residents while maintaining
the financial viability of the program and urges the San Francisco Public Utilities Commission
to balance these objectives in establishing rates for CleanPowerSF; and be it

FURTHER RESOLVED, That the Board of Supervisors strongly urges the SFPUC to
provide an appropriate rate discount for low income CleanPowerSF customers and to
incorporate into all CleanPowerSF rates a component for a hardship fund to support additional
discounts for low income customers that require additional financial assistance to participate
in the program; and, be it

FURTHER RESOLVED, That the Board of Supervisors directs the SFPUC to
undertake an extensive public education and outreach campaign, in multiple languages, and
with particular attention to low-income communities, to ensure that prior to the opt-out process
targeted residents in each phase are fully aware of the program, its features and its costs;
and, be it

FURTHER RESOLVED, That the Board of Supervisors strongly urges the SFPUC to
eliminate the CleanPowerSF departure charge for a CleanPowerSF residential customer
returning to PG&E service for at least a 6 month period, and after that time period, to set the
charge at no more than a de minimis amount of five dollars; and be it

FURTHER RESOLVED, That, pursuant to Charter Sec. 8B125, the Board will
consider rejecting rates that do not reflect the policies described in this resolution to address
the needs of low-income and monolingual communities; and be it

FURTHER RESOLVED, That the Board of Supervisors, subject to all conditions set
forth in the contract and this resolution and all conditions adopted by the SFPUC, authorizes
the General Manager of the Public Utilities Commission to execute approves the contract with
Shell in substantially the form on file with the Clerk of the Board of Supervisors, with such
additions or modifications as may be acceptable to the General Manager of the Public Utilities

Supervisor Campos
BOARD OF SUPERVISORS
Commission and the City Attorney, and that do not materially decrease the intended public benefits to the City; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the General Manager, in consultation with the City Attorney, and on approval of the SFPUC, to amend or modify the Shell contract, including the Master Agreement, the Security Agreement, and any Confirmations, to the extent that such amendment or modification does not materially change the terms or decrease the intended public benefits to the City; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the General Manager to execute an initial Confirmation to purchase power from Shell provided that (1) the amount of electricity procurement shall not exceed an average of 30 MWs, (2) the conditions set forth in the Shell contract are satisfied, and (3) the conditions imposed by the SFPUC and the Board of Supervisors on effectiveness of the contract and program launch are satisfied; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the General Manager to enter into additional Confirmations, on approval of the SFPUC, so long as the Charter does not require approval by the Board of Supervisors and the SFPUC has determined that CleanPowerSF rates approved by the SFPUC and Board of Supervisors through the process established in section 8B.125 of the City’s Charter, are sufficient to cover the cost of additional power and services provided by Shell pursuant to the additional Confirmation, as well as other costs required for the program.
Resolution authorizing the Public Utilities Commission, subject to conditions, to launch the CleanPowerSF program, approving local sustainability services for CleanPowerSF customers, and authorizing the General Manager of the Public Utilities Commission to execute a contract with Shell Energy North America for a term of up to five years for services required to launch the CleanPowerSF program; and delegating authority to non-materially amend or modify the contract.

September 12, 2012 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

September 12, 2012 Budget and Finance Committee - RECOMMENDED AS AMENDED

September 18, 2012 Board of Supervisors - AMENDED

September 18, 2012 Board of Supervisors - ADOPTED AS AMENDED
  Ayes: 8 - Avalos, Campos, Chiu, Cohen, Kim, Mar, Olague and Wiener
  Noes: 3 - Chu, Elsbernd and Farrell

I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on 9/18/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

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, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.

Angela Calvillo
Clerk of the Board