San Francisco Public Utilities Commission
Citizens’ Advisory Committee
Power Subcommittee

Meeting Minutes Approved

Tuesday, December 4, 2012
5:30 p.m. – 7:00 p.m.
525 Golden Gate 2nd Floor O’Shaughnessy Conference Room

Members
Doug Cain – Chair (D3) Walt Farrell (D7) Avni Jamdar (M-Env. Group)
Stephen Bjorgan (M-Eng./Financial) Ted Ko (B-Small Business)

M = Mayoral appointment, B = Board President appointment

Staff: Teresa Young

ORDER OF BUSINESS

1. Call to order and roll call at 5:38 p.m. when quorum was achieved.
   Present: D.Cain; S.Bjorgan; T.Ko; W.Farrell;
   Absent: A.Jamdar;
   Staff Present: Jonathan Cherry, Teresa Young

2. Approval of the November 13 meeting minutes
   T.Ko moved; S.Bjorgan seconded. Minutes approved by acclamation.

3. Public Comment: none

4. Report from the Chair: Doug Cain

   Really interested in distributed generation (DG), but it may be a discussion
   between private companies. What caught my attention were T.Ko’s comments
   from the previous meeting about DG posing as a good alternative.
   Future discussion topic: How DG ties into governor’s plan for DG. LISTEN. The
   report has a strong emphasizes on DG in SF (item C in future agenda items).
   Local generation is not necessarily CCA power (T.Ko).

5. Staff report: T.Young

   The Power Enterprise is gearing up to begin a series of three community
   meetings (December and January) at which we’ll discuss with the public our
   upcoming Street Light Wireless Control Pilot Project. Each of the three
   meetings will be in one of the three pilot test areas. During the pilot we’ll test
   LED street lights and wireless control systems that will help to monitor and
   control the street lights (including dimming the lights during non-peak hours). The
   wireless controls will be able to support other functions, too like electric meter
   reading, pollution monitoring and traffic signal control.

   Also, we’re working on a press event to announce the installation of a 50kW
   solar system atop Alvarado Elementary School. The installation is our first with
   the DPW, and the first on an SFUSD school. We’ll be doing more of both
   (school installations and solar installation collaborations with DPW). The event
   is planned for mid-December.

   When it is available, Cheryl Taylor (Power staff who gave the presentation on
   CCA at November’s Full CAC meeting) will provide the CAC with a copy of the
approved Customer Notification and Education Plan. She will provide this to T. Young when the joint LAFCo-Commission meeting minutes are released.

6. Presentation and Discussion: 2011 Energy Benchmarking Report for San Francisco Municipal Buildings (link to additional background info), SFPUC Power Enterprise, Jonathan Cherry

Discussion and Q&A:
D. Cain: Why is it only 10%? How do you know?
J. Cherry: We’re the electricity provider and we bill natural gas for the City, so we know how much energy each building is using.
W. Farrell: How do you do your arithmetic?
J. Cherry: All of our energy accounting groups enter the bills into Energy Cap, which they can also enter energy use.
W. Farrell: When you divide the British Thermal Units (BTU) with the square foot?
J. Cherry: I’ll show you where that shows up in the report later in this presentation.
W. Farrell: Do you plug in the weather?
J. Cherry: These calculations are not weather normalized.
W. Farrell: Does it have a bad boiler? Does the SFPUC provide steam heat?
J. Cherry: No, steam is provided by city steam loop owned by NRG. We pay that bill for departments, but we don’t generate steam.
W. Farrell: Is that a steam sale system where they actually get the steam from the natural gas?
J. Cherry: All of the buildings around Civic Center are all on the steam loop, plus Moscone Center.
S. Bjorgan: Is the Municipal Transit Authority (MTA) excluded?
J. Cherry: No. SFUSD and the Housing Authority are excluded because they aren’t City departments. The Ordinance covers City Departments and was sponsored by Supervisor David Chiu and the Department of the Environment (SF Environment or SFE) was the driving force with the Mayor’s Office. At first they focused on commercial buildings, but then they focused on residential buildings later.
S. Bjorgan: Did these came from on-built?
J. Cherry: This came from our energy accounting info.
S. Bjorgan: Did anyone do an energy audit?
J. Cherry: The audit was not as part of this exercise. Our energy efficiency team probably audited two thirds of the buildings here.
S. Bjorgan: Does this flow into the greenhouse gas (GHG) reporting?
J. Cherry: There are two parts – the base data is the same data we provided to SFE, so that all departments can update their climate action plans. I’m actually presenting this report tomorrow to the reps from each department that have the climate action reports, to discuss whether this will help them in their target setting for annual reporting.
S. Bjorgan: Is there a departmental challenge to decrease the carbon footprint? Is there motivation to decrease carbon footprint?
J. Cherry: I think it’s the City’s overall climate reduction targets. There’s no formalized competition. I think that’s a worthwhile discussion. The competition aspect is the departments putting out their reports, there may some competitiveness there.
D. Cain: Why? We’ve got what. Why are they doing this?
J. Cherry: The main objective here is you can’t change something you don’t measure. Our purpose is showing how people are doing it in a meaningful way. Hopefully we are equipping them with information and giving them a competitive spirit will encourage them to take next steps.
D. Cain: I thought this should include comparing the audits. Without an audit, it doesn’t really provide an action plan. It will be good to have an energy efficiency plan for the City. I’m not clear if there is one. This data would feed into an energy efficiency plan that will go into climate change implications. If every department has this as part of their energy mandate, this data appears to be missing here. I think it’s important that benchmarking is a tool to reduce our energy and increase our efficiency. The City departments get subsidized power and they don’t have a cost incentive to implement energy efficiency programs.
In lack of cost factors, it's really called out from on high. Efficiency and energy use reduction is one of those operational goals for all departments. Are the energy audits available online and/or done by the SFPUC?

J.Cherry: The audits are not currently online. The audits are done by the SFPUC energy efficiency group.

D.Cain: Can we make that recommendation to put that online?

J.Cherry: These are all excellent points. This is the first time we're doing this. We actually feel pretty good about the energy use divided by square footage. I agree needing to inform a strategy and convincing departments that this is important. I think we can't as an agency tell other departments what their goals should be. On an individual building basis, we have done that by making recommendations. We would love create suggestions to go out there, but our budget doesn't allow us to do so. We don't have the funds to do that. And regarding the funds that you mentioned, they don't have a profit incentive do to so. We would love to figure out how to make it more comprehensive and build strategy around it. Our energy efficiency group is developing targets. They are a team of seven people and managed by John Doyle.

S.Bjorgan: I suggest taking the lowest tier of energy sucking, polluting buildings and do a retro-commission.

J.Cherry: We started a retro-commission this year for public buildings. It's run a bit differently than our energy efficiency audit and retrofit program. We are trying to make the case to departments that it's worth it for them to pay for the retro-commissioning. The difference is evaluating and making system work correctly. An audit is identifying replacement systems and changed out.

W.Farrell: Most of these buildings are heated by gas, correct? So how do you get that data?

J.Cherry: Almost all buildings are heated by gas – we act as the building agent for the City. We pay the PG&E bill and rebill the departments, but not for all cases. The Port and SFO pay their own. SFUSD as well.

W.Farrell: You must apply electric and gas use and do it all on BTUs, correct?

J.Cherry: Correct.

D.Cain: Schools, Port, SFO get their power from the SFPUC. How do they get outside the building system?

J.Cherry: I was talking about just the natural gas, not the electricity.

D.Cain: We are considering developing a resolution to recommend energy usage to be benchmarked. Taking this info with your energy audits and retro-commissioning, establish some sort of goals for energy efficiency by department by building, is that being done?

J.Cherry: Under Mayor Newsom, there were some energy efficient/climate savings targets established. I don't believe they exist department by department. It was the Mayor's executive order. Not sure which group it came out of. We have city-wide climate goals adopted by the Board of Supervisors, but I don't believe we have department energy efficiency goals adopted by the Board of Supervisors.

D.Cain: If we set off to make this an important goal for the SFPUC, am I framing this the right way? Are we putting it in such way that it's doable?

J.Cherry: Our limitation is staff time, it is a major undertaking. This report could be much better, but it is the best there is currently. A lot of cities are pressuring themselves to release this data. The info that's out there right now is limited and databases do exist, with exception of building types. There is no national data set for those building types. It'll begin to change. As far as how you would set meaningful targets for building types, that's the big question – how do we know if these buildings are performing better? There isn't enough information to really see who is performing better than others, so it'll take time for us to understand. Ideally we'd have energy audits for all of these buildings and right now we're cost constrained. We've done extensive energy audits on the Port and SFO. We'd like to go back every few years, but we don't have the budget.

D.Cain: What if you focused on the Department of Public Works' (DPW) operations? Have they been trained on energy efficient operations?

J.Cherry: That's an opportunity area.

D.Cain: Does the SFPUC have any influence over these people, in building maintenance and energy efficiency?
J.Cherry: They have contact with building engineers for individual buildings. There is an educational process for individual builders, but we don’t have a citywide program to educate city operators.
S.Bjorgan: Its capital expense that they need to budget for in advance, so that speaks against doing this quickly. Energy is too cheap is the takeaway for me. W.Farrell: How long have you been doing this?
J.Cherry: We started this work 12 months ago. It took about 6 months to get information that we’re comfortable with moving forward.

7. Discussion and Possible Action Item: Proposed Resolution Around Energy Efficiency
S.Bjorgan: There are three topics to talk about. The first one references the Department of Building Inspection (DBI).
D.Cain: When you go to DBI as a commercial user, they have consumer handouts to tell you what you expect when you go through the process. The SFPUC has water fees, depending on how many water outlets you have in that facility. A goal is to make the permit process to be more transparent, accessible and user-centric.
S.Bjorgan: First we want to solicit input to see how best to make these succeed.
W.Farrell: Why worry about the permit process? Is it difficult?
D.Cain: It is, because I read in the New York Times, that San Francisco is a difficult place to get permits. It’s part of the cost of doing business or constructing a building is so high here, part of it is regulations. Part of this is a disjointing permitting process. As much as the different departments are within proximately to each other, they don’t really know what’s going on, there needs better coordination and information out there.
T.Ko: Wow does that applies to the SFPUC?
S.Bjorgan: The SFPUC is starting to get into the permit approval process.
T.Ko: What you’re trying to achieve is something you’d put out to the Board of Supervisors or the Mayor.
D.Cain: There just needs to be better information on the website as well. There is so much miscommunication within the departments, that the process is becoming so tedious, that SF is getting a bad reputation.

S.Bjorgan: The second proposed resolution is focused on energy efficient retrofits. I am sharing information to propose an energy efficient retrofit resolution made from energy savings that help with water bill. The CCA isn’t the right place to build this function, because this is energy savings and CCA is power consumption. There’s no method in the City except for CCA to put on PG&E energy efficient improvements. Although PG&E has a commercial bond bill financing program, it isn’t the same as what I’m proposing. This is an adjunct to CCA offering municipal energy, and it compliments that by providing energy efficiency to the same retail population that’s going to buy to income puts special entities on lower income, small businesses, etc., is paid from savings, and would be a public private partnership, where a bank bridge finances these retrofits. The financing goes on a bill, so the residents’ bills will not go up because of energy retrofits, but will go down over time.
T.Ko: Why can’t you put financing on the CCA bill?
S.Bjorgan: Because of retail energy costs.
T.Ko: Marin Energy Authority just got approved for energy efficiency programs. In their CCA arrangement, are they allowed to put other things on their bills?
S.Bjorgan: What about personal energy monitors?
D.Cain: Once they get digital meters, they can be read online. These monitors are accessible online and see which appliances are used in real time.
S.Bjorgan: No, you see a whole house, not the individual appliances. That’s part of the smart grid they’re going to use for demand response.
T.Ko: Essentially this is an ESCO for residential homes using on-bill financing to finance this. So essentially you’re saying on-bill financing on water bills, because on-bill financing isn’t available on PG&E bills.
J.Cherry: Sonoma County has actually done something like this on their water bill.
S.Bjorgan: Please review and provide feedback to me over email. Let’s discuss the third proposed resolution about the City & County of SF buildings undergoing energy audits before sale. There is an unused green point breaking, people don’t use rating disclosures when real estate is sold.

D.Cain: To get certain points for energy star ratings, they look at installation of green plumbing, etc. They’ve shown that these houses sell for more.

S.Bjorgan: For commercial or residential?

D.Cain: Residential

J.Cherry: I think it’s optional – if you want to add it to your record.

D.Cain: It’s not an extra cost to the City. It’s adding value to the property, whether the homeowner wants to add this.

W.Farrell: They used to do this. This was done 20 years ago.

J.Cherry: Reco ordinance. It still exists. It’s the resident energy conservation ordinance. It hasn’t been updated in the last 30 years.

D.Cain: It is not noted as a value on the title.

S.Bjorgan: Let’s revisit this again in January 2013.

8. Future Agenda Items
   a. Wireless controls for streetlights
   b. Update on green test bed program
   c. **Local generation program for 60MW**
   d. Disaster Preparation for Power Enterprise
   e. Power Enterprise Bonds in Future Financing
   g. GHG verification report (routine report)
   h. Power outages on Treasure Island – who’s going to pay for it, what’s the plan for system building
   i. How are we forecasting climate change and flows in how it affects generation?
   j. How does SFE, other agencies and the Power Enterprise work together?

9. Announcements/Comments – next meeting moved to the second Tuesday of January (1/8/13). First Tuesday is 1/1/13.

10. Adjournment at 6:59 p.m. T.Ko moved; D.Cain seconded.