Special Joint Meeting
San Francisco Public Utilities Commission
with the
Local Agency Formation Commission

Friday, September 25, 2015
1:30 P.M.
City Hall
1 Dr. Carlton B. Goodlett Place
Legislative Chamber, Room 250
San Francisco, CA 94102

Commissioners
Ann Moller Caen, President
Francesca Vietor, Vice President
Vince Courtney
Anson Moran
Ike Kwon

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary

For information, contact the Commission Secretary at 554-3165.
Minutes and other information are available on the SFPUC web site:
www.sfwater.org
Gavel-to-Gavel coverage available at:
http://sanfrancisco.granicus.com(ViewPublisher.php?view_id=22
SPECIAL JOINT MEETING
San Francisco Public Utilities Commission
with the
Local Agency Formation Commission

1. Call to Order
LAFCo Chair Avalos called the meeting to order at 1:40 PM.

2. Roll Call
LAFCo Secretary Somera read LAFCo roll call; quorum present.
SFPUC Secretary Hood read the SFPUC roll call:
Present: Caen, Vietor, Moran, and Kwon

3. Opening remarks and discussion of expectations for the Joint Meeting
LAFCo Chair Avalos provided introductory comment and discussed the timeline changes. He noted the progress that has been made, urged movement, and discussed the need for swift contract approval.

SFPUC President Caen thanked LAFCo Chair Avalos for LAFCo’s partnership on CleanPowerSF. She thanked the SFPUC Commission, staff, and the advocates for their work. She discussed progress made, and indicated that the SFPUC looks forward to the program’s launch.

SFPUC Commissioner Courtney arrived at 1:54 PM.

Public Comment
• Mr. Andrew Yip discussed the need for computer use with CleanPowerSF.

4. CleanPowerSF Activities Report
Mr. Harlan Kelly, Jr., SFPUC General Manager (GM) discussed the progress made on the program, including RFO and outreach efforts. He encouraged early notification sign-up.

a. Status Update on CleanPowerSF Program - Power purchasing activities and timeline for Program launch
b. Status update on proceedings at the California Public Utilities Commission
c. Status update on State legislation
   Ms. Barbara Hale, Assistant General Manager (AGM), Power, described the progress made on the program and indicated that over 200 people have enrolled. She noted the proposed program objectives: (1) Lead with affordable and reliable service; (2) Develop a cleaner energy supply; and (3) Develop new infrastructure and create local jobs.

AGM Hale provided a brief review of regulatory activities: (1) Changes to PG&E rates and charges; and (2) PG&E Green Tariff. She then discussed Legislative activities (SB 350).
Ms. Hale reviewed the supply efforts: (1) Default Product Proposal (greener than PG&E’s basic service); and Premium (“opt-up”) Product Proposal (100 percent renewable and GHG-free supply).

AGM Hale described the (supply) products: (1) Bid Option 1 – Firmed and Shaped Energy; (2) Bid Option 2 – Renewable Energy; and (3) Resource Adequacy Capacity.

Ms. Hale provided additional detail for each option, noting number of bids received, describing the evaluation criteria, and review process. She indicated the SFPUC is building a balanced, viable portfolio and will consider criteria, including but not limited to: (1) Evaluation and experience; (2) Total cost of bid and value; (3) Project viability; and (4) Resource location and portfolio compatibility. She indicated that some of the bids are over the $5M procurement policy authority and cap, and above the $10M Charter authority, and will require Board of Supervisor (BOS) approval, which will take additional time.

AGM Hale reviewed the Implementation Schedule and Key Milestone timeline. She noted that due to the volume of bids, the rigorous risk assessment process, and the need for a more full business plan, there will be delays in the schedule associated with contract review at the BOS, and ensuring the Commission has adequate risk assessment prior to contract approval. She indicated there could be a six week delay in the program launch, and emphasized that staff is looking at ways to dual-track activities, and detailed possible options.

AGM Hale responded to a question from LAFCo Commissioner Campos on the reasons for the delay in the Implementation Schedule. GM Kelly noted additional delay challenges; including ensuring bidders meet City requirements, which is taking additional time. Discussion ensued on how to expedite items at the BOS. Additional discussion took place on how the need for a business plan was determined.

LAFCo Commissioner Campos asked if other issues are anticipated that will delay launch. Mr. Jason Fried, Executive Officer, LAFCo, provided response. He encouraged dual-tracking where possible. Discussion ensued on scheduling. Ms. Hale thanked her staff for their work.

SFPUC Vice President (VP) Vietor encouraged an aggressive timeline and expressed pleasure with the number of bids received. She requested that an updated timeline be provided as soon as possible.

Mr. Eric Sandler, SFPUC CFO, responded to a request from VP Vietor for a financial perspective on how quickly the business plan can be completed.

LAFCo Commissioner Breed expressed disappointment with the delay in the Implementation Schedule and offered assistance from the BOS to move approvals
along. She encouraged that items be moved quickly to meet deadlines. GM Kelly described the unexpected challenges which are resulting in delays. He stated that staff is moving quickly. Brief discussion ensued.

AGM Hale responded to a request from Commissioner Breed to provide clarity on the contract approval and business plan processes. Ms. Noreen Ambrose, City Attorney, provided response on City requirements for contract approval.

LAFCo Commissioner Lindo asked about potential savings from the contract procurement. AGM Hale provided response to this question, as well as a follow-up question regarding the business plan. Commissioner Lindo requested a timeline for business plan completion. GM Kelly stated staff will work with LAFCo on dual-tracking, and will expedite items where possible.

LAFCo Commissioner Crews thanked staff for their work. She echoed concerns from others regarding program delays. CFO Sandler responded to a question from Commissioner Crews regarding the risk assessment organization of the SFPUC and asked him to describe the risk analysis that is conducted, including for CleanPowerSF. GM Kelly and AGM Hale provided additional response on risk analysis, the business plan, and the timeline.

SFPUC Commissioner Kwon, thanked staff for their work. He encouraged the public to sign-up for the program now.

d. CleanPowerSF enrollment and outreach plans

Mr. Tyrone Jue, SFPUC Communications Director, played a video describing the CleanPowerSF Program. He then provided an update on the enrollment and outreach strategy. He reviewed the program choices: (Super Green 100 percent renewable; (Green 33-50 percent renewable); or Opt-out. He described the goals of the Super Green and Green options.

SFPUC Commissioner Vietor was excused from the meeting at 2:52 PM.

Director Jue described the outreach plan and associated enrollment for Phases I and II. He discussed the rationale behind the phased and prioritized enrollment process. He indicated that Phase I will begin with auto-enrollment in the Southeast, and Phase II will auto-enroll the center of the City. He noted the Phase I and II outreach budgets; discussed targets; other green pricing program participation; Green Tariff Program projections; and CleanPowerSF enrollment goals. GM Kelly provided additional response on enrollment efforts especially for the Super Green product.

Mr. Jue provided a response to a question from Chair Avalos to explain the Phase I strategy of enrolling the Southeast sector, which includes commercial and residential customers. GM Kelly provided additional response.
Mr. Fried provided an update on SB 350 and AB 1110. He thanked SFPUC staff for their hard work.

Public Comment
- Mr. Andrew Yip discussed items of concern.
- Mr. Eric Brooks, SF Clean Energy Advocates, requested that LAFCo discuss the marketing plan. He offered thoughts on the business plan and timeline.
- Ms. Imani C. Davis discussed the need for CleanPowerSF, the need for affordability, and urged movement.
- Ms. Tess (inaudible) urged movement. She discussed the business plan, bid process, contract approval, and risk assessment.
- Mr. John Anderson, 350 SF, thanked staff for their work. He encouraged dual-tracking and expressed concern with the need for a business plan. He encouraged swift movement.
- Ms. Rebecca Evans encouraged dual-tracking and quick action.
- Mr. David Mccoard, Sierra Club Bay Chapter, stated it is time to move.
- Jed Holtzman, 350 SF, expressed concern with launch delay and risk assessment plan. He discussed competition with PG&E’s program.
- Ms. Sara Greenwald, 350 SF, discussed the timeline and PG&E competition.
- Karen Babbit, Sierra Club, echoed other speakers’ comments. She expressed concern with PG&E. She asked if the business plan and risk assessment could be just for the 30 megawatt start-up.
- Ms. Christina Pappas, SF League of Conservation Voters, expressed support for others’ comments and concern with the delays.

LAFCo Commissioner Crews thanked Mr. Holtzman for his comments. She asked if the risk assessment could be done for just the 30 megawatt program. GM Kelly provided response.

SFPUC Commissioner Moran was excused from the meeting at 3:32 PM.

GM Kelly responded to a question from LAFCo Commissioner Breed for clarity on implementing two options while analyzing a third. Discussion ensued.

LAFCo Chair Avalos discussed the timeline and requested a clearer launch timeline than “spring”. AGM Hale discussed actions needed for launch and discussed timing.

5. General Public Comment
- Mr. Andrew Yip provided comments.

LAFCo Chair Avalos thanked the SFPUC Commission and staff for their work and adjourned the joint meeting at 3:41 PM.