

Date: January 25, 2008

Item No. 4

**LOCAL AGENCY FORMATION COMMISSION
AGENDA PACKET CONTENTS LIST***

Memo from the Interim Executive Officer

Please note: The RFQ responses are available on the
LAFCo's web site at http://www.sfgov.org/site/lafco_index.asp

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Completed by: Linda Wong

Date: 1/22/08

***This list reflects the explanatory documents provided**

San Francisco Local Agency Formation Commission

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TO: LAFCO Commissioners

FROM: Nancy C. Miller, Interim Executive Officer

DATE: January 25, 2008

SUBJECT: Status of Responses to SF LAFCO RFQ and Discussion of Contract Tasks for CCA Advisory Role

On November 21, 2007, LAFCO and SF PUC released an RFQ for Implementation of San Francisco Public Utilities Commission's Community Choice Aggregation Program and for Monitoring and Advisory Services on Behalf of SF LAFCO. SF PUC subsequently extended its deadline for responses from January 7, 2008, to February 7, 2008.

LAFCO and SF PUC received five responses to the RFQ. Three of the five responses were prepared as joint responses for the Implementation of San Francisco Public Utilities Commission's Community Choice Aggregation Program and for Monitoring and Advisory Services on Behalf of SF LAFCO, as noted below. The other two respondents submitted responses to provide Monitoring and Advisory Services on Behalf of SF LAFCO. A summary of the qualifications of the five respondents is provided below.

LAFCO and SF PUC held a pre-bid conference on the morning of January 25, 2008. Interviews will be held after February 7, 2008. The interview panel will include a representative from SF PUC, myself, Nancy Miller, and two utility experts who have yet to be determined, but may include a representative from the Sacramento Municipal Utility District (SMUD).

Following the interviews, we anticipate having a pool of candidates from which we may select a qualified contractor. Staff will prepare a contract with the selected candidate to be presented to the Board at the next Board meeting for approval.

SUMMARY OF RESPONDENTS:

Davis Wright Tremaine, LLP (Davis Wright), a full-service law firm, prepared a joint response for the Implementation of San Francisco Public Utilities Commission's Community Choice Aggregation Program and for Monitoring and Advisory Services on Behalf of SF LAFCO. Davis Wright has significant experience representing retail electricity providers, power plan developers, owners, and operators, as well as retail electric consumers. Davis Wright's energy clients include California cities, municipal utilities, irrigation districts, the Bay Area Rapid Transit District, independent power producers (primarily renewable energy generators), the California Independent System Operator Corporation and the California Solar Energy Industries Association. Davis Wright's experience includes assisting the Northwest Geothermal Company, a 120 MW geothermal project, to negotiate its original power purchase agreement with PG&E and to assist in procuring certification of the project by the California Energy Commission as a renewable resource. Davis Wright also represented the 204 MW White Creek wind energy project in Washington, providing advice on all stages of the project, including entity formation and structuring, power purchase agreements, and construction financing documents.

GES Engineers & Appraisers (GES), submitted a response to provide Monitoring and Advisory Services on Behalf of SF LAFCO. GES provides valuation, consulting, and engineering services to clients, including primarily local, state, and federal agencies. The firms' two primary services are: 1) the valuation of public utility infrastructure, energy projects, and complex industrial properties, and 2) consultation services on regulatory matters involving public utilities and the energy industry. GES's experience includes performing an analysis of the economic level of service impacts resulting from the annexation of certain PG&E territories by SMUD. GES also assisted the Springfield Water and Sewer Commission in Massachusetts with its selection of a contract operator for its hydroelectric facility and participated in contract development and negotiations.

Michael Bell Management Consulting, Inc. (Mr. Bell), submitted a response to provide Monitoring and Advisory Services on Behalf of SF LAFCO. Mr. Bell worked as a senior level manager for municipal electric, water, and telecommunications utilities for twenty years, and has served as a consultant for numerous public agencies including SF LAFCO, SF PUC, East Bay Municipal Utility District, the City of Palo Alto Utilities, Port of Oakland, Contra Costa Water District, and the Santa Clara Valley Transportation Agency. Mr. Bell's experience includes managing the initial assessment of AB 117 options for SF LAFCO, identifying the benefits and risks of implementation and evaluating and outlining the necessary steps to implement CCA. Mr. Bell also managed a study to evaluate the technical and economic feasibility of annexing electric service facilities by SMUD in certain territories.

SF LAFCO

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Navigant Consulting, Inc. (NCI), prepared a joint response for the Implementation of San Francisco Public Utilities Commission's Community Choice Aggregation Program and for Monitoring and Advisory Services on Behalf of SF LAFCO. NCI has worked with Marin County to adopt a plan for offering renewable energy to its constituents through CCA. NCI has also developed a plan currently under consideration by the Cities of Berkeley, Emeryville, and Oakland to increase use of renewable energy from the current 13% procured by PG&E to 50% by 2017, increase customer energy efficiency, and promote local renewable generation. NCI has also worked as a technical consultant to the California Energy Commission sponsored CCA Demonstration Project to assist local governments in analyzing and implementing CCA, which included the development of detailed financial modeling for twelve local governments investigating forming CCA programs.

Local Power, Inc. (LPI), prepared a joint response for the Implementation of San Francisco Public Utilities Commission's Community Choice Aggregation Program and for Monitoring and Advisory Services on Behalf of SF LAFCO. LPI drafted and supported the passage of AB117, as well as co-authority the nation's original Community Choice bill in Massachusetts and advising on laws in Ohio and New Jersey. LPI also authored the H Bond authority and was the primary author of San Francisco's Draft Implementation Plan, CCA Program Design and H Bond Action Plan adopted by Ordinance 447-07. LPI staff also has extensive experience in other areas, including zoning and permitting regulations for constructing new facilities or modifying existing facilities. LPI has worked SMUD on its Municipal Utility District Solar Program Design - Performance Based Ratemaking for Photovoltaics, and the Environmental Health Coalition's CCA "Green Energy Options" Portfolio Design.