

Date May 29, 2009 Item No. 8

LOCAL AGENCY FORMATION COMMISSION
AGENDA PACKET CONTENTS LIST*

Memo from the Interim Executive Officer _____

Exceeds 20 pages; see file to review
Available for review at City Hall, Room 244

Completed by: Linda Wong Date: May 27, 2009

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

San Francisco Local Agency Formation Commission

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. 415.554.5184
Fax. 415.554.5163

TO: LAFCo Commissioners
FROM: Nancy C. Miller, Interim Executive Officer
DATE: May 29, 2009

SUBJECT: Item 8: Consideration of Award of Contract for Clean Power SF: Portions of Tasks A and C: Analyze Potential City Renewable Sites and Review Government Regulations Affecting Clean Power SF. (Discussion and Possible Action Item)

History: At the December 12, 2008, LAFCo hearing, the Commission authorized the Interim Executive Officer to request proposals from qualified consultants for a number of the tasks identified through meetings with the SFPUC and the Commission. Thereafter, the Interim Executive Officer released a Request for Bids on 7 specific tasks. Three bids were received by qualified consultants.

In February 2009, the SFPUC contracted with one of the qualified bidders, George E. Sansoucy (GES), to perform portions of Tasks A, C, and D. In April 2009, after Commission authorization, the Interim Executive Officer contracted with Navigant Consulting, Inc. (NCI), to perform Tasks E and F.

The SFPUC contract for Tasks A and C did not contract for all items in the original Tasks, specifically the portion of Task A calling for identification of potential sites within San Francisco for renewable energy generation and storage, and portions of Task C asking for identification and application of government regulations and programs that could apply and/or benefit Clean Power SF.

SFPUC does not intend to contract for these Tasks as it does not think they are necessary to program implementation. As part of our monitoring role of the SFPUC with respect to the Clean Energy SF Program, I requested consultant input into whether these Tasks should be performed. LPI expressed its belief that the portions of Tasks A and C not contracted for should be completed prior to submission of the Implementation Plan to the California Public Utilities Commission (CPUC). The Interim Executive Officer agreed to bring these concerns, along with LPI's proposal for performing these services, to the Commission. LPI is the preferred consultant for these two tasks given that Task A requires a physical study of City sites and LPI is local while the other firms

are out of town. Task C requires legal assistance and LPI is the only consultant with legal personnel.

Descriptions of Parts of Tasks A and C: The authorized CCA tasks included Tasks required under the Implementation Plan to be completed prior to release of an RFP as follows:

Task A. Evaluate the Cost/Benefit of involving City Agencies for use of their assets; renewable siting, transmission/distribution or generation.

The SFPUC has contracted with GES to perform substantially all of the deliverables associated with this task. Specifically, GES is preparing the Cost Benefit Analysis involving the use of City Agencies for renewable energy resources, generation, storage, transmission, and distribution. However, the SFPUC did not task GES with surveying City properties to assess their potential for siting of renewable energy resources or reporting on the City properties potentially suitable for installation of such resources. Since this work is done within the City and requires physical site work, the use of LPI as a local consultant is more cost effective and inexpensive than out of town consultants.

Task C. Regulatory Review: (1) What governmental regulations will apply (Outside of AB 117, S.F. CCA Ordinances)? (2) What governmental programs may be able to provide benefits to the S.F. CCA Program?

This Task involves two related projects. The first project involves identification and analysis of potentially applicable regulations, at the federal, state and municipal level. This project also involves identifying and analyzing potential barriers in place by the California Independent System Operator and PG & E. The second project involves identifying and applying for funds from governmental programs that would benefit Clean Power SF. This includes submitting grant proposals to such agencies as the California Energy Commission, as well as potential petitioning of the California Public Utility Commission for Public Goods Charge funds for Energy Efficiency. The unresolved issue is whether the SF LAFCo can legally compete for these funds through its own consultant.

Budget:

LPI submitted a proposal to perform the siting portion of Task A in a not-to-exceed amount of \$80,000.

LPI also believes identifying applicable governmental regulations and analyzing ways to navigate them is essential in reaching a comprehensive Implementation Plan. LPI believes there is great potential value in applying for additional funding from governmental programs that can benefit Clean Power SF. LPI has proposed to complete this portion of Task C in a not-to-exceed amount of \$105,000. The CPUC regulatory work will be done by legal counsel and no other energy consultant bid with legal personnel.

Pages 2 through 7 of LPI's proposal, attached to the Staff Report on Agenda Item 6, details LPI's ideas on completing portions of Tasks A and C.

RECOMMENDATION:

The Interim Executive Officer recommends that the Commission authorize and direct the Interim Executive Officer to enter into a contract with LPI not to exceed \$185,000 for the performance of portions of Tasks A and C as outlined in LPI's proposal.