

Date: July 9, 2008

Item No. 7

LOCAL AGENCY FORMATION COMMISSION
AGENDA PACKET CONTENTS LIST*

- Memo from the Interim Executive Officer
- Proposal from Local Power, Inc.
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- _____
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- _____
- _____
- _____
- _____
- _____
- _____
- _____
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Completed by: Linda Wong

Date: 7/9/08

***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: July 11, 2008

SUBJECT: Item 7: Consideration of Award of Contract for CCA Program: Analysis of Existing SF Energy Programs: Portion of Task 5 and Task 8 in RFQ: Portion of Draft Program Management Plan/Draft Program Report (Discussion and Action)

In addition to developing a work plan for marketing and a work plan for the remainder of the CCA Implementation, LAFCO may want to consider implementing Tasks 5 and 8, as defined in the RFQ and the attached list of CCA Program Tasks.

Task 5 includes the development of a Program Management Plan, which will include detailed schedules for the startup and Procurement Phases of the CCA Program, as well as an overview schedule for the Implementation Phase. Task 8 includes the preparation of a CCA Program Report on critical ongoing projects that are being developed in parallel with the CCA program, and the possible inclusion of these projects in the CCA Program.

Attached is a proposal from Local Power in response to SF LAFCO's request for a proposed approach and price proposal on evaluating ongoing City and County of San Francisco energy projects and developments that relate to or otherwise may impact the City's CCA Program Implementation. This proposal includes portions of the work identified as Tasks 5 and 8.

At this time, SF LAFCO may choose to contract with Local Power for the provision of these services, or it may give SFPUC an opportunity to contract for this service directly. At its June meeting, the SFPUC entered into contracts with CCA Program consultants, but at this time staff does not know whether the SFPUC will assign this task to its consultants in the near future. Although SF LAFCo has the authority pursuant to

SF LAFCO

Consideration of the Timeline of Tasks that will be performed by Consultant(s)

Page 2 of 4

Ordinance 146-07 to enter into this contract, the Commission may choose to wait for the SFPUC to move forward with this task rather than entering into a contract with Local Power at this time. Given that the SFPUC has recently awarded contracts for CCA implementation, it may be prudent to wait until Tasks have been assigned by the SFPUC.

CCA Program Tasks

1. Identify applicable requirements established by the Public Utilities Code, decisions of the CPUC, and the Charter and Municipal Codes, as well as all other applicable laws, including all zoning and permitting regulations, and prepare a list of the applicable compliance requirements.
2. Prepare draft policies and procedures to govern the development, implementation, operation and management of the CCA Program.
3. Review Request for Information (RFI) and Request for Proposals (RFP) documents prepared by SFPUC and advise of their completeness and consistency with the Implementation Plan, and develop any suggested revisions or additions.
4. Review and provide analysis of RFI and RFP responses and recommending for or against acceptance of an RFP respondent's proposed rates for the CCA Program.
5. Develop a draft Program Management Plan for SFPUC's and/or SF LAFCo's review, which will identify the actions to be taken in furtherance of the CCA Program, and include detailed schedules for the startup and Procurement phases and an overview schedule for the implementation phase.
6. Identify and prepare applications on SFPUC's and/or SF LAFCo's behalf for any grants, fees and other allocations from federal, state, and local agencies, and private entities that may be available for the advancement or benefit of the CCA Program.
7. Prepare requests for, collect and analyze electrical load data, including, but not limited to, data detailing electricity needs and patterns of usage, in a manner compliant with CPUC rules.
8. Prepare a CCA Program Report on critical ongoing projects that are being developed in parallel with the CCA program, and the possible inclusion of these projects in the CCA Program, including but not limited to:
 - a. In-City Electric Generation Projects
 - b. In-City Electric Distribution System Developments
 - c. Transbay Cable Project
 - d. CCA Coordination with SFPUC's Electric System Capacity
 - e. CCA/SFDOE/SFPUC Energy Efficiency Partnership
 - f. Zoning and Permitting for Renewable Distributed Generation

9. Provide an analysis of the processes and information required for negotiating and contracting with energy suppliers and other entities for services required to implement and operate the CCA Program, as described in the Implementation Plan.
10. Develop the processes by which H Bonds are issued and any other debt necessary to fund elements of the CCA Program is arranged, including development of the capital cost expenditure schedules on which the H Bond issuance and any other financing schedules will be based.
11. Propose modifications to the Implementation Plan in light of additional information and further progress in development of the CCA Program for SF LAFCo's review, and support review and analysis by the Board of Supervisors and the SFPUC as necessary, and prepare the revised CCA Implementation Plan for filing with the CPUC as required under State Law AB 117, reflecting all revisions requested by SFPUC and/or SF LAFCo.
12. Identify and assist with the acquisition of any real property or property rights determined to be necessary or convenient for the development, implementation, operation and management of the CCA Program.
13. Identify potential cooperative or joint development agreements with other public or private entities for any purpose necessary or convenient for the development, implementation, operation, and management of the CCA Program.
14. Present and promote the CCA Program to the public, the media and governmental and regulatory entities. Develop promotional materials for the CCA Program as requested by SFPUC and/or SF LAFCo from time to time over the course of the CCA Program, and develop and update one or more CCA Program websites.
15. Identify and develop the steps, processes and draft documentation to be used for informing CCA customers about their rights under the program, the services it will provide, and the opt-out provisions.
16. Review the finances or performance of any aspect of the CCA program undertaken by the SFPUC and other city agencies and in the preparation of the results of any such review for reporting to the Board of Supervisors with recommendations as to policy, staffing or budgetary changes.
17. Request from SFPUC data and work product obtained and/or developed by SFPUC which is necessary for SF LAFCO to conduct its advisory functions.

Local Power

Local Power, Inc.
35 Grove St. #118
San Francisco, CA 94102
(510) 451-1727

July 8, 2008

Nancy Miller, Interim Executive Director
Local Agency Formation Commission
City Hall
San Francisco, CA 94102
miller@motlaw.com

Dear Ms. Miller,

Local Power is pleased to provide our proposal in response to SFLAFCO's request for proposed approach and price proposal on evaluating ongoing City and County of San Francisco energy projects and developments that relate to or otherwise may impact the City's CCA Program Implementation.

Approach

Consistent with the approach described in the Implementation Plan, Local Power will prepare a "Program Review Report" that evaluates a number of key ongoing or nascent City energy projects that may impact, or be included in, the City's CCA program as defined in Ordinance 86-05 and 447-07. For each project, we will analyze areas of potential impact to the CCA Program; such as use of common funding sources, any jurisdiction and ownership issues, and potential technical or business interface issues with the CCA Program. We will also evaluate each identified project for inclusion in the CCA Program scope, considering factors such as technical integration, overall implementation time requirements, and whether there would be any significant siting and/or permitting issues.

Tasks

Our work will result in the completion of a Program Review Report for the SF CCA Program. Specifically, LPI will evaluate ongoing City energy projects and developments related to the City's CCA Program Implementation that were not addressed in the recently adopted CCA Program Design and Draft Implementation Plan, including the following:

- Ongoing City Renewable Generation Projects such as the Golden Gate Tidal project
- Ongoing In-City Distribution Developments such as the proposed Cable/Fiber Ordinance
- Potential CCA Customer Access to SFPUC's Hetch Hetchy Excess Capacity and Solar Power Facilities
- The role of the proposed Combustion Turbines (CTs)
- Ongoing Transbay Cable Project
- Zoning for Renewable Distributed Generation, including an evaluation of the Bernal Wind ordinance
- The role of the PG&E/SFPUC Energy Efficiency Partnership

This task includes a meeting for presentation of the initial draft report to LAFCO and SFPUC staff, and a second meeting for discussion of any required revisions.

Deliverable:

Program Review Report

Total Budget

\$75,000 over an eight-week period (see Attachment I for details).

Conclusion

Thank you again for requesting Local Power to submit a proposal for this critical CCA program task. LPI is prepared to sign the standard form SF LAFCo contract and to comply with the requirements of the contract form. Our proposal is submitted on the basis of our understanding that performance of this task would not preclude Local Power from performing implementation work relative to these projects for SF LAFCO or SFPUC. If you have any questions or comments concerning our proposal, please do not hesitate to contact me at (510) 451-1727 x702.

Sincerely Yours,



Paul Fenn
CEO

**Attachment 1:
Budget by Task and Hourly Rates**

Budget for Each Task

1. Program Review Report \$75,000

TOTAL BUDGET \$75,000 including travel and materials

Time Frame

Eight Weeks of Work
One Deliverable

Hourly Rates – LPI Staff and Subcontractors

Paul Fenn \$250/hr
Robert Freehling \$150/hr
Julia Peters \$195/hr
Howard Golub \$495/hr
Bradley Turner \$250/hr
Joe Speaks \$175/hr
Eddie Dehdashti \$300/hr
Bill Powers \$195/hr
Tony Mazy \$195/hr
Ned Orrett \$234/hr
Steve Heckerth \$195/hr
Mike Marcus \$75/hr