

# PACKET MATERIALS

DATE September 25, 2009

Item No. 4.A

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

- ☒ CleanPowerSF Program Timeline: Key Milestones & Deliverables
- ☒ Policy Options for CCA Request for Proposals (RFP)
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- ☐ Exceeds 20 pages; see file to review  
Available for review at City Hall, Room 244

Completed by: Alisa Somera

Date: September 22, 2009

\* This list reflects the explanatory documents provided.

# San Francisco CleanPowerSF Program Timeline

## Key Milestones & Deliverables

Project Status – September 25, 2009

	Milestone / Deliverable	Target Date	Status
Feb	Technical-Economic Feasibility – Project Start	2/5/09	NTP on 2/3/09
	Begin Development of RFQ and Term Sheet	2/20/09	1 <sup>st</sup> Draft 3/2/09
Mar	Advance Work for RFQ Advertisement	Week of 3/9/09	Outreach Complete
	Risk Assessment – Project Start	3/10/09	LAFCo Approved 4/3/09
Apr	CCA Best Practices Report – Project Start (Revised from 3/9/09)	4/10/09	Task Order Signed 4/1/09
	Pre RFQ-Release Workshop Q&A	4/10/09	Completed
	<b>Issue RFQ</b>	<b>4/24/09</b>	<b>Issued 4/24/09</b>
	Complete Technical Potential Study	4/27/09	Draft Completed on Schedule
May	Hold Informational Q&A on RFQ	5/15/09 (revised from 5/8/09)	<b>Completed on Schedule</b>
Jun	Market Research – Project Start NTP 6/19/09	6/3/06	Underway
	RFQ Responses Due	6/5/09	2 Responses Received
	Economic Potential for Viable Resources (GES Task 2)	6/29/09	Draft Completed on Schedule
Jul	Publish List of Qualified Bidders	7/6/09 (revised from 8/4/09)	Respondents asked to respond to RFP
	CCA Best Practices Report Complete	7/20/09 (from 6/4/09)	LPI Final Draft Aug 15. (Comments to LPI)
	Cost Model of Levelized Costs for Resource Portfolio Mix Options Developed	7/20/09	Draft Completed on Schedule
Aug	Risk Assessment Report Complete (LAFCo Consultant)	8/1/09	Completed On Schedule
	Levelized Cost of Identified Economic Resources (GES Task 3)	8/20/09	On Schedule - Draft Published 9/2/09
	Market Research – Qualitative Focus Group Interviews Complete	8/27/09	Focus Groups completed 8/12/09
Sep	Final Term-Sheet for RFP (LAFCo Consultant)	9/15/09	On Schedule
	Comparison of Portfolio Options (GES Task 4)	9/21/09	On Schedule
	Advise SFPUC & LAFCo Commissioners of RFP Advertisement and Seek Guidance	9/25/09 (from 8/25/09)	Scheduled
	Hold Pre RFP-Release Q&A Workshop	TBD	Pending RFP process
Oct	Board Of Supervisor Review & Approval of RFP	10/20/09	Pending LAFCo-GAO meeting 10/16/09
	<b>Issue RFP</b>	<b>10/27/09</b>	<b>Pending RFP process</b>
	Market Research – Residential Research Complete	TBD – was Aug	Project underway
	Draft Revisions to Implementation Plan with latest info from consultants and RFQ respondents	Moved from August	Ongoing: pending input from RFQ & reports
Nov	Hold Informational Q&A on RFP	11/10/09	Pending RFP issuance
Dec	RFP Responses Due	12/29/09	Pending RFP issuance

On Schedule \* Pending – On Target \* Pending – Schedule Slip Possible \* Behind Schedule

## **Policy Options for Community Choice Aggregation Request for Proposals (RFP): Setting Proposal Minimums or Policy Preferences**

### **Existing policy would require Request for Proposal to meet minimum criteria or be rejected**

Existing City Policy (Ordinance 147-07, File No: 070501), which is based on the 2007 Draft Implementation Plan has specific minimum requirements for CCA program, which include:

- Specific amounts of resource types and location of resource within or outside of San Francisco,
- Supplier shall be a single contractor (or joint venture) and perform all aspects of CCA work,
- Contract shall be constructed so that all risk is on supplier,
- More than half the energy should be renewable by 2017, with 40% renewable by 2012, and
- Price must meet or beat PG&E's rates.

### **RFP Flexibility could generate more responses and more competition from potential suppliers**

- Responses to Request for Information (issued Nov 2007) by potential suppliers, and summarized by consultant report (Michael Bell Consulting) noted flexibility on price, location of resources, and loosening restriction on "single-supplier" requirements could increase participation.
- Marin's RFP (issued in May), which included greater flexibility, generated 12 responses – compared to SFPUC's Request for Qualifications (RFQ) which received 2 responses.

### **RFP should clearly articulate existing goals**

SFPUC staff recommends RFP clearly state goals of San Francisco's CCA program, as outlined in Draft Implementation Plan.

- Importance of Energy Efficiency in reducing overall demand of CCA customers, and the intention to utilize "Public Goods Charge" funds collected by PG&E as directed by state regulation.
- Renewable generation located within City and County of San Francisco, and availability of City's municipal bonding authority to assist with financing renewable projects.
- 51% renewable energy by 2017 – significantly above the minimum requirement for PG&E.
- Rates competitive with PG&E (existing ordinance requires rates be at or below PG&E rates).

### **Setting proposal minimums for RFP would be similar to SFPUC's RFQ issued in April 2009**

- Failure to meet any of the criteria established in City Ordinance 147-07 would result in rejection.
- Given limited response to RFP, and strict requirements, approach likely to chill market response.
- Relaxing some terms, such as price ceiling and requiring single supplier may increase response rate.

### **Setting policy preferences with flexibility would be designed to meet goals and reflect market realities**

Flexible approach assigns preference to those proposals that are closest to City's goals.

- Timeline to achieving renewable targets (40% renewable by 2012 and 51% renewable by 2017).
- Development of renewables, with preference for projects in San Francisco and Northern California.
- Respondents should describe how energy efficiency will be incorporated into portfolio.
- RFP will seek single supplier of all services, including:
  - Scheduling and Contracting for Energy Procurement and Demand Side Management;
  - Development and Construction of Renewable Energy Generation Projects; and
  - Customer and Administrative Services.
  - City will reserve the right to negotiate contracts with more than one supplier to provide necessary services.
- Allow variations for how respondents may structure pricing, and require annual total revenue
  - Fixed price bid with per kwh rate for each rate class served by PG&E
  - Fixed price within a specified range of energy volumes (limits risk for supplier if CCA volumes are bounded at a percentage above or below anticipated demand)
  - Alternative pricing options to encourage creativity on part of supplier.