

Date: September 28, 2007

Item No. 5

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

- Response to the San Francisco Civil Grand Jury 2006-2007 report**
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Completed by: Linda Wong

Date: 9/25/07

***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
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September 4, 2007

Judge David L. Ballati, Presiding Judge
Department 206
400 McAllister Street
San Francisco, CA 94102-4514
Facsimile No. (415) 551-3646

Re: 2006 – 2007 San Francisco Civil Grand Jury Report: Greenhouse Gas Emissions

Dear Honorable Judge Ballati:

Attached please find the San Francisco Local Agency Formation Commission's response to the San Francisco Civil Grand Jury 2006-2007 report entitled *Can San Francisco Keep its Promise to Reduce Greenhouse Gas Emissions?*. Information copies were also sent today by mail to the Board of Supervisors and the Civil Grand Jury. Thank you.

Very truly yours,

By: 

Nancy C. Miller
Executive Officer

NCM:edf

Enclosure

Cc: Board of Supervisors
Civil Grand Jury

2006 - 07 Civil Grand Jury Report: Greenhouse Gas Emissions

California Penal Code Sections 933.05(a) requires the responding party to indicate if they agree with the finding or, wholly or partially disagree with the finding with an explanation of the reasons therefor.

As to each grand jury recommendation, the responding person shall report to the Civil Grand Jury one of the following actions: (Penal Code sec. 933.05(b))

<p>1. Recommendation Implemented</p> <ul style="list-style-type: none"> - Date Implemented - Summary of Implemented Action 	<p>2. Will Be Implemented in the Future</p> <ul style="list-style-type: none"> - Anticipated Timeframe for Implementation 	<p>3. Requires Further Analysis</p> <ul style="list-style-type: none"> - Explanation - Timeframe <p>(Not to exceed six months from date of publication of grand jury report)</p>	<p>4. Will Not Be Implemented: Not Warranted or Not Reasonable</p> <ul style="list-style-type: none"> - Explanation
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For each finding and recommendation below, indicate which action you have taken or plan to take and provide the required information. Attach additional sheets if necessary.

Response Required From: San Francisco Local Agency Formation Commission

Explanation

<p>Finding # <u>D1</u> Agree <u>X</u> Disagree <u> </u></p>	<p>See attached.</p>
<p>Recommendation # <u>2</u> Response: 1, 2, 3 or 4</p>	
<p>Finding # <u> </u> Agree <u> </u> Disagree <u> </u></p>	
<p>Recommendation # <u> </u> Response: 1, 2, 3 or 4</p>	
<p>Finding # <u> </u> Agree <u> </u> Disagree <u> </u></p>	
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<p>Recommendation # <u> </u> Response: 1, 2, 3 or 4</p>	
<p>Finding # <u> </u> Agree <u> </u> Disagree <u> </u></p>	
<p>Recommendation # <u> </u> Response: 1, 2, 3 or 4</p>	

San Francisco Local Agency Formation Commission

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Attachment to Response to Report of 2006-2007 San Francisco Civil Grand Jury

This response has been prepared by the Executive Officer. San Francisco LAFCo agrees with the Civil Grand Jury's statements in Finding D1, attached hereto. Further, the Board of Supervisors' requested that LAFCo monitor the implementation of the CCA program and provide advice to the City and County and other agencies regarding the program. (Ordinance 0146-07, section (1)(b), adopted in July 2007.) The Commission will act on this request at its next scheduled meeting which should occur in September or October. (Due to a vacancy on the Commission, a meeting has not yet been scheduled.) The Commission has been actively involved with CCA implementation activities as outlined below:

San Francisco LAFCo's efforts to assist in the establishment of a CCA Program began several years ago. LAFCo approved a Community Choice Draft Implementation Plan in May 2005. It also obtained an independent analysis of that plan in November 2005.

Pursuant to the Board of Supervisors' request, LAFCo will "assist with the startup of the CCA Program and advise the Board of Supervisors, SPPUC, and other agencies regarding all aspects of development, implementation, operation and management of the CCA Program, as established by Ordinance 86-04" (Ordinance 0146-07, section (1)(b).) The Ordinance lists the specific tasks that LAFCo will undertake to meet its obligations.

As noted above, at its next meeting, LAFCo intends to formally initiate its monitoring and consultation regarding the CCA program in accordance with Ordinance 0146-07.

C7) Residential Energy Conservation Ordinance

To address the San Francisco Climate Action Plan goal of strengthening legislation, codes and standards, in order to achieve energy efficiency in residential buildings.

In 1982, the Department of Building Inspection adopted the Residential Energy Conservation Ordinance (RECO) that requires all residential property owners to provide certain energy and water conservation measures for their buildings: attic insulation; weather-stripping all doors leading from heated to unheated areas; insulating hot water heaters and hot water pipes; installing low-flow showerheads; caulking and sealing any openings or cracks in the building's exterior; insulating accessible heating and cooling ducts; installing low-flow water-tap aerators; and installing or retrofitting toilets to make them low-flush. Apartment buildings and hotels are also required to insulate steam and hot water pipes and tanks, clean and tune their boilers and repair boiler leaks. The code is mandatory whenever a house, apartment or hotel is sold or whenever a property owner undertakes a major improvement on a single or two-family dwelling. (DBI, 2006)

Finding C7. RECO is designed to reduce energy use in a building after it changes ownership, thereby reducing the amount of energy consumed in the City.

Recommendation C7a. The Departments of Planning and Building Inspection should look into ways that RECO can be improved and more effectively enforced. Its reach should be extended, for instance, to require property owners to upgrade lighting and other electricity uses before a property changes ownership.

Recommendation C7b. The Departments of Planning and Building Inspection should recommend a RECO ordinance change to require replacement of incandescent light bulbs with energy-saving lamps before a property changes ownership.

Responses required from	The Planning Department, The Department of Building Inspection, The Department of Environment (60 days).
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D. RENEWABLE SOURCES

D1) Community Choice Aggregation.

To address the San Francisco Climate Action Plan goal of developing renewable energy projects and increasing support and development of green power purchasing.

"Community Choice Aggregation" (CCA) is based on California's 2002 Assembly Bill 117 (AB117), which allows communities to procure electric power from sources such as solar, wind and other renewables. By giving control of the electricity mix back to communities, State law now allows cities to increase their use of clean energy. This City power would be distributed and

billed to consumers by PG&E. Although the City program is not yet law, in April 2007 legislation was introduced by the Board of Supervisors to put it into effect. (S.F. BOS 2007)

In order for San Francisco to participate in the opportunity provided by AB117, the Board of Supervisors must pass an ordinance to allow the City government to generate and/or procure electric power from renewable sources and to distribute it to residences and businesses in the City. Such an ordinance would require action by the San Francisco Local Agency Formation Commission (LAFCO), a body that was formed in August 2000 as a result of an initiative petition to create a municipal utility district for the City and County of San Francisco and the City of Brisbane. PG&E would retain the transmission infrastructure and provide billing services.

Under CCA, clean energy would make up one half of San Francisco's power use by 2017. The plan would use Prop B bond money, already approved by the voters in 2001, to contract for solar panel arrays, wind farms and/or geothermal facilities (S.F. Prop B 2001).

Finding D1. The San Francisco Community Choice Aggregation plan has the potential to provide clean, reliable and reasonably-priced energy locally. It would allow San Franciscans to choose between clean City-procured electricity or buying off the grid.

Recommendation D1. The City should move as quickly as possible, through regulations enacted or authorized by the Local Agency Formation Commission, Board of Supervisors and Mayor, to put the Community Choice Aggregation program into effect using Prop B funds made available by the voters in 2001. The process of contracting for renewable, clean energy sources by and for the citizens of San Francisco should begin.

Responses required from	The Office of the Mayor, The Local Agency Formation Commission; The Department of Environment (60 days). The Board of Supervisors (90 days).
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D2) Solar Rooftops

To address the San Francisco Climate Action Plan goal of developing renewable solar energy projects.

In 2001, voters in the City approved Proposition B, authorizing \$100 million in revenue bonds to be issued for the expansion of solar power in the City. The Department of Environment is engaged in a plan to calculate the solar potential for every residential and commercial rooftop in San Francisco, using aerial photography which analyzes geographical information to determine