

1 [SFLAFCo Future Work Plan]

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3 **Resolution Requesting Support of the Board of Supervisors for the Future Work**
4 **Plan of the San Francisco Local Agency Formation Commission.**

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6 WHEREAS, the primary purpose of the San Francisco Local Agency Formation
7 Commission (San Francisco LAFCo or Commission) under the Cortese-Knox-Hertzberg
8 Local Government Reorganization Act of 2000 is to review public service needs,
9 including utility service, and to determine whether new government entities should be
10 created or changes in existing governments should be made to address the needs of its
11 citizens;

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13 WHEREAS, the Commission adopted by resolution its Energy Services Study
14 and Recommendations for Electric Utility Service;

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16 WHEREAS, the Study indicates that reliable, reasonably priced electric service is
17 vital to the City's economic health and public welfare;

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19 WHEREAS, the San Francisco Local Agency Formation Commission has
20 adopted a Future Work Plan that includes pursuing a strategic plan for power supply,
21 transmission, and distribution to the City and County of San Francisco and other work
22 plan items as follows:

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- 24 1. Development and adoption of a conceptual model of governance for the
25 energy future of the City and County of San Francisco by:

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- a. The SFPUC as an aggregator of retail electricity loads and an Energy Service Provider (ESP) based on the SFPUC/SFDOE Electricity Resources Plan published in March 2002, the proposed charter amendments to restructure the SFPUC, submitted on June 17, 2002, newly enacted sections 331.1, 366.2 and 381.1 of the Public Utilities Code to permit community aggregation, and the conceptual model for SFPUC contained in the Energy Services Study; or
- b. A separate municipal electric utility created by the Board of Supervisors with an elected governing body or a governing body appointed by the Mayor or Board of Supervisors;

- 2. Development of an integrated Long-Term Resources Plan, including financial and competition plans for support;
- 3. Confirmation or modification of the preferred energy supplier role for SFPUC, including a risk assessment and an evaluation of benefits provided to customers, as compared to costs and services that are likely to be available from competing service providers;
- 4. Assuming confirmation of an energy supply role for SFPUC, monitor and support legislative and regulatory activities that provide for Direct Access and Community Aggregation (e.g. AB 117);

1 5. Development of a Risk Management Plan for the selected energy service
2 model and development of an Implementation Plan;

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4 6. Consideration of SFPUC's acquisition of PG&E's distribution system in
5 accordance with the Energy Services Study;

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7 7. Development of a Financing Plan to fund the costs of the Energy Services
8 Study recommendations;

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10 WHEREAS, further the San Francisco Local Agency Commission has approved
11 as a part of its Future Work Plan the following:

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13 1. Pursuing possible energy power resource options through the water utility,
14 including, but not limited to exploring desalinization, studying the tidal current
15 generation; and implementing of a recycled water program;

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17 2. Review of those specific public services provided by the City and County of
18 San Francisco through contracts and agreements with publicly funded non-
19 profit corporations and other non-profit entities; and

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21 WHEREAS, the San Francisco Local Agency Formation Commission determines
22 that it is advisable for the Board of Supervisors to be notified of the proposed Future
23 Work Plan and further the Commission requests that the Board of Supervisors express
24 its support for the Future Work Plan; now therefore, be it
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RESOLVED, that the Board of Supervisors extends its support for the San Francisco
Local Agency Formation Commission's Future Work Plan.