

PACKET MATERIALS

DATE November 20, 2009

Item No. 4 & 5

LOCAL AGENCY FORMATION COMMISSION AGENDA PACKET CONTENTS LIST *

- Staff Memorandum from LAFCo Staff, dated November 20, 2009
- Basic Program Report Attachment
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Exceeds 20 pages; see file to review
Available for review at City Hall, Room 244

Completed by: Alisa Somera

Date: November 17, 2009

* This list reflects the explanatory documents provided.

San Francisco Local Agency Formation Commission

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TO: San Francisco Local Agency Formation Commission

FROM: Nancy Miller, Interim Executive Officer
Jason Fried, Senior Program Officer

DATE: November 20, 2009

SUBJECT: Items #4 and #5: Report from LAFCo on CCA activities: Work Plan for Staff and Consultants Request for Extension of Consultant Contracts.
(Discussion and Action Item)

The Commission requested a Work Plan from the staff outlining next steps and the Consultants role. The RFP for the Clean Energy SF Program was issued November 5, 2009 and responses are due by December 29, 2009.

The staff will be working with SFPUC to review the responses and Jason Freid will sit on the evaluation committee. In the interim between now and when responses are due, staff anticipates working with the SFPUC to prepare the draft contract with the Energy Service Provider (ESP). We also will be requesting a joint meeting between the SF LAFCo and the SFPUC for January 2010

Attached is the outline of Tasks to be completed for implementation of the Clean Energy Program under the Draft Implementation Plan. Many of these Tasks have already been completed. The Attachment provides the status for completion of the remaining tasks. The SFPUC will prepare and submit a Final Implementation Plan to the California Public Utilities Commission (CPUC) and the attachment shows the steps set forth in the Draft Implementation Plan to complete this Plan. Based upon the RFP responses some of the tasks may be modified. The timing to prepare this plan is critical.

The SF LAFCo requested a work plan for staff as well as a discussion of consultant duties

LAFCO STAFF WORK PLAN

The Interim Executive Officer work plan includes:

- Working with the SFPUC to review the RFP responses;
- Reviewing and commenting on the contract with the Energy Service Provider with the SFPUC and the City Attorney office;
- Monitoring SFPUC activities and assisting in the drafting the Implementation Plan (See attached Chart);
- Monitoring Consultant Activities;
- Administering Consultants and Staff (transitioning to Senior Program Officer)
- Legal duties as assigned (preparation of contracts, preparation of legal opinions for the Commission; responding to various requests by the Commission)
- Preparation of Commission Agendas and Staff Reports. (transitioning to Senior Program Officer)

The Senior Program Officer's work plan can be broken down into five basic categories:

- Coordination with the SFPUC on planning and implementation of the CCA Program ("Clean Power SF");
- Hiring and supervision of a second staff position and other administrative functions;
- Coordination with other CCSF departments;
- Community outreach and education of Clean Power SF; and
- Coordination with other LAFCo's and CCA programs.

The Senior Program Officer is the main conduit for coordinating with the SFPUC as Clean Power SF moves forward. Coordination includes weekly meetings to track the progress and status of applicable projects. Major projects that the staff will monitor or be actively involved include participation on the scoring panel for Clean Power SF's RFP, assisting in negotiating contract terms with the selected ESP; completing the final Clean Power SF Implementation Plan; and moving Clean Power SF through the CPUC review process.

LAFCo staff is in the process of hiring a second staff position. Once the second staff position is filled, the Senior Program Officer will supervise and manage the new

employee's workload on a day to day basis. While CCSF's Clerks' office will continue to handle administrative activities, LAFCo staff coordination is still necessary. While the Interim Executive Officer currently handles many of these functions, the Senior Program Officer should be able to assume many of these duties over time.

The Senior Program Officer is a current member of the Solar Task Force, the SFPUC Clean Energy Stewards Working Group, and a Department of Energy work group tasked with improving energy efficiency.

The Senior Program Officer will oversee the community outreach and education program of Clean Power SF in conjunction with the SFPUC and the second LAFCo staff position.. Clean Power SF's community outreach and education program is still in the formative stages but discussions with local community groups have started. A comprehensive presentation of the community outreach and education program will be presented at a future meeting.

While the majority of the Senior Program Officer's work related to Clean Power SF, communication and coordination with other California LAFCo's and CCA programs is necessary. The Senior Program Officer is currently a member of the Community Choice Energy Council (CCEC), a group of California CCA programs and organizations looking to start CCA programs in their communities. The Senior Program Officer has also been coordinating with other CCAs, Public Utilities, and governmental associations in preparing an education piece that describes the impacts the PG&E ballot measure could have on California's citizens and their choices. These education activities are performed in strict compliance with the legal limits imposed on public entities related to ballot measures.

CONSULTANTS

SFLAFCO currently has under contract Navigant Consulting and Local Power Inc. Navigant prepared the Risk Assessment Report and assisted in the drafting of the RFP. Local Power provided monitoring activities, provided a peer review of the Navigant report and assisted in the drafting of the RFP. Since issuance of the RFP, no tasks have been assigned to the Consultants..

The next step of preparing the draft contract may require the services of the Consultants. The current consultants' contracts terminate at the end of November. It is anticipated that we will need consultant input during the ESP review and selection process as well as the contract drafting. SFPUC has indicated that they will be drafting the initial documents and submitting them to SF LAFCo for comment. Navigant has expertise in community choice aggregation program contract drafting as they assist Marin County in their negotiations with the Marin County selected energy service provider. Local Power has familiarity with the Clean Energy SF Program as they participated in the initial drafting of the Draft Implementation Plan.

BUDGET

Under our MOU with the SFPUC has available approximately \$1,100,000 for the 2009/2010 Fiscal Year for SF LAFCo Clean Energy SF activities.

Through October 31, 2009, the amount spent for Fiscal Year 2009/2010 for Clean Energy SF consultant activities totals totaled \$66,885. We have received invoices in the additional amount of \$30,860.

Navigant is agreeable to working on an as needed basis through February 28, 2010.

Local Power has offered to continue services at the monthly rate provided in their original bid of not to exceed \$12,000 per month to work as needed on the following issues:

1. Contract boilerplate
2. Allocation of risk issues
3. Implementation plan
4. CPUC and ISO issues

Bid requests are within our budget amounts for CCA activities. While the determination is up to the Commission, I would recommend that the contracts be extended for both consultants to February 28, 2010. At that time we will determine, based upon the responses, to the RFP whether further extensions are warranted. The Contract extension amount for Navigant from December to February will not exceed \$15,000. The contract amount for Local Power would be as the Commission determines. I anticipate utilizing Local Power for SFPUC monitoring activities including commenting on the RFP responses and the Implementation Plan as assigned.

ACTION REQUESTED

The action before the Commission is to receive and file the staff work plans as may be modified by the Commission and to consider the extension of the contracts for Navigant and Local Power from November 30 2009 through February 28, 2010. Contract amounts for Navigant will be not to exceed \$15,000. Contract amounts for Local Power will be as directed by the Commission and have been requested at not to exceed \$30,000.

Program Basic Report	Description of PBR Element	Planned Timing of Item
1	Gathering the results of the various PBR tasks. (Identifies #s 3, 4, 5, 7, 9, 10, 11, 12, 13, 14,	LAFCo has gathered all completed tasks and will continue to assemble tasks as completed.
2	Identify barriers to program	Possible barriers have been identified by MBMC, Navagant and Local Power Reports
3	Risk Analysis	Completed by Navigant
4	CCA Lessons Learned	Completed by Local Power
5	Hydro Options Analysis	City Attorney has done basic annalysis. Final result on this issue will depend on contract with ESP.
6	Design Low Income Ratepayer Assistance Program	Will be done with ESP.
7	Develop Overall Financing Plan and Detailed Cost Estimate	Phase I: In Process -- Task 1, 2 and 3 are completed. Task 4 and 5 will completed by December 31, 2009. This is being done by SFPUC consultant GES. Phase II: Will be done with ESP
8	PG&E and City Database Integration	Complete & Ongoing. SFPUC collects and analyzes customer load data from PG&E.
9	Develop PG&E Interface Plan	Will be done with ESP.
10	Customer Service Center (CSC) Analysis	Will be done with ESP.
11	CSC Design – Process & Systems	Will be done with Esp and will follow item #10.
12	Develop Communications, Marketing, and Outreach Plan	Phase I: In Process – (a) Launch and update “cleanpowersf.org”, and (b) utilize market research to learn how to target marketing message most effectively. Phase II: Jan. 2010: Marketing and outreach push timed to match launch of CleanPowerSF program .
13	Design Portfolio	Phase I: Completed – using existing CCSF policy and Draft Implementation Plan as a guide, perform technical and economic feasibility analysis (GES) to determine various costs and benefits for various portfolio designs. Phase II: Will be done with ESP
14	Design Technical interface	Phase I: Completed – SFPUC eallier this year completed preliminary identiciacation of possible sites. Phase II: Will be done with ESP
15	Property Acquisition/Siting/Permitting analysis	Will be done with ESP.
16	Identify applicable regulations and support CPUC regulatory processes	Ongoing. LAFCo, SFPUC staff and City Attorney active in CPUC docket related to CCA.
17	Develop Rate Setting Advisory Board	SFPUC currently reviewing this Task. Terms will be developed in conjunction with ESP contracting.