

PACKET MATERIALS

DATE February 26, 2010

Item No. 3

LOCAL AGENCY FORMATION COMMISSION AGENDA PACKET CONTENTS LIST *

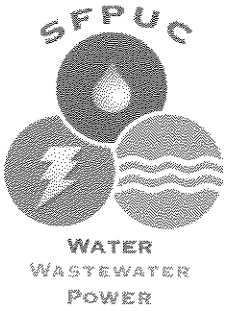
- SF PUC Memo: "Status update of CleanPowerSF program for February"
- LAFCo Memo: "Report on the Status of Community Choice Aggregation (CCA) Activities"
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** Exceeds 20 pages; see file to review
Available for review at City Hall, Room 244

Completed by: Alisa Somera

Date: February 23, 2010

* This list reflects the explanatory documents provided.



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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To: San Francisco Public Utilities Commission (SFPUC)
San Francisco Local Agency Formation Commission (SF LAFCo)

Through: Ed Harrington, General Manager SFPUC *WPC*
Barbara Hale, Assistant General Manager, Power Enterprise *BAH*

From: Michael Campbell, Community Choice Aggregation Director – Power *MC*

Date: February 22, 2010

Subject: Status update of CleanPowerSF program for February

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Background

The SFPUC and LAFCo staffs are working collaboratively through the various processes necessary to have CleanPowerSF serving customers as soon as possible.

At the joint meeting of the SFPUC and LAFCO on January 22, 2010, I noted that the expert panel had evaluated the written proposals for the provision of CCA services and found Power Choice, LLC to be the highest scored proposer.

Negotiation Process Moving Forward

On February 9, 2010, the SFPUC granted the General Manager the formal authority to begin negotiations with Power Choice, LLC. Since that time, the negotiation team, made up of resources from the SFPUC, LAFCo, and City Attorney's office, has met directly with Power Choice, LLC and is working with common purpose to refine the contract details that were outlined in the Request for Proposals. The final contract will still require approval by the SFPUC Commission and probably by the Board of Supervisors before execution.

Implementation Plan to be Submitted to California Public Utilities Commission (CPUC) in March

The enabling statute, AB 117 (Migden, 2003) requires that an Implementation Plan (IP) and Statement of Intent be submitted to the CPUC. State law, in Public Utilities Code Sections 366.2(c)(3) and (4), sets forth a number of detailed requirements for the contents of an IP. After submission of the IP, the CPUC has 90 days to certify its receipt of the IP, including any additional information the Commission requests.

The SFPUC authorized the General Manager to submit an IP and Statement of Intent to the Board of Supervisors at its public meeting on February 9, 2010.

On February 17, 2010, the Budget and Finance Committee held a hearing on the Ordinance Approving the submission of an Implementation Plan and Statement of Intent to the CPUC. The Committee forwarded the Ordinance to the full Board with a unanimous recommendation for approval. The Ordinance is scheduled to be heard by the Board of Supervisors on February 23, 2010, with a subsequent reading on March 2, 2010.

Following approval by the Board of Supervisors, the SFPUC shall submit the final Implementation Plan and Statement of intent to the CPUC for certification.

San Francisco Local Agency Formation Commission

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TO: LAFCO Commissioners

FROM: LAFCO Staff

DATE: February 26, 2010

SUBJECT: Item #3B: Report on the Status of Community Choice Aggregation (CCA) Activities.

Generally staff has been assisting the SFPUC in the last month to develop the Draft Implementation Plan and consulting regarding the contract negotiations for the Clean Power SF Program. The Ordinance authorizing moving forward with the submitting the Implementation Plan to the CPUC was voted on in Budget and Finance Committee on February 17 and moved to the to the full Board of Supervisors for approval on February 23, 2010. The SFPUC plans to submit the Draft Implementation Plan to the CPUC by the first week of March.

Negotiations will be conducted by the SFPUC with LAFCo involvement for the PowerChoice contract. These negotiations are expected to be vigorous over the coming weeks. Any contract must be approved by the Board of Supervisors. On a parallel track, the SFPUC will need to obtain most recent PG&E CCSF customer data in order to conclude contract negotiations. SFPUC will prepare a draft contract which includes a price proposal that conforms to City Charter Sec. 8B.125 and the Implementation Plan and City goals. The SFPUC will obtain rate information and cost of service studies for the program SFPUC will need to negotiate with PG&E for a Service Agreement whereby PG&E provides transmission and distribution services consistent with AB 117. A final CCA Service Agreement (also referred to as a "contract" in AB 117) to PG&E will be submitted in the form provided by PG&E tariffs per Rule 23 (F)(4)(a). The timing of these efforts will be discussed by the SFPUC in Item 3a.

As, the SFPUC's selection process for a marketing consultant continues, LAFCo staff has gotten a head start on the ground-level, face-to-face outreach efforts for CleanPowerSF. This has included meetings with all of the Supervisor's offices and State Legislators staff to get a sense of the most active organizations within each district, as well as meetings with community leaders and organizers to obtain their outreach ideas and contacts. As we talk to community members, we have also gotten a

good sense of what people are looking for in a successful program, which will be crucial information as the process moves forward.

Since we have limited staff and resources, our approach now is to take advantage of existing opportunities and captive audiences to spread the word. We are in the process of getting on the general meeting agendas of as many community organizations as we can in the next few months to make presentations about CleanPowerSF and do Q&As. At the same time, we're keeping our eyes and ears open for community events where we can table and distribute information about the program. Eventually, once the contract is finalized, we plan on hosting our own large-scale public workshops.

Going forward, while LAFCo staff is going in to the community, SFPUC will be simultaneously conducting larger-scaled media relations and advertising campaigns. LAFCo and SFPUC will work closely on these efforts to ensure consistency in program branding.