

PACKET MATERIALS

DATE January 27, 2012

Item No. 3

LOCAL AGENCY FORMATION COMMISSION AGENDA PACKET CONTENTS LIST *

- October 11, 2011 LAFCo/SF PUC Special Joint Meeting Minutes – Draft
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** Exceeds 20 pages; see file or e-version to review
Available for review at City Hall, Room 244

Completed by: Alisa Miller

Date: January 24, 2012

* This list reflects the explanatory documents provided.



SAN FRANCISCO LOCAL AGENCY FORMATION COMMISSION MINUTES

**City Hall, Room 400
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689**

October 11, 2011 – 11:00 AM

**Special Joint Meeting
with the
San Francisco Public Utilities Commission**

1. Call to Order

The meeting convened at 11:10 a.m.

2. Roll Call

Local Agency Formation Commission (LAFCo) Members

Present: Chairperson David Campos, Commissioners John Avalos, Hope Schmeltzer, and Leah Pimentel

Absent: Vice-Chairperson Ross Mirkarimi

Public Utilities Commission (PUC) Members

Present: President Francesa Vietor (noted present at 11:19 a.m.), Vice-President Anson Moran, Art Torres, and Vince Courtney

Absent: Commissioner Ann Moller Caen

There was a quorum of both commissions.

Joint Regular Business

3. Opening Remarks and Discussion of Expectations for the Joint Meeting

Chairperson Campos and Vice-President Moran provided opening remarks and their expectations for the joint meeting.

4. Community Choice Aggregation (CCA) Update Report, including a presentation from Shawn Marshall of Local Energy Aggregation Network (LEAN)

Michael Campbell, CCA Director, PUC, informed the commissions that Governor Brown signed SB 790 (Community Choice Aggregation) on Sunday, October 9, 2011. Mr. Campbell then introduced Shawn Marshall, LEAN.

Shawn Marshall gave a power point presentation regarding LEAN and their involvement with implementing CCA programs throughout the country.

Public Comment: None.

Chairperson Campos, seconded by Commissioner Avalos, moved to continue the matter to the call of the Chair. The motion passed by the following vote:

Ayes: Chairperson Campos, Commissioners Avalos, and Schmeltzer.

Noes: None.

Absent: Commissioner Mirkarimi.

Action: Continued to the Call of the Chair

5. Approve the “Updated Term Sheet Parameters for Program and Contract Negotiations” and direct staff to forward the Resolution to the Board of Supervisors for review and consideration

Nancy Miller, Interim Executive Director, LAFCo, reviewed the five core concepts of the CCA program, the timeline progress, and the recommendation to approve the Updated Term Sheet. Ms. Miller also answered questions raised throughout the discussion.

Michael Campbell, CCA Director, PUC, presented a power point presentation and reviewed the challenges in finding one energy supplier that meets all requirements. Mr. Campbell reviewed the highlights of the term sheet, including the mitigation of risk by using a phasing approach and the target dates and terms. There was discussion regarding the \$15M reserve amount, which is dependent on the success of the program and only an uncapped liability if the successful program is stopped.

Todd Rydstrom, Chief Financial Officer, PUC, gave an update on the financial stability of the Hetch Hetchy Fund, which is scheduled to run out of funds in June 2014 if it continues at the current rate, regardless of the CCA program. Mr. Rydstrom presented possible options to fund the start-up of the CCA program: 1) de-green the program, 2) tap into the Hetch Hetchy fund, 3) use General Fund monies, or 4) bill the cost into the rates. The possibility of using a mix of the options was discussed or seeking out other options at low-to-no cost.

Public Comment: Al Weinrub, Clean Energy Alliance, spoke on what the advocates viewed as integral to move forward with the program and was in favor of sending the Updated Term Sheet forward to the Board of Supervisors; Erick Brooks, SF Green Party/Our City, expressed concerns regarding the build out of the program and stressed the importance of creating jobs; Eddie Aun, Brightline, urged the commissions to move the Updated Term Sheet forward to the Board of Supervisors for consideration; Jeremiah Dean, Sierra Club,

thanked the commissioners and staff for their work and conveyed how pleased the Sierra Club is to see the Updated Term Sheet being moved forward to the Board of Supervisors; Jean Bruscher, Global Exchange, expressed agreement with the other advocates' comments and is supportive of the program moving forward.

The commissions requested a range of 20-30MW be included in the Updated Term Sheet. Ed Harrington, General Manager, PUC, answered questions from the commissions regarding the difference in the range amounts. Chairperson Campos indicated that he will be introducing legislation on this matter at the next Board of Supervisors meeting.

Commissioner Avalos, seconded by Commissioner Schmeltzer, moved to amend the resolution on Page 4, Lines 7-8, by adding 'intends to authorize the' after 'SFPUC'; deleting 'will only have authorization' after 'Manager'; and adding 'to the satisfaction of the SFPUC' after 'met'. The motion passed by the following vote:

Ayes: Chairperson Campos, Commissioners Avalos, and Schmeltzer.

Noes: None.

Absent: Commissioner Mirkarimi.

Action: Amended

Commissioner Avalos, seconded by Commissioner Schmeltzer, moved to approve the resolution as amended. The motion passed by the following vote:

Ayes: Chairperson Campos, Commissioners Avalos, and Schmeltzer.

Noes: None.

Absent: Commissioner Mirkarimi.

Action: Approved as Amended

6. Letter to Governor Brown and the California Public Utilities Commission (CPUC) urging the adoption of a fair and equitable methodology for calculating the Community Choice Aggregation (CCA) Bond Amount

Michael Campbell, CCA Director, PUC, gave a brief overview of the letter to Governor Brown and the CPUC. Staff requested approval of the letter, which is coming from both commissions.

Public Comment: None.

Commissioner Avalos, seconded by Commissioner Schmeltzer, moved to approve the letter as presented. The motion passed by the following vote:

Ayes: Chairperson Campos, Commissioners Avalos, and Schmeltzer.

Noes: None.

Absent: Commissioner Mirkarimi.

Action: Approved

7. Public Comment

Eric Brooks, SF Green Party/Our City, requested the commissions take up the issue of electricity and mass transit on renewable.

LAFCo Business

8. Approval of LAFCo Minutes from the September 23, 2011 Regular Meeting

Public Comment: None.

Commissioner Avalos, seconded by Commissioner Schmeltzer, moved to approve the minutes of the September 23, 2011 LAFCo Regular Meeting. The motion passed by the following vote:

Ayes: Chairperson Campos, Commissioners Avalos, and Schmeltzer.

Noes: None.

Absent: Commissioner Mirkarimi.

Action: Approved

9. Executive Officer's Report

Public Comment: None.

No Report.

10. Future Agenda Items

The commissions discussed a possible joint meeting on December 6, 2011 at 12:00 p.m.

11. Adjournment

The meeting adjourned at 1:16 p.m.