



**SF Environment**

**Our home. Our city. Our planet.**



EDWIN M. LEE  
Mayor

MELANIE NUTTER  
Director

**CITY AND COUNTY OF SAN FRANCISCO  
COMMISSION ON THE ENVIRONMENT  
POLICY COMMITTEE**

**CORRECTED REGULAR MEETING DRAFT MINUTES  
MONDAY, FEBRUARY 13, 2012, 5:00 P.M.**

**CITY HALL, ROOM 421  
ONE DR. CARLTON B. GOODLETT JR. PLACE  
SAN FRANCISCO, CA 94102**

COMMITTEE MEMBERS: Commissioners Johanna Wald (Chair), Ruth Gravanis (Vice-Chair).

**ORDER OF BUSINESS**

- 1. Call to Order and Roll Call.** The Policy Committee meeting convened at 5:05 p.m. Present: Commissioners Wald and Gravanis.
- 2. Approval of Minutes of the January 9, 2012 Policy Committee Regular Meeting.** (Explanatory Document: January 9, 2012 Policy Committee Draft Minutes) (Discussion and Action) Upon Motion by Commissioner Gravanis, second by Commissioner Wald, the January 9, 2012 Meeting Minutes were approved without objection (AYES: Commissioners Wald and Gravanis).
- 3. Public Comments:** Members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda. There was no public comment at this time.
- 4. Status Update on CleanPowerSF, the City's Community Choice Aggregation (CCA) Program.** Sponsors: Commissioner Angelo King and Melanie Nutter, Director; Speaker: Mike Campbell, San Francisco Public Utilities Commission (SFPUC) (Informational Report and Discussion)

Mr. Mike Campbell, Manager of CleanPowerSF, SFPUC Power Enterprise, reported on the program's objective to provide San Francisco residents with a 100% renewable and greener energy-generation alternative. The California Energy Commission has certified that the renewable products that will be utilized will meet the state's Renewable Portfolio Standards (RPS) requirements. It was reported that market research results have shown that San

Franciscans have a large amount of interest in purchasing more renewable energy. As part of the first enrollment and phase-in of the program, 75,000 customers will be targeted. Costs are predicted to be from \$8.00 to \$50.00 more than PG&E rates depending on usage. Customers who choose to participate in the program would be billed for only the CleanPowerSF generation component as a line item on the PG&E bill. Notices will be sent to customers communicating the importance of staying with the program and discussing opt-out options.

Mr. Campbell reported that the contract will be with Shell Energy North America, who is providing energy to the Marin Energy Authority. Marin is also using the services of Noble Americas Energy Solutions to handle the office/accounting issues, as will the City. The Shell contract along with a supplemental appropriation request for \$19.5 million for collateral has been approved by the SFPUC Commission and is now before the Board of Supervisors for consideration. If approved by the Board of Supervisors in the next 30 days, final pricing will be secured from Shell, marketing and outreach will take place, opt-out notices sent, and service to customers will commence in the third or fourth quarter.

Mr. Campbell reported on future plans to build new generation resources and contract allowances to substitute resources that Shell has in their portfolio. He reported on discussions held with Mr. Cal Broomhead, Department of the Environment's Energy Program Manager, on the next phase of the program to design-energy efficiency programs. Director Nutter suggested that the Department's EnvironmentNow program be utilized as a resource for providing the outreach and education component to the community.

Deputy Director Assmann discussed the immense ramifications this program would have on the Climate Plan. He inquired about potential supply issues, the difference in short- and long-term rates, and comparisons with the Marin Electric Authority's (MEA) rates. Mr. Campbell reported that a larger program would not deliver economies of scale. Pricing would be slightly more than MEA's current rates because CleanPowerSF would be purchasing more renewables. The intent of the program is to stay within the bandwidth supplied by Shell in order to avoid supply issues. A new contract would have to be pursued to address additional supplies going forward. Pricing established with Shell is fixed but may escalate over time. Rates may become more competitive in the long-term once the City starts building its own resources that can start to depreciate.

Commissioner Gravanis inquired whether this program would bring the City closer or further away from public power. Mr. Campbell reported that many people see this as a stepping stone for public power. Commissioner Wald inquired about the availability of programs to subsidize the low-income community. Mr. Campbell reported that the same amount of low-income funding would be available as for PG&E programs.

Public Comment: Mr. Eric Brooks, San Francisco Green Party member, and Our City, a grass roots organization that manages consumer and social justice issues reported on his and advocates work with the SFPUC to discuss discrepancies in implementation strategies. He discussed progress that has been made, but asked that the Commission consult with the Advocates Coalition before taking a position. Mr. Brooks requested that more time be given for information to be developed before advocating for the program.

Ms. Lurilla Harris reported on her past work with the SFPUC Citizens Advisory Committee (CAC) and inquired (1) whether discussions have taken place with the CAC; (2) about the impacts

on PG&E smart meters; (3) the major energy sources for the program; and (4) source of program funding for the low-income discount. Mr. Campbell reported that (1) smart meters would serve the same function of recording usage, (2) discussions had been held with the CAC on a quarterly basis; (3) energy types have been specified, but not the source; and (4) that low-income customers would be eligible for the same programs as PG&E offers that would be funded through the same mechanism.

Mr. Mark Palmer inquired about sensitivity analyses polling results of the number of customers that would stay with the program based on the increase in rates. Mr. Campbell reported that the analyses showed that there would be a 50% opt-out rate on average for those with the lowest usage, and that the majority of the high-end users would be opting out. Mr. Palmer inquired whether the PUC addressed the Mayor's remarks quoted in the *San Francisco Examiner* about the program not being financially responsible. Mr. Campbell did not have information to report on the Mayor's views of the program.

Mr. David Pilpel discussed factors leading to PG&E's ability to secure better rates because of its long-term power contracts and SFPUC having to pay premium rates to enter the market. He discussed recent discussions that were held at the Civil Service Commission about contracting out outreach for the program and spoke of his support for having the Department of the Environment provide outreach. He suggested that the Policy Committee prepare a Resolution of support for the CleanPowerSF program for recommendation to the full Commission at its March meeting.

Commissioner Gravanis discussed the opportunity this type of issue presents for the Commission to do more outreach with grassroots organizations and encouraging the community to participate in forums for public discussions. Commissioner Wald suggested that the Commission hold joint public hearings on these and similar issues. Commissioner Gravanis suggested that the PUC contact relevant organizations on the potential environmental impacts of energy sources and consider how to factor these impacts into contracts. Commissioner Wald suggested that the Natural Resources Defense Council (NRDC) might be able to provide the SFPUC with criteria to analyze potential energy sources including in particular biomass and renewable sources. Commissioners suggested that the SFPUC consider ways the Commission could provide support for the program.

**5. Overview of changes to the IRS Pre-Tax Commuter Benefits Limits.** (Explanatory Document: Handout on Changes to Program) Speaker: Krute Singa, Program Manager, Clean Transportation (Informational Report and Discussion)

Ms. Krute Singa provided an overview of the pre-tax commuter benefits program that allows employees to pay for their transit, van pooling, and parking expenses on a pre-tax basis (reference handout). The Department of the Environment coordinates the pre-tax program for all City employees. As of January 1, 2012, the pre-tax limit for the transit and vanpool portion of the commuter benefit was reduced from \$230 to \$125 since Congress did not enact legislation to extend the higher level. The monthly parking pre-tax limit was increased from \$230 to \$240 per month. On February 7, the Senate Committee on Finance approved legislation that would reverse the cuts, and if approved by Congress, would restore the transit and vanpool portion of the commuter benefit.

Ms. Singa reported on actions that have been taken by the Department along with other agencies, organizations, employers, and commuters to outreach to congressional representatives to restore the parity between the transit and vanpool portion with the parking portion. A discussion was held on the impacts to employees, employers, the climate program, and sustainable transportation that would result if benefits were to be reduced. Commissioners suggested that a Resolution stating the Commission's position be prepared for consideration at the Policy Committee meeting on March 12 for recommendation to the full Commission.

Public Comment:

Mr. Eric Brooks suggested consulting with the Municipal Transportation Authority (MTA) on the possibility of initiating MTA mechanisms such as higher fees on parking so as to instill parities between transit and vanpool and parking benefits.

Mr. David Pilpel discussed the difficulty involved in implementing an MTA program as Mr. Brooks suggested due to MTA's ongoing budget deficit problem. He reported that the MTA is considering offering free transit passes for youth that is being debated due to their budget deficit. Mr. Pilpel suggested that the Commission prepare a Resolution that supports that a higher benefit or parity be restored for transit users as opposed to those who drive. He suggested that the Committee schedule a future discussion on the Transportation Sustainability Project.

**6. Department of the Environment Biodiversity Implementation Plan update.** Speaker: David Assmann, Deputy Director (Informational Report and Discussion)

Deputy Director Assmann reported on the Department's inclusion of a biodiversity section to its new website scheduled to launch in early spring. He reported on his work writing content and meetings scheduled with volunteer writers who are interested in biodiversity issues and have good writing skills. Discussions will be held with people organizing the Green Connections program to see if there are ways to tie in biodiversity. This effort will continue to be a priority and new funding sources are being sought.

Commissioner Gravanis reported on her intent to provide comments on the biodiversity content and to consult with other organizations involved in biodiversity. She reported that the Department does have an official biodiversity shelf of information from various organizations, various backyard and wildlife brochures in English and Spanish, and brochures from the Natural Areas program.

Public Comment:

Ms. Lurilla Harris inquired whether the biodiversity plan would include de-concreting the mediums. Commissioner Gravanis discussed the connection that exists with projects that replace concrete with vegetation and the opportunity to do it in a way that has wildlife value. She suggested that the Department connect with the Green Streets and storm-water management programs. Ms. Harris inquired about the legal status of Sharp Park proceedings.

Mr. Eric Brooks inquired whether coyotes and Sharp Park would be included in the biodiversity study work. Deputy Director Assmann reported that coyotes would be included in the

biodiversity plan. In reference to Sharp Park, there is a question as to whether the San Francisco biodiversity plan should address only the areas that are within the compounds of San Francisco or should include all other areas that the City has jurisdiction over. Mr. Brooks reported that the preliminary judge's ruling was to deny the injunction that would protect frogs and snakes at Sharp Park, but the actual court case has not been completed yet.

Mr. David Pilpel suggested that the Board of Supervisors be encouraged to adopt a biodiversity policy for San Francisco.

**7. Policy Committee Recommendations on Commission Goals and Action Items to Achieve Goals for Calendar Year 2012.** Sponsor: Commissioner Johanna Wald; Speaker: Melanie Nutter, Director (Discussion and Possible Action)

Director Nutter presented her ideas on the leadership and development role that the Commission can take in the categories of policy and Department support in achieving its goals. In the area of policy support, the main areas identified as priorities for Commission involvement include (1) the Climate Action Plan and implementation strategies, (2) City Biofuel mandate and strategy to increase biofuels in the public transportation fleet; (3) Renewable Energy Task Force recommendations review; and (4) connecting efforts with other City agencies on their sustainability and greening initiatives. In the area of Department support, priority areas that were discussed include (1) fundraising support; and (2) Outreach Team guidance, support, and ideas for development. The Commission would continue to play a role in the review of the America's Cup Sustainability and Zero Waste plans and review work in progress to offset carbon emissions.

Commissioner Gravanis provided the following comments:

- Calendar a Draft Climate Action Plan for Committee discussion before it becomes a final document.
- Create a formal forum for the public and organizations to discuss prioritization of climate goals and its connection with job creation.
- Put more emphasis on reducing car ownership than on promoting electric-car ownership.
- Concurred with the idea of working with other City departments on their greening and sustainability initiatives, stating that the Department has made a good start in this regard working on Citywide department climate goals and reporting.
- Concurred with Director Nutter's idea of researching Friends of the Department of the Environment group to help with fundraising.
- Update the Sustainability Plan. Commissioner Wald and Deputy Director Assmann discussed partaking in a multi-department effort of citywide sustainability activities.
- Secure funding and develop resources to work on managing sea-level rise, adaptation, and impacts of global warming.
- Hear presentations from the America's Cup Event Authority on carbon-offset plans for the America's Cup event.

Commissioner Wald provided the following comments:

- Prioritize work on the biodiversity implementation plan.
- Review ideas presented for overlaps and linkages due to limited resources.
- Articulate work on the Climate Action Plan in a way to help advance the relationship and objectives of advocacy organizations in reaching goals of the plan.

- Meet with the Mayor to discuss interdepartmental activity and interaction on sustainability topics to determine how to best work together and identify related goals. Commissioner Gravanis reported on a meeting with the Mayor that included her and Commissioner Tuchow to discuss this topic and the Mayor's suggestion that commissioners engage in peer-to-peer interaction. Director Nutter discussed the Mayor's staff work in convening City departments to work together on projects and her ability to engage the Director's Working Group on topics relevant to the Department and Commission.
- Schedule joint Commission meetings on sustainability topics and goals.

Public Comment:

Mr. Eric Brooks stated that the CleanPowerSF program is the cornerstone of the Climate Action Plan and asked that the Commission continue its involvement in the program to ensure that it reaches its legislated goals. He expressed his opposition to the City's biofuels mandate because of the increases in planetary gases that were reported in Europe. He suggested referencing the following website for additional information [www.biofuelwatch.org.uk](http://www.biofuelwatch.org.uk). Mr. Brooks suggested that the SFPUC, the Department and Commission provide information to Shell on where to purchase energy, as he believes that changes should be made to the state's RPS standards, because those state standards currently categorize fuel sources such as wood biomass and landfill gas as renewable when they are neither renewable nor sustainable. He asked that the Commission be involved in discussions that SFPUC has held with five water districts on a desalinization plan that he believes to be unsustainable.

Mr. David Pilpel spoke in support of Director Nutter's recommendations for Commission work priorities. He suggested that the list of goals be used as a basis for the Commission's Annual Report as a way to track accomplishments towards goals. He discussed the importance of inter-department cooperation to influence and coordinate efforts across the city and suggested that Director Nutter connect with other City departments through the Director's Working Group.

Commissioner Wald asked that this topic be continued to the March 12, 2012 Policy Committee meeting to identify additional criteria for selection of work plan goals. Commissioner Gravanis suggested researching work that has been accomplished or is in progress through other City plans so as not to duplicate efforts.

- 8. Director's Report and Updates.** (Explanatory Document: Director's Report) Speaker: Melanie Nutter, Director (Informational Report and Discussion). A written Director's Report was provided.

Items 10 and 11 were heard before Item 9.

- 9. Announcements.** (Discussion) This agenda topic was not heard due to a loss of quorum.

- 10. New Business/Future Agenda Items.** (Discussion) Commissioner Wald reported that she would not be available for the April 9 Policy Committee meeting. Resolutions of support for the CleanPowerSF program and Commission's position on the Commuter Benefits program as well as the Commission's goals for 2012 would be scheduled as action items for the March 12 meeting. Additional future agenda topics discussed include Climate Action Plan review,

America's Cup carbon offset program report, and the Renewable Energy Task Force recommendations.

Public Comment:

Mr. David Pilpel suggested that the Committee discuss the Transportation Sustainability Program at its May meeting.

Mr. Eric Brooks suggested that advocacy groups regarding the CleanPowerSF program be provided with an opportunity for longer public comment or to present an informational report in order to describe its discussions with the SFPUC. It was suggested that Mr. Campbell be invited to attend the meeting to sit in as an observer. Mr. Brooks suggested that the Commission discuss SFPUC's study that was prepared upon his request on urban composting toilets.

**11. Public Comments:** Members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on today's agenda. There was no public comment at this time.

**12. Adjournment.** The Policy Committee meeting adjourned at 7:25 p.m.

Respectfully submitted by Monica Fish, Commission Secretary  
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**The next Commission on the Environment Policy Committee meeting is scheduled for Monday, March 12, 2012 at 5:00 p.m., in Room 421, City Hall.**

\*\* Copies of explanatory documents are available at (1) the Commission's office, 11 Grove Street, San Francisco, California between the hours of 9 a.m. and 5 p.m., (2) on the Policy Committee's website <https://sites.google.com/a/sfenvironment.org/commission/policy-committee> with each set of minutes, or (3) upon request to the Commission Secretary at telephone number 415-355-3709, or via e-mail at [Monica.Fish@sfgov.org](mailto:Monica.Fish@sfgov.org).

Approved: