



SF Environment

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Director

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

**SPECIAL MEETING APPROVED MINUTES
WEDNESDAY, APRIL 4, 2012, 5:00 P.M.**

**DEPARTMENT OF THE ENVIRONMENT ECO CENTER
11 GROVE STREET
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 February 13, 2012 Policy Committee Regular Meeting.** (Explanatory Document: February 13, 2012 Policy Committee Draft Minutes) (Discussion and Action)

Public Comment: Mr. David Pilpel suggested a correction to Page 4 to state "Transportation Sustainability Program" instead of "Project." Upon Motion by Commissioner Gravanis, second by Commissioner Wald, the February 13, 2012 Meeting Minutes were approved with the correction suggested by Mr. Pilpel.

- 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.

Item 6 was heard before Items 4 and 5.

- 4. Policy Committee Recommendations on Commission Goals and Action Items to Achieve Goals for Calendar Year 2012 for recommendation to the Commission on the Environment.** (Continued Discussion from the February 13, 2012 Meeting) Sponsor: Commissioner Johanna Wald (Discussion and Possible Action)

Commissioners discussed the Strategic Plan as a mechanism for prioritizing Commission and Committee work in addition to selection of additional topics that are important but not part of the Strategic Plan. Director Nutter discussed the enabling role the Commission may have in working with staff on Strategic Plan goals and in identifying topics and projects of interest that staff is not currently working on. She suggested that Commissioners identify two to five main topics or projects to be involved in on an ongoing basis so that further input can be gathered from staff and provided to Commissioners. Possible topics suggested included biodiversity plan implementation, Community Choice Aggregation, renewable energy, climate action, and Eco Districts.

Commissioner Wald discussed identifying high-level goals for the Commission to work on with a clear plan of ways to achieve goals as was accomplished in the past, e.g., the Precautionary Principle and World Environment Day goals. Director Nutter suggested that the Commission consider amplifying the Department's efforts towards Eco Districts for district-scale greening projects. Mr. Cal Broomhead, Department Energy Manager, discussed the concept of Eco Districts, work in progress by City departments on this effort, and how staff and the Commission can be involved. Commissioner Wald suggested bringing in various Commissions to meetings around shared initiatives.

This agenda topic was continued to the April 30, 2012 Policy Committee meeting for selection of goals for recommendation to the Commission.

5. **Director's Report and Updates.** (Explanatory Document: Director's Report) Speaker: Melanie Nutter, Director (Informational Report and Discussion). Director Nutter provided a written report for Committee review.
6. **CleanPowerSF -- Presentation by Community Choice Aggregation (CCA) Advocates.** (Explanatory Documents: Local Clean Energy Presentation to Committee; Community Letter/Sign-on to local build out of program; and CleanPowerSF Jobs Estimate) Sponsor: Commissioner Ruth Gravanis; Speakers: Eric Brooks, Community Advocate and Mr. Al Weinrub, Local Clean Energy Alliance (Informational Presentation and Discussion)

Commissioner Gravanis reported that a representative from the San Francisco Public Utilities Commission presented on the CleanPowerSF program to the Policy Committee at its February 13 meeting. Mr. Brooks, a community advocate who attended the meeting, requested an opportunity for advocates to share their views about Community Choice Aggregation with the Committee.

Mr. Al Weinrub, Coordinator, Local Clean Energy Alliance, representing advocate organizations (list of organizations is included in the presentation explanatory document), presented an overview of community choice energy and community choice energy in San Francisco (CleanPowerSF) and the position of advocates on the program. Topics of discussion included (reference explanatory documents).

- What is Community Choice Energy?
 1. Definitions and comparisons between energy provided by an investor-owned utility (PG&E), Community Choice, and Public Power.
 2. California Community Choice initiatives in California communities that are developing or considering Community Choice programs.

- Community Choice Energy in San Francisco—CleanPowerSF.
 1. 2007 CleanPowerSF Ordinance, energy resources, and Proposition H bond financing.
 2. CleanPowerSF and Community Choice structure.
 3. Two power procurement options of Community Choice Energy--comparisons and tracks between market purchase and local build-out of energy resources.
 4. CleanPowerSF procurement tracks--market purchase track of start-up program and local build-out of core program.
 5. Local Build Out Advantages--optimized to beat PG&E prices and create local jobs potential.
 6. CleanPowerSF, current state of program, problems, and recommended solutions to program as proposed.
- Conclusion:
 1. CleanPowerSF program goals can provide community benefits and be an engine for economic and social-development.
 2. CleanPowerSF Community Advocate Organizations sign-on in favor of local build-out of program.

Commissioner Gravanis suggested that there be criteria written into plans for selection of renewable energy sources to take into account effects on wildlife. Commissioner Wald and Mr. Weinrub discussed the cost benefits of investing in energy-efficiency as compared to purchase of market energy and build-out of new energy sources. He explained that the relatively low cost of energy-efficiency means that when integrated with new energy generation, energy efficiency can be leveraged to drive down total system costs of electricity, and thereby provide the basis for competing with PG&E bills in a way that cannot be done with new generation alone.

Mr. Cal Broomhead, Department Energy Manager reported on the design of the program to meet a certain load that the power purchaser is paying for. Regardless of the power provider (CCA or PG&E), energy efficiency helps lower the amount of power that needs to be procured, thereby reducing the bills customers pay even if the rate is higher. Through CCA, the City of San Francisco would have greater control over the use of ratepayer funds (through the "public goods charge") to carry out energy efficiency and demand response programs to help lower the cost of electricity procurement for the CCA. Also, depending on how the contracts are written, planning for efficiency could be affected to the extent the contract includes a "take or pay" provision where you pay whether or not you use the power.

Commissioner Wald inquired if a study has been done on the amount of renewable resources that are available in San Francisco in order to determine how much power can be generated locally for the purpose of accomplishing a local build-out. Mr. Weinrub reported on studies that have been done in the past and one that is currently being accomplished that will include this type of detail. He explained that a comprehensive local build out plan that advocates are in favor of entails a far more diverse and comprehensive set of renewables, efficiency installations, demand response, and storage technologies.

Ms. Danielle Murray, Department Renewable Energy Program Manager and Co-Chair of the Renewable Energy Task Force, reported that given current technical and economic limitations, the availability of financially-viable local solar photovoltaic or other renewable

energy sources is fairly small in comparison to the city's total demand, so purchasing power from outside the city is necessary at this time. She discussed studies in progress and future opportunities that may become available with advancements in renewable energy programs and technology. Mr. Broomhead discussed optimizing solar rooftop potential in San Francisco (reference www.sf.solarmap.org).

Commissioner King inquired whether the source of the \$19.5 million dollars that is being allocated to Shell to purchase power is from the City's energy-efficiency programs. Mr. Weinrub reported that \$15 million of the \$19.5 million funding is being placed in a reserve (escrow) account as a guarantee to Shell in case the program were to fail. It is not being sourced from the City's energy-efficiency programs. He discussed changing the nature of the CleanPowerSF launch plan to reduce the risk of the program, so there would be no need for such a large guarantee.

Commissioner King stated that the contract should mandate that renewable facilities be created in San Francisco in order to insure economic development. Mr. Weinrub reported that the contract states that Shell will procure 30 MW of 100% renewable energy for the SFPUC, but does not discuss the local build-out of the program. He discussed the need for a different launch plan that would take into account the build out program that has not yet been designed.

Mr. Eric Brooks discussed the original plan adopted by the Board of Supervisors in 2007 to utilize voter approved Proposition H revenue bonds to plan and design an entire package of hundreds of megawatts of renewable energy and efficiency installations through local development of diverse clean energy resources, which would generate local electricity and create green jobs. He reported on current plans set forth by the SFPUC to purchase only 30MW of power from Shell and incrementally use the limited income received from the small rollout to start a much smaller scale incremental build out which he stated is contrary to the original plan voted on by the Board of Supervisors.

Public Comment: Mr. Hunter Stern, Electrical Union, stated that he represents electrical utility workers and is in opposition to a contract with Shell, an out-of-state company. He expressed interest in realignment of a local build-out of renewable facilities that may create jobs that would present an opportunity for union members and other workers, but stated that the current program is too expensive to drop on a particular rate base. Mr. Stern stated that he is favor of utilities that have the experience and expertise continuing to develop these programs.

Mr. Broomhead discussed his work on the Community Choice Aggregation Task Force and discussions that were held about risks with the program and potential solutions. He discussed methods for bonding energy-efficiency programs. Ms. Murray spoke in support of the Community Choice Aggregation program as the most effective way to reach renewable energy goals and maximize efficiency. She discussed the need to balance the use of local/non local resources in order to build out as much renewable energy as possible that would provide local and regional benefits and lead to a reduction in overall greenhouse gas emissions.

Commissioner Wald inquired whether the SFPUC rejected a tiered program that is similar to Marin County's. Ms. Murray reported that the SFPUC's original program was tiered but their

marketing research showed that those customers that were likely to join the CCA at 50% renewable were just as likely to join, and would actually prefer, 100% renewable power, even at a price premium. Providing 100% renewable power is expected to help better differentiate CleanPowerSF's product from PG&E's, while also providing greater environmental benefits

7. **Announcements.** (Discussion). There were no announcements made at this time.
8. **New Business/Future Agenda Items.** (Discussion) Commissioners requested that the April 30 Policy Committee meeting include a presentation by the Municipal County Transportation Authority on plans for high-speed rail and continued discussion and possible action on Policy Committee recommendations on Commission goals and action items to achieve goals for calendar year 2012 for recommendation to the Commission on the Environment.
9. **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.
10. **Adjournment.** The Policy Committee meeting adjourned at 7:07 p.m.

Respectfully submitted by Monica Fish, Commission Secretary
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** 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.

Approved: April 30, 2012