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Services of the San Francisco Public Utilities Commission

# **cleanpowerSF Update**

## **San Francisco Public Utilities Commission**

**November 20, 2012**  
**Citizens' Advisory Committee**

**Cheryl Taylor**  
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**San Francisco Public Utilities Commission**



# Key Program Components

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- **Choice.** San Franciscans can choose what kind of energy they want based on environmental impact and pricing.
- **Climate Action.** CCA provides a mechanism to directly address City goals and global climate change.
- **Size.** Initial phase to be 30 MW.
- **100% Green.** For every kilowatt-hour of energy program participants consume, an equivalent amount of renewable energy is produced.
- **Public-Private Partnership.** Energy provided by CleanPowerSF; delivery of energy, metering and billing, and outage response provided by PG&E.
- **Electricity Supplier.** Shell Energy North America to provide the electricity supply (initial contract term of up to 5 years).
- **Customer Service.** Noble Americas to provide customer-side services, including hiring of local residents.



## Key Program Components (continued)

- **Mitigation of Program Risk by Targeted and Phased Program.**
  - Initial target of **90,000** participating residential customers.
  - Opt-outs to be sent to approximately half of eligible residential accounts. All others, including non-residential accounts, may opt-in.
  - Assumes about half opt out, based on market research, for initial phase.
- **City Appropriation.** City to appropriate \$19.5 million for collateral and cash reserves to launch initial phase.
- **Environmental Incentives.** Appropriation includes \$6M to create incentives for CleanPowerSF participation, including:
  - \$2M - Energy Efficiency
  - \$2M - GoSolarSF Incentives
  - \$2M – Studies to facilitate development of local generation
- **First Step towards Local Build-Out.** Once customer revenue stream established, renewable build-out to follow, with City resources layered in to replace/augment Shell resources.



# Board of Supervisors Approved Shell Contract & \$19.5M Appropriation

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## Amendment Highlights

- Prioritize low-income customers' receipt of energy efficiency and GoSolarSF services.
- Minimize low-income customers' barriers to participation while maintaining financial viability.
- Provide appropriate low-income discount and incorporate "hardship fund" component in rates.
- Include repayment of reserves in rates.
- Conduct extensive community education and outreach to low-income & non-English speaking monolingual communities.
- No departure charge during first 6 months of operations; charge only *de minimis* amount thereafter.



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# Robust Strategy to Fully Inform San Franciscans

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- **Paid Media** including multilingual television/radio advertisements, newspaper advertisements, mail pieces, billboard/outdoor advertising, online advertising and more.
- **Partnerships with community-based organizations** to reach low-income residents and limited-English speaking populations.
- **Community Engagement** including neighborhood meetings, community coffees, volunteer door-to-door events, informational booths at community events, press conferences, editorial board meetings with neighborhood newspapers, social media and more.



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# Robust Customer Notification and Education Plan (continued)

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## Staff developing detailed framework for CleanPowerSF Customer Notification and Education Plan:

- Analysis of Market Research and Community Engagement to date.
- Rollout of Proposed Early Notification Period.
- Formal Launch of Statutory Opt-Out Period.
- Key Communications Strategies and Budget.
- Proposed CleanPowerSF Timeline.



## SFPUC Conditions Prior to Launch

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- CleanPowerSF rates are approved by the SFPUC and Board of Supervisors sufficient to cover the costs,
- CPUC has made its final determination of the CCA bond amount and the SFPUC has met the requirements,
- all appropriations have been authorized,
- the SFPUC Power Enterprise has rates in place to be financially stable and in compliance with its reserve policies, and
- a contract for customer billing, data management and other administrative services with Noble Americas or another entity has been approved.



# Proposed CleanPowerSF Timeline

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## ***4th Quarter (Oct—Dec 2012)***

- Gather input from Mayor's Office, Board of Supervisors (BoS), SFPUC Commissioners, SFE, and various stakeholders.
- **Nov 30: Present Customer Notification and Education Plan for approval at Joint SFPUC-LAFCO meeting, including release of contractor funds.**

## ***1st Quarter (Jan—Mar 2013)***

- 3<sup>rd</sup> Citywide customer survey.
- **Feb 12: Commission adopts not-to-exceed rates.**
- **Mid-March:** Deadline for BoS to reject not-to-exceed rates.

## ***2nd Quarter (Apr—Jun 2013)***

- Early Notification Period commences.
- **June 26:** Commission reviews findings and authorizes GM to sign Shell Master Agreement.





# Proposed CleanPowerSF Timeline (continued)

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## ***3<sup>rd</sup> Quarter (Jul—Sep 2013)***

- **July:** SFPUC signs Shell Master Agreement.
- **August: SFPUC and Shell sign Confirmation, obligating City to purchase energy at approximately \$38 million annually for 4.5 years.**
- Statutory opt-out period commences (1<sup>st</sup> and 2<sup>nd</sup> notices sent).
- Broadcast media begins.

## ***4<sup>th</sup> Quarter (Oct—Dec 2013)***

- **CleanPowerSF LAUNCH.**
- Statutory opt-out period ends (3<sup>rd</sup> and 4<sup>th</sup> notices sent).
- Broadcast media concludes.

# Questions?