San Francisco Public Utilities Commission
Citizens’ Advisory Committee
Power Subcommittee

MEETING MINUTES - FINAL

Tuesday, May 7, 2013
5:30 p.m. – 7:00 p.m.
525 Golden Gate 2nd Floor O'Shaughnessy Conference Room

Members
Doug Cain (D3)   Walt Farrell (D7)   Avni Jamdar (M-Env. Group)
Stephen Bjorgan (M-Eng./Financial)   Ted Ko (B-Small Business)
M = Mayoral appointment, B = Board President appointment

Staff: Teresa Young

ORDER OF BUSINESS

1. The meeting was called to order at 5:37 p.m. by Chair Ted Ko when quorum was met.
   Present: T.Ko; W.Farrell; S.Bjorgan; A.Jamdar; D.Cain
   Staff Present: T.Young; M.Meat; A.Patane; S.Chen-Hagen; A.Frank
   Public Members Present: Anne

2. Approval of the April 2, 2013 meeting minutes
   W.Farrell moved; S.Bjorgan seconded. T.Young corrected a typo on item #1.
   Minutes approved by acclamation.


4. Report from the Chair: Ted Ko
   T.Ko sent a Google spreadsheet to Subcommittee members to help track potential agenda items and plan ahead for future meetings taking place over the next few months. This could also track potential resolutions. The Subcommittee can also invite community and non-profit groups to present on what they care about power-related items.
   S.Bjorgan suggested that T.Ko consider presenting on what he does in regards to renewable energy and legislation.

5. Staff report: Angela Patane, GoSolarSF Program Manager
   A.Patane provided updates on the GoSolarSF program changes. She will return to the Full CAC on May 21, 2013 to do a full presentation.
   A handout was distributed and included recommendations from an analysis on the GoSolarSF program with resulting recommendations on program changes.
   A.Patane: The way the program works is that the ordinance allows the Program Administrator to lower incentives, which we have done a few times over the last few years. We will be entering the fifth year of a ten year program. This year was a little bit more extensive. We are requesting changes that require an ordinance change. The main change is that we would like to reorganize the residential incentive, which now is a tiered structure that is confusing with different steps. We want across the board to have a kilowatt incentive and be more similar to our other incentives. Basically it is program improvements that would provide more incentives to more people over time.
   A.Jamdar: What do you mean by reducing incentives?
A.Patane: It means reducing the incentive level. The handout was distributed to the solar community. We are having a solar community meeting next week to present this information and gather feedback. The meeting will be on Monday, May 13 from 3:00pm - 4:30pm at 525 Golden Gate 3rd floor Tuolumne Conference Room. People who can’t join in person can tune into the webcast.

T.Ko: I was at the GoSolarSF task force meeting a month and a half ago. A major problem we heard from the installers was that due to the start-stop nature of the budget, they couldn’t actually guarantee that they’d get the incentive anymore. Installers are selling the system to their customers at X cost with X incentive. However, the chances of them getting the incentives have dropped so low that they can’t promise that anymore.

A.Patane: This really solves that because it is a systematic step that’s predictable. It steps down at the fiscal year. If someone is selling a project and they don’t get funded for this fiscal year, they could forecast what the incentive will be the next year. We’re doing away with the quarterly budget. Every year our challenge is stretching out the funding through the whole year. This year, we’re looking at allocating the budget quarterly. What happened was that we ran out of funding on the first day. It didn’t work out this year, which is why we’re proposing changes.

6. Introduction: Kim Malcolm, Director, CleanPowerSF
Skipped item #6. K.Malcolm could not make it tonight and she will come to a subsequent meeting.

7. Presentation and Discussion: Update on California Legislation Regarding Power Initiatives, Meg Meal, Regulatory & Legislative Affairs Manager, Power Enterprise
Discussion and Q&A
W.Farrell: What does “GHG” mean?
M.Meal: GHG means greenhouse gas.
W.Farrell: What is this renewable portfolio standard (RPS)?
M.Meal: RPS is a state law that requires all electric utilities in California to provide a certain percentage of their supplies from renewable resources. The current standard is 20% (started 2011) and ramps up to 33% by 2030. Our requirement isn’t a specific percentage, but we need to get our supplies from Hetch Hetchy or renewables.
T.Ko: Which formulas would be most advantageous?
S.Chung-Hagen: Since our SF schools don’t have a much public school children, number of pupils will not be as advantageous for us. If you start looking at economic levels, Title 1 and free/reduced lunch, those might be some things that are more advantageous to us because almost 60% of kids are on the free/reduced lunch level. We would like suggestions that the Subcommittee would have on different formulas that may be useful. Right now, the Daly Own bill may has the most legs. We’re looking at whether a hybrid model of a formula would be more advantageous to us. Other cities around the Bay Area may have a similar situation as San Francisco.
A.Jamdar: As opposed to $67 per pupil allocation that the Governor is proposing, you’re pushing back against that?
S.Chung-Hagen: Right. Initially one of the things we want to see the overall population base is much better for us, because a third of our kids are in public schools and the other two thirds are in private schools. That’s why it’s not as advantageous for us to have per-pupil dollars.
T.Ko: I was at the Senate hearing last week where this topic was being discussed. You’re not necessarily going to target the schools that need it, but you’re giving everyone just enough money to not do something. The right projects won’t have enough money to do something meaningful.
M.Meal: On the Prop 39 funds, we are uniquely positioned because we’re both the electricity provider to the schools and the schools themselves. There’s a natural partnership that not everyone else has.
D.Cain: I assume there is a list of schools prioritized to receive the funds?
M.Meal: I don’t think that prioritization has been done for this explicitly for this within San Francisco. We do work with San Francisco Unified School District (SFUSD) on energy efficiency and renewables development. We work with SFUSD on opportunities for energy efficiency and where the school district
wants to direct money for educational programs. We work with them to figure out the best locations and there are a lot of factors that go into it.

D. Cain: Does Prop 39 funds go into facility improvements?
M. Meal: It would go into facility improvements.
D. Cain: So you’re saying that there isn’t a priority list for schools that would receive the funds?
M. Meal: Not as far as I know under these bills.

T. Ko: The state-wide formula has not been determined, but we could have our own prioritized list of schools in San Francisco that need the money the most.

S. Chung-Hagen: We probably have a process in place internally, but I’m not sure.

M. Meal: I don’t have the details and I’ll have to get back to you. We do work with SFUSD regularly. One of the recent solar installations was at Alvarado Elementary School. I don’t know why that particular school was selected for that project.

S. Bjorgan: I think I do. I believe that the rooftop was more viable to handle a solar installation.

T. Ko: Most of it is energy efficiency.

S. Bjorgan: How much can you do to a building’s shell without taking it down and starting over? I think we should identify the needs first and then see what we should go after. If there’s an out, we could also then use the overflow on public buildings.

A. Jamdar: I know community colleges are on the list and they have such a big need. Overall on the state-level in terms of the formula, it would make sense to prioritize inner-city school districts in need of funding.

T. Ko: Some of the districts with the most need have had the least investment.

D. Cain: We also have our own city politics in play here. There is lot of school buildings that the Mayor wants the district to sell. Is this going to be thrown into the mix of doing energy efficiency?

T. Ko: Maybe it’s worth asking the staff about existing formulas to internally prioritize the schools. The Subcommittee can look at that and provide ideas on how it should be done. We could also encourage the Commission to go for a formula that would go with that prioritization.

S. Bjorgan: Maybe the energy efficiency improvements don’t have to be tied to a physical plant, because we can then implement renewables using community solar. Also a question is the housing authority considered a public building under this?

A. Jamdar: Not under this.

D. Cain: I think they actually are private corporations owned by a public entity.

A. Jamdar: They’re also are regulated a lot.

T. Ko: In terms of community colleges – if we think internally as a city that we do want to make sure someone gets to the community colleges as much as Kindergarten through grade 12, then we should advocate for the bills to include that. If we decide that we want to get money to community colleges, then we would want to advocate a legislature that includes that.

A. Jamdar: Didn’t a lot of the SFUSD buildings get retrofitted?

M. Meal: I don’t know. I think there’s a lot of potential, but I’m not the best person to speak on that.

W. Farrell: What does “RPS” mean?

M. Meal: RPS is the acronym for renewable portfolio standard.

T. Ko: Are there article revisions in RPS for electric vehicles?

M. Meal: There are for electric vehicles. There are no provisions to serve light rails or fixed guide ways, which would cover cable cars, overhead buses, and light rail system. In the original regulations, light rail fixed guide way was excluded. We and others advocated for light rails to be included. Now CARB is undertaking a rulemaking to set up the rules and formulas for providing credits to fleets and rail operators that are using electricity as a transportation fuel, so that they can compete on the same basis as other transportation fuels. We’re working with SFMTA on that. When you’re using electricity for transportation, you need to take a look what it will be displacing.

D. Cain: Meaning displacing people out of cars?

M. Meal: Correct.
W.Farrell: How big of staff do you have?
M.Meal: We have about five people. We share staff time across other groups. It's not like we have people working 100% time on regulatory/legislation topics.
W.Farrell: Do you have anyone in Sacramento?
M.Meal: External Affairs works with lobbyists in Sacramento.
S.Chung-Hagen: The External Affairs team that's been working on legislation has been down two staff members. I just came on board and another staff member will be joining us next week.
T.Ko: The PG&E green option just had a settlement two weeks ago, correct?
M.Meal: Yes.
T.Ko: Is it a serious threat to CleanPowerSF?
M.Meal: We have been an active party in that proceeding where we will file comments on the green option proposal. PG&E is proposing to offer a voluntary program for customers that choose to sign up where PG&E would dedicate a certain amount of renewable supplies to those customers. PG&E would essentially purchase renewable energy credits (RECs) to match their own supplies. They changed their program to have power explicitly from identifiable renewable facilities within PG&E’s service territory and provide those supplies to customers that specifically sign up for that program. In concept, we’re very supportive of it. It’s a good way to directly promote additional renewables over what PG&E’s already required to do. The problem is that the way it’s structured, it could be a competitive threat to Community Choice Aggregation programs (CCA). This is because PG&E is starting off by using its existing renewables and shifting them. PG&E could allocate some more renewables to some customers and less to most other customers and they could recover that cost. Unless you get the rate making right and allocate the costs appropriate, there’s a potential for them to undercut our price.
T.Ko: In the CleanPowerSF update that Barbara Hale presented previously, it included estimates of uptake based on whether PG&E had its own option and if people would opt out. This is essentially that last option of the survey. If we launch CleanPowerSF and PG&E launches another thing, there was a drop off.
D.Cain: What I’m hearing that other organizations are settling?
T.Ko: People who didn’t settle will do their own protests.
M.Meal: We will raise the concerns about cost-shifting and competitive program.

Public comment:
D.Pilpel: On slide 6, it is not just SFMTA but also SF Environment is very concerned about cap and trade accounting. I hope we’re coordinating with the other agencies.
M.Meal: Good point. I will check in with them.
T.Ko: Is there further information about this topic that we want Power to come back about?
A.Jamdar: I’d like a follow up on Prop 39 and how it’s getting formulated.
T.Ko: Another question to consider is if we want to have a position on the future of RPS. Does the SFPUC have a position on this as well?

8. Discussion of Future Resolutions
T.Ko: S.Bjorgan – can you bring back the resolutions you were working on for the next meeting?
S.Bjorgan: Yes.
T.Ko: M.Meal mentioned about PG&E’s general rate case (GRC) about streetlights. That could be a potential future resolution about how we should be intervening with the GRC on streetlights. It would be good to get a follow up on that.
A.Jamdar: AB543 workforce standards around energy efficiency.

9. Future Agenda Items
T.Ko will mail out future agenda items.
- Emergency preparedness for power and system resilience
- Hunters Point Phase 1 update
- Community benefits as it relates to power

Public comment: none.
10. Announcements/Comments – The next regularly scheduled meeting will take place on Tuesday, June 4, 2013

11. Adjournment at 6:48 p.m. D.Cain moved; T.Ko seconded.