1. Call to Order and Roll Call
Chair Kevin Cheng called the meeting to order at 1:35 p.m.
Present: Kevin Cheng, Patricia Breslin, Donald Hilla, Linda Yeung for Naomi Kelly, Risa Sandler for Ben Rosenfield, and Anthony Ababon for Nadia Sesay
Howard Ash was excused.

2. Public Comment: Members of the public may address RFB on matters that are within the RFB’s jurisdiction and are not on today’s agenda
Public Comment: None

3. Discussion and possible action regarding the approval of the minutes from the meeting held on November 16, 2012. Chair Cheng requested to table the minutes to the next meeting.

4. Presentation regarding Local Power proposed business case and rates.
Mr. Paul Fenn, Local Power Inc., SFPUC contractor, presented the Proposed Business Case and Ratepayer Impacts for CleanPowerSF. Mr. Fenn described the business case which includes issuing revenue bonds from the voter approved Proposition H authority to accelerate a local build out of renewable resources and energy efficiency measures throughout the City. The model also integrates available Hetch Hetchy power not used by the Modesto and Turlock irrigation districts. Another element is the purchase of renewal energy credits.

Mr. Fenn responded to questions during the presentation. Chair Cheng requested information on the PACE programs. Mr. Fenn stated he would get that information for Mr. Cheng

Member Yeung requested that Mr. Fenn provide information, through the PUC staff, regarding the 3,000 jobs associated with Local Power’s proposal: what types, what types of job training program. Mr. Fenn stated that would be provided.

Public Comment:

LAFCo Commissioner Hope Schmeltzer expressed concerns reports that Local Power produced in 2005. Ms. Schmeltzer cited City Attorney concerns regarding
the feasibility of using Proposition H bond authority and other concerns regarding CHP sites and the possible need to waive local environmental rules.

*Eric Brooks, SF Green party, Our City,* spoke in favor of Local Power’s proposal stating that the approach was more viable than a slow incremental approach.

5. **SFPUC progress report regarding work with Local Power.**

SFPUC Assistant General Manager Business Services and Chief Financial Officer Todd L. Rydstrom presented a progress report on Local Power deliverables.

Chair Cheng transferred Chair to Patricia Breslin and left the meeting from 4:10 p.m. and returned at 4:15 p.m.

Public Comment:

*Paul Fenn, Local Power* stated that he did not anticipate any underground pipelines for the Local Power proposal.

*Jim Lazarus, Chamber of Commerce,* stated his concern that the SFPUC’s proposed not-to-exceed rates are not competitive.

*Eric Brooks, SF Green party, Our City,* stated that the original idea for program implementation included locally produced green power adding that this is not possible without a big capital project.

*June Brashares, LCEA* spoke in support of the Local Power proposal stating that the model shows the way forward.

*Jessica Dervin-Ackerman, Sierra Club,* spoke in support of the Local Power proposal stating that it would be a shame for this program to go forward without fully looking into the business model of Local Power.

*David Pilpel* stated that he was concerned that a large build-out program may bring risks existing core programs of the SFPUC.

6. **Discussion and possible action relating to SFPUC proposed not-to-exceed rates for CleanPowerSF**

SFPUC Director of Financial Planning Crispin Hollings presented the Not-To-Exceed rates for CleanPowerSF and responded to questions.

Member Yeung spoke to CleanPowerSF polling for San Francisco residents stating that we want to be very transparent regarding the premium and requested that polling results be presented to the Rate Fairness Board.

Mr. Rydstrom noted that while CleanPowerSF rates will be presented to the Commission on January 22nd, rate action is not expected until February or March.

Public Comment:
Al Weinrub, Local Clean Energy Alliance, spoke regarding his concern that the proposed not-to-exceed rates are high and are not likely to be popular for green energy and that the program may have a high number of opt-outs.

Eric Brooks, SF Green Party & Our City, requested that the City not move too quickly on setting these rates in order to have a manageable opt-out rate.

Jessica Dervin-Ackerman, Sierra Club also spoke to the importance of the opt-out rate and concerns that a higher premium would create a higher opt-out rate.

Chris Wright spoke regarding his belief that the proposed rates are high and are not competitive with PG&E.

June Brashares acknowledged conflicts between a smaller plan that could move more quickly and a larger plan that would take longer to implement.

Jason Fried, LAFCo stated that the Board of Supervisors did not require that CleanPowerSF recover reserves of 4 ½ years and that a longer recovery period could reduce the premium.

Member Breslin stated she was uncomfortable setting rates before the latest polling results were available and expressed an interest in making rates more competitive.

Member Yeung also expressed discomfort with the high rate premium. Mr. Rydstrom responded that the rate could be adjusted by revising the recovery of reserves but that there are trade-offs in that the reserves money could be used for future build-out including local solar.

7. Discussion on future meetings, dates, times, and topics pertaining to CleanPowerSF

Member Breslin moved to schedule the next meeting for Friday, January 18, 2013. Chair Cheng suggested that the Rate Fairness Board might present an oral preliminary presentation to the Commission on January 22nd with a follow-up presentation in February.

Public Comment:

Eric Brooks, SF Green party, Our City, suggested that the Rate Fairness Board hear updates from Local Power.

8. Chair’s Report

Chair Cheng stated there was no report.

9. Discussion and possible action relating to other future agenda Items

Chair Cheng stated this item has been reviewed.

10. The meeting adjourned at 5:05 p.m.