

Implementation Plan Comparison Matrix

ITEM	REQUIREMENT	STATUTE REF.	LOCAL POWER PLAN SEC.	LOCAL POWER APPROACH	SFPUC APPROACH
1	The process and consequences of aggregation	366.2(c)(3)	II-4.0, II-5.0	Plan prepared for SF Board of Supervisors to submitwritten to CPUC. Focused on legislative and CPUC required process and information needs.	<p>The SFPUC/SFE suggests that they were not tasked by the ordinance to directly report on this matter. and that it is listed as a Background item in the Ordinance (Section 2).<sup>1</sup></p> <p>However Chapter 1 - Executive Summary contains a time-line for the process of becoming a CCA with a target implementation date of April 2007.</p> <p>The SFPUC/SFE Draft Implementation Plan does for informational purposes for city officials contain in Chapter 9 an assessment of current CPUC proceedings that could impact CCA implementation.Plan written to Board of Supervisors. No specific aggregation scenario, therefore no description of consequences. Many open questions.</p>
2	An {The appropriate scope and} organizational structure of	366.2(c)(3)(A), SF	II, IV, V	CCSF establishes a single purpose implementing entity to	See generally Chapter 1 "Executive Summary", Chapter 7

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	the program, its operations, and its funding.	Sec.3.A.1		oversee program implementation. SFPUC has long-term operating/oversight role. ESP provides electrical supply, efficiency/conservation and renewable infrastructure build/operate/maintain. CCSF issues H Bond secured by ratepayer revenue.	<p>“Organizational Scenarios”.</p> <p>The program should offer universal service to all electric customers in San Francisco however direct access customers, BART, and customers served with power supply by Hetch-Hetchy either cannot be or should not be included in the CCA at least initially. The program should offer not only power supply but also energy related services like energy efficiency.</p> <p>Organizational Structure: See generally Chapter 7 “Organizational Scenarios”. <b>The draft plan does not presume to recommend to the BOS any particular governmental structure for implementation of a CCA but regards this as a matter for analysis by the CCA Task Force, analysis by the Mayors Office, and further discussion by all relevant stakeholders<sup>2</sup>.</b> Appendix A provides details on the staffing requirements of a number of CCA functions if they were</p>

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					<p>undertaken directly by CCSF employees. The SFPUC/SFE believe that any newly formed “implementing entity” for CCA would have to report to the office of the Mayor as is traditional in CCSF government. Please also see note above regarding the issue of the CPUC jurisdiction regarding a CCA Implementation Plan.</p> <p>Operations: See generally Chapter 3 “Ratesetting Dynamics”, Chapter 4 “Resources and Costs”, and Chapter 7 “Organizational Scenarios” and Chapter 8 “Communications Plan”.</p> <p>The operations of the CCA will directly link to the number of functions undertaken by CCSF issues bonds for renewable energy development the range of operations will increase as will the participation of other city departments. itself rather than the supplier. However</p>

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					<p>operations for customer communications, customer rate-setting, energy efficiency program options, and supplier oversight by CCSF are described in all of these chapters. Also operational requirements for specific functions like a call centre are analyzed in Appendix A.</p> <p>Under the scenario where the CCA bonds for renewable energy development the range of operations will increase as will the participation of other city departments.</p> <p>Funding: Chapter 5 discusses the use of Prop H Bonds to support CCA and finds that the bonds cannot be used for energy conservation for CCA customers because this would result in private benefit from issuance of the bonds that is not allowed under State law.</p> <p>Chapter 5 finds that Prop H Bonds can be issued – once basic</p>

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					<p>credit requirements are met – for support of renewable energy development and delivery of that power for all CCA customers.</p> <p>A “to be defined” organizational structure that would have responsibilities to be defined when the scope of the CCA program is defined from the mix and match options set forth covering electrical supply, supporting services, and energy resources. HHWP gets a bond rating secured by existing operations.</p>
3	City ratesetting mechanisms and other costs to participants	366.2(c)(3)(B), SF Sec.3.A.2	V-2.1	ESP proposes ratesetting process and rate schedule to be approved at time of contract award, constituting the single and only ratesetting action under the contract. Risks borne by the ESP.	See generally Chapter 3 Ratesetting Dynamics which describes <u>the ultimate responsibility for setting generation rates as resting with CCSF not with a supplier</u> - however the need for interaction with the supplier regarding ratesetting actions is described. The competitive context for setting rates as well as the consumer protection aspect of

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					<p>setting rates – e.g. public notice of rate changes is described. Continual ratesetting is not described in Chapter 3 – however different options for rate changes are described.</p> <p>Alternative rate-setting mechanisms e.g. a rate schedule proposed by a supplier under an RFP would still presumably require rate changes created by suppliers experiencing cost increases/decreases due to changes in fuel supply costs. Chapter 4 and Chapter 9 discuss “other costs” to participants. Assuming “other costs” are those extraneous to the supplier costs of electricity supply then these costs are of two kinds:- the new CRS charge on the CCA customer bill as well as the costs for the CCSF administration/operation of the CCA program. The CRS charge is likely to be considerable in the near-term then declining to 2012 while the CCA own costs should be added to supplier costs and charged to CCA customers.</p>

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					<p>The scenarios discussed in Chapter 4 assume a placeholder year 1 start-up cost of \$5 million and annual CCA admin/operational costs of \$5 million. CCSF sets up a Rate Board and engages in continual ratesetting process. Unclear allocation of risk, with several risks borne by CCSF by implication.</p>
4	The benefits of the program to San Francisco customers	SF Sec.3.A.3	II, IV, V, V-4.2	<p>Health and environmental benefits from load reduction and clean generation;                      Reasonably priced power; Local control over resource mix;                      Improved reliability, the significance of the program as a national pioneering effort</p>	<p>The Executive Summary and Chapter 4 both describe the dollar benefits of the program under various scenarios of CCA costs versus PG&amp;E generation costs. Of particular importance for near-term decision-making is that the least expensive option for conferring both dollar benefits and meeting clean power goals is wind-power development. Enlargement of the clean power goals by adding baseload renewable sources and solar peaking power resulted in negative dollar cost outcomes which conflicted with another high priority goal of reasonably</p>

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					<p>priced electricity when compared to other options. Reasonably priced power; Local control over resource mix; Improved reliability</p>
5	<p>How the program can meet or exceed the renewable portfolio standard required of PG&amp;E under state law</p>	<p>SF Sec.3.A.4</p>	<p>II, IV, V</p>	<p>Require ESP to meet 360 360, MW required by Ordinance 86-04</p>	<p>Under a number of scenarios described in Chapter 4 the CCA is able to meet or beat the RPS standards established by law. However one important assumption of this finding is that significant amounts of cost competitive renewable power are available without sizable additional charges occurring via items like Renewable Energy Credits. The most certain cost-effective means of meeting and exceeding the RPS standard in terms of generation production was the wind development option - Scenario 12 - which foresees 13% of the CCA consumption being met by wind in 2009 and a 40% RPS standard being met by retaining the Renewable Energy Credits from</p>



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					<p>the wind generated electricity production.</p> <p>However any feasible plan for meeting the RPS will have to deal with the imbalance in supply and demand created by the nature of generic wholesale supply products the vast majority of which supply power in 7/24 (24 hours/day - seven days a week) or 6/16 blocks (16 hours/day - six days a week). Purchasing in such blocks creates a requirement to sell excess power in other markets - some of this excess power could be generated from renewable sources.<sup>3</sup></p> <p>Unclear - 60 scenarios, none reflecting Ordinance 86-04</p>
6	How the program can meet or exceed consumer protection standards required of PG&E by the CPUC including: {8 and 10 below}	SF Sec.3.A.5	II, IV, V, V-2.2	CCA Program will meet or exceed all requirements imposed by AB 117 and San Francisco Ordinance 86-04, and all applicable statutory and regulatory provisions, including	Missing? Delinquent accounts, low income customers and late payments are discussed

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				all consumer protection procedures, credit issues and shutoff procedures	
7	Provisions for disclosure and due process in setting rates and allocating costs among participants	366.2(c)(3)(C), SF Sec.3.A.5	V-2.2, V-4.2	The CCA will disclose to its customers and governing board information about rates and costs, and the public participation process for rate setting and cost allocation proceedings. The distribution of the costs of the renewable elements among customers is discussed in detail.	The process of community outreach, and ratesetting disclosure and allocation of costs among participants are discussed
8	The methods for entering and terminating agreements with other entities	366.2(c)(3)(D)	II, IV, V	The process for the CCA to enter into and terminate agreements with the ESP, as well as other involved parties, such as property owners for the installation of renewable power generation infrastructure are discussed	<p><b>This statute reference is not listed as a requirement for the SFPUC/SFE to explicitly address in the Draft Implementation Plan under Section 3 of 86-04.<sup>4</sup></b></p> <p>However the Draft does contain references for the need for the CCA to consider entering into agreements with other entities e.g., depending upon the CCA organizational structure the City could independently enter into agreements for energy efficiency</p>

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					<p>delivery (see Chapter 7). Also the wind development option described in Chapter 4 would require CCSF to partner with an experienced wind developer and perhaps other entities.</p> <p>Generally the CCSF has a well developed process for entering/terminating agreements however there may be a need to process such decisions at normal commercial speed to improve the results for CCA customers and take advantage of CCA opportunities.</p>
9	The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures <sup>5</sup> , credit issues, and shutoff procedures	366.2(c)(3)(E), SF Sec.3.A.5	IV, IV-4.0, V, V-4.2	A description of the rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures is provided. Protest the interim PG&E tariff; asks CPUC not to approve as is and ask for clarification during 90-day period following Imp Plan submittal.	See Chapter 7 in particular p.13 for a discussion of ensuring Consumer Protection and responding to Consumer complaints. For example CCSF should ensure that customers have a fair right to opt-out of the CCA program. This will require much greater communication than e.g. an insert in PG&E bills - this requirement also demonstrates that CCA formation

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					<p>cannot be a low-key matter determined by a few stakeholders but requires substantial communications from the city to all potential CCA customers as detailed in Chapter 8. PG&amp;E currently imposes credit requirements for customers and it appears unnecessary for a CCA to add to these requirements as well as being administratively complex. Shut-off procedures and the negative implications that current and potential shut-off rules have for CCA cash-flow and therefore for CCA customers are described in the Executive Summary. Missing? - need to search docs or have SFPUC tell us where they covered it</p>
10	Termination of the program	366.2(c)(3)(F), SF Sec.3.A.7	V, V-2.5, V-4.2	Covered by ESP's bond if due to contract default. Anticipate and plan for at end of contract term if transitioning to Municipal Utility or returning to IOU operations.	<p>A regrettable oversight of the Draft of Chapter 3 is the lack of an explicit statement of the need for disclosure to all CCA customers of rate changes.  <sup>6</sup>However this matter will be discussed in the final plan submitted to the BOS. Rate</p>

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					<p>change disclosure should of course be required as a basic consumer information requirement. There may be a variety of means of such disclosure e.g. PG&amp;E bills or newspaper advertisements.</p> <p>Chapter 3 Ratesetting Dynamics does describe in some detail the need to meet competitive pressures in setting electric generation rates this may be a generally accepted way of allocating CCA costs amongst participants with exceptions e.g. for low-income customers. Due Process for this approach can be attained by e.g. An Electric Rate Fairness Board - mentioned in Chapter 7.</p>
11	A description of the {How the program will provide information about any} third parties that will be supplying electricity or providing other services under the program, including, but not limited to, information about financial, technical, and	366.2(c)(3)(G), SF Sec.3.A.6	II, IV, V, V-4.2	ESP list of all currently registered ESPs in CA. Additional potential ESPs from Ohio also included. Summary financial, technical, and operational information included. Request for Qualification and RFP Industry Review processes recommended to gain further	Not directly addressed but see Appendix D that lists Electric Service Providers (ESP's) registered with the CPUC who have existing service agreements with PG&E. These ESP's have had to post a bond with the

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	operational capabilities			detailed information about potential ESP capabilities.	CPUC. The SFPUC/SFE do not believe that AB 117 constrains any CCA to contract only with an Electricity Service Provider as legislatively defined. Also see Chapter 6 "Solicitation and Contracting Options" for background information.ESP list of only those registered for PG&E service area. No summary information.
12	What functions of the program should be performed by entities other than the City, including an Electric Service Provider (ESP) or its subcontractors	SF Sec.3.A.8	II, IV, V, V-2.4, V-2.5	ESP role defined in detail throughout the document,	See generally Chapter 7 "Organizational Scenarios." Here various functions required to deliver power to CCA customers are described and options are presented for functions that could be performed by the supplier and the city. <sup>7</sup> From the one extreme where the supplier functions are limited to those directly related to power delivery to the other extreme where the supplier conducts the majority of the necessary CCA functions.

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13	Appropriate contract and bid requirements, including {items 14 through 18}:	SF Sec.3.A.9	II, IV, V	Provides detailed discussion of the development of contract provisions for the ESP, including the DBOM Contract for the renewable requirements of Ordinance 86-04	Discusses a range of contract approaches not provided in the ordinance
14	Desired portfolio of resources that exceeds goals for energy efficiency, renewable energy, peak shaving and load management provided for in the City's adopted Electricity Resource Plan	SF Sec.3.A.9.I	II, IV, V	Require ESP to meet 360 MW required by Ordinance 86-04	<p>Chapter 4 presents a scenario of zero electricity growth from 2013 onward combined with a wind development scenario. This scenario would exceed the 2012 goals of the adopted Electricity Plan. However this scenario assumed that these goals would be met by policies that result in funding of energy efficiency and in-city renewable energy that is external to the CCA</p> <p>Generally Chapter 6 provides background information on contracting options available to a CCA that will help inform the SFPUC/SFE response to this item and the other items listed in this section of the ordinance.<sup>8</sup>Missing?</p>

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15	Recommended contract periods designed to optimize meeting Electricity Resource Plan goals and to provide reasonable repayment schedule for debt	SF Sec.3.A.9.II	II, II-4.3, IV, V	A range of contract period timing, including build-out timing is described, to provide the basis for planning the implementation of the renewable elements, which would in turn frame the debt repayment schedule(s)	Missing
16	A requirement that bids include proposals for rate design, with all costs and profits associated with providing the various components of its proposed service package, including the costs of designing, building, operating and maintaining all renewable energy, conservation and energy efficiency installations, as well as, any capital, insurance and other costs associated with fulfilling the commitments made in its bid	SF Sec.3.A.9.II I	II, II-4.3, IV, V, V-2, V-2.6, V-3.0	The Requirement that the RFP for the ESP will include all of these elements is specifically addressed. included.	See generally Chapter 5 “Municipal Financing” describing the limitations of using Prop H Bonds. Specifically that Prop H financing of energy conservation actions that have private benefit are legally prohibited. This finding would also apply to renewable energy development. Chapter 6 also posits that suppliers will be extremely reluctant and may indeed not comply with any requirement in an RFP that requires specific cost/profit information for various sub-elements of an RFP bid that appear to be required by the element of the Ordinance. Also SFPUC/SFE proposed bid



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					requirements will be submitted in draft RFP submitted to the BOS July 27/05. SFPUC/SFE proposed bid requirements and potential evaluation mechanisms will be submitted in draft RFP to the BOS July 27/05Missing
17	Recommended bid evaluation mechanisms that will encourage respondents to compete based on the environmental and local economic benefits of their proposed portfolio of energy resources	SF Sec.3.A.9.I V	V	The ESP will be required to bid to structure the deployment of the renewable elements to ensure that the benefits will be distributed among all rate classes, either in their rates or in benefits distributed equitably among ratepayer classes	Not addressed  SFPUC/SFE proposed bid requirements and potential evaluation mechanisms will be submitted in draft RFP to the BOS July 27/05.
18	Recommended contract provisions that will provide financial incentives to the City's Electric Service Provider, if one is selected, to accelerate deployment of and/or expand the energy efficiency and renewable energy components of its proposed energy portfolio	SF Sec.3.A.9.V	II-4.1, II-5.2, III, IV-3.0, V-1.0	Use tax advantaged financing from H Bonds. Allow ESP to take depreciation on renewable assets prior to transitioning to CCSF ownership. Allow ESP to capture economic benefit from accelerated schedule.	Not addressed.  SFPUC/SFE proposed bid requirements and potential evaluation mechanisms will be submitted in draft RFP to the BOS July 27/05.

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	OTHER AREAS				
a.	Schedule			Program Schedule provided. Addresses full build-out	Because alternatives to having the ESP implement the renewable power elements were proposed, no schedule showing the implementation effort was provided
b.	Bond issue process				A general discussion of the bond issuance process is provided
c.	Cost information				A range of elements that could affect CCA power pricing for customers are discussed

\* Italics represent wording specific to the SF Ordinance when similar requirements appear in both the ordinance and AB117 (requirements which are now reflected in the Public Utilities Code references).

<sup>0</sup> This is not correct. It is an Ordinance requirement as well as an AB117 requirement

<sup>0</sup> PAUL \_ The Ordinance calls for Implementation Plan, not a study. The Ordinance tasked the Departments to figure these things out

<sup>0</sup> This is incorrect

<sup>0</sup> "Consumer protection procedures" not repeated in the SF Ordinance, covered in Items 6 and 7

<sup>0</sup> This is a lot of new discussion, it does not appear to be a description of what it in the current plan.  
<sup>0</sup> From this point forward, this text does not appear to be relating to termination as discussed in the current draft

<sup>0</sup> These scenarios are not consistent with the ordinance

<sup>0</sup> he referenced sections are not responsive to the ordinance