CITY AND COUNTY OF SAN FRANCISCO

cleanpowerSF®

COMMUNITY CHOICE AGGREGATION

IMPLEMENTATION PLAN
AND
STATEMENT OF INTENT

UPDATED

JUNE 2015

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I. Introduction

In 2004, the City and County of San Francisco ("the City" or "CCSF") established and elected to implement a Community Choice Aggregation (CCA) program, now known as CleanPowerSF. The City found that CCA provides a means by which the City may help to ensure the provision of clean, reasonably priced and reliable electricity to San Francisco customers and to increase the scale and cost-effectiveness of conservation, energy efficiency and renewable energy in the City. The City has developed the program through the San Francisco Public Utilities Commission ("SFPUC") in consultation with the San Francisco Local Agency Formation Commission and input from the public.

The SFPUC is a department of the City that provides retail drinking water and sewer services to San Francisco, wholesale water and power to a number of other public entities, and electric power to San Francisco's municipal operations.

CleanPowerSF intends to exceed the renewable energy content requirements of the State of California's Renewable Portfolio Standard (RPS) program. CleanPowerSF has set a goal of offering, at program launch, a default product that is 33% to 50% renewable and an optional premium product that is 100% renewable. The default product will provide customers with a greater amount of renewable energy than is currently available from Pacific Gas and Electric Co. (PG&E), the incumbent investor-owned electric utility in San Francisco, under its standard retail offering. CleanPowerSF desires to meet its renewable goals, to the extent feasible and after consideration of environmental effects, through new, preferably local, renewable sources of electric generation and the use of demand side management efforts, including energy efficiency and conservation programs. CleanPowerSF may also provide for public participation in determining which technologies are utilized to meet local electricity needs.

CleanPowerSF will procure electricity from competitive suppliers and may include the development of new renewable energy facilities locally and regionally, with such electricity being delivered over PG&E's transmission and distribution systems.

CleanPowerSF will roll out service to groups of its customers in phases. Ultimately, all electric customers in San Francisco who currently receive their electric supply from PG&E or a "direct access" (DA) supplier will have the opportunity to be served by CleanPowerSF. As mandated by Public Utilities Code (PUC) Section 366.2(c), before automatic enrollment in CleanPowerSF, all current PG&E and DA customers within the City will receive information describing the program and will have multiple opportunities to opt out of automatic enrollment in CleanPowerSF.

CleanPowerSF will draw upon the SFPUC's experience over many decades of providing stable, reliable water, wastewater, and energy services to customers. CleanPowerSF will also receive assistance from experienced energy suppliers and contractors in providing energy services and demand-side management programs to program customers.

A. *2015 Updated CCA Implementation Plan (2015 IP)*

Since CPUC certified the June 2013 CleanPowerSF Updated IP, a number of changes have been made to the CCA program, resulting in the need for revisions to the 2013 Updated IP and re-filing of an IP at the CPUC. These changes are:

1. The CleanPowerSF program will lead with affordability, providing default service at rates intended to not result in bill increases for participating customers at program launch;

2. CleanPowerSF will provide two product offerings at launch – a default product that will be 50% renewable and an optional premium product that will be 100% renewable at prices competitive with PG&E's Green Tariff;

3. The SFPUC adopted a ratemaking methodology intended to result in bills that are equal to or less than PG&E bills for customers that enroll in the default product at program launch (SFPUC Res. No. 15-0112);

4. SFPUC staff will take on a greater role in managing the electricity supply functions; and

5. Due to the long time that has elapsed, the SFPUC has issued a new RFP for customer care and administrative services.

This Updated 2015 IP reflects these various changes.

B. *Statement of Intent*

As further discussed below, the City intends to implement a CCA program, called CleanPowerSF, which will include all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning CCA programs as well as requirements established by the City.

C. *Organization of Implementation Plan*

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by PUC Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation.

The remainder of this 2015 Updated Implementation Plan is organized as follows:

Section II: Process and Consequences of Aggregation
Section III: Organizational Structure, Operations and Funding
Section IV: Ratesetting and Other Costs

Section V: Process for Disclosure and Due Process in Rate Setting
Section VI: Procurement Process
Section VII: Customer Rights and Responsibilities
Section VIII: Roles and Requirements of Third-Party Contractors
Section IX: Contingency Plan for Program Termination
Appendix A: All referenced City Ordinances

The requirements of AB 117 are cross-referenced to Sections of this Implementation Plan in the following table.

Table 1
AB 117 Cross References

AB 117 REQUIREMENT (PUC CODE 366.2(C)(3)	IMPLEMENTATION PLAN SECTION
Process and consequence of aggregation	Section II: Process and Consequences of Aggregation
Organizational structure of the program, operations and funding	Section III: Organizational Structure, Operations and Funding
Ratesetting and other costs to participants	Section IV: Ratesetting and Other Costs
Disclosure and due process in setting rates and allocating costs among participants	Section V: Process for Disclosure and Due Process in Ratesetting
Methods for entering and terminating agreements with other entities	Section VI: Procurement Process
Rights and responsibilities of program participants, including consumer protection procedures, credit issues and shutoff procedures	Section VII: Customer Rights and Responsibilities[1]
Description of third parties that will supply electricity under the program, including financial, technical and operational capabilities	Section VIII: Roles and Requirements of Third-Party Contractors
Termination of the program	Section IX: Contingency Plan for Program Termination
Statement of intent	Section I: Introduction

II. Process and Consequences of Aggregation

In accordance with Section 366.2(c), this section provides an overview of: (1) the process the City has followed to implement CCA and (2) the beneficial consequences of the City's CCA program.

[1] Section VIII also details how CleanPowerSF will comply with the privacy rules established by the CPUC in D. 12-08-045.

A. *Process to Implement CCA*

1. Earlier CCA Efforts

The San Francisco Board of Supervisors ("Board of Supervisors") established the City's CCA program in May 2004 (Ordinance 86-04).[2] The Ordinance found that CCA would allow the City to increase the scale and cost-effectiveness of renewable energy, conservation, and energy efficiency in San Francisco, and to increase local control over electricity prices and resources. To implement the program, Ordinance 86-04 directed the development of a draft Implementation Plan ("IP") and the preparation of a draft request for proposals ("RFP") to solicit an electricity supplier for the program. In December 2004, the Board of Supervisors created a Citizens Advisory Task Force ("Task Force") to advise the City regarding the draft Implementation Plan and the draft RFP.

After an extensive process that involved public meetings of the San Francisco Local Agency Formation Commission ("LAFCO") and the Task Force, and that benefited from the participation of interested parties and advocacy groups, the Board of Supervisors approved a draft IP in June 2007 (Ordinance 147-07). The adopted Draft IP set forth goals and policies for the City's CCA program. Based on the draft IP, Ordinance 147-07 also provided direction for the City's RFP for an electricity supplier. The Ordinance further directed the issuance of a request for information ("RFI") to solicit input from interested parties regarding the development of the program. Ordinance 147-07 found that the RFI responses and other information obtained in implementing the program would necessitate changes to the Draft IP and, accordingly, directed the SFPUC, in consultation with LAFCO, to prepare a revised IP for review and approval by the Board of Supervisors.

As required by Ordinance 147-07, the SFPUC issued an RFI in November 2007. In April 2009, the SFPUC issued a request for qualifications ("RFQ") from potential electricity suppliers. The SFPUC, in consultation with LAFCO, used the information obtained from these solicitations to prepare an RFP.

The Board of Supervisors approved the issuance of an RFP in October 2009 (Ordinance 232-09). The Ordinance found that it was reasonable to allow some flexibility in meeting the RFP requirements and program criteria set forth in previous ordinances in order to encourage robust responses and to facilitate a successful CCA program.

In November 2009, the SFPUC issued the RFP. The City received five responses to its RFP and, in January 2010, identified Power Choice, LLC as the highest ranked proposer. The City then initiated contract negotiations with Power Choice for electricity supply and other services.

In accordance with Ordinance 147-07, the SFPUC prepared a revised IP for approval by the Board of Supervisors to file with the CPUC. The Board of Supervisors held a hearing on the IP in the Budget and Finance Committee on February 17, 2010, and forwarded the

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[2] See Appendix A for all referenced Ordinances.

Ordinance adopting the IP to the full Board of Supervisors with a recommendation for approval. The Board of Supervisors considered and voted on the Ordinance adopting the revised IP at its public meetings on February 23, 2010 and March 2, 2010. The Board of Supervisors approved the Ordinance on March 2, 2010 and authorized the filing of a 2010 IP with the CPUC (Ordinance 45-10). The 2010 IP was certified by the CPUC on May 18, 2010.

The SFPUC executed the CCA Service Agreement ("the Service Agreement") with Pacific Gas & Electric Company (PG&E) on May 27, 2010. In May 2012, the City and PG&E agreed to extend the Service Agreement until December 31, 2018. Resolution E-4397, which approves the negotiated Service Agreement and the First Amendment to this negotiated Service Agreement between the City and PG&E, was approved by the CPUC at its November 8, 2012 meeting.

Negotiations with Power Choice, LLC, were ultimately unsuccessful, and on August 5, 2010, the SFPUC issued a second RFP seeking an electricity supplier for the program. No bidders met the minimum qualifications of that RFP, and on February 8, 2011, the SFPUC authorized the General Manager to negotiate with one or more creditworthy firms to create a program that most closely achieves the City's goals (Resolution 11-0027). Shortly thereafter, SFPUC engaged in negotiations with Shell Energy North America ("SENA") for electricity supply and Noble Americas Energy Solutions ("Noble Americas") for customer care and billing services.

On December 13, 2011, the SFPUC approved a contract with SENA to purchase up to 30 MW of electricity and authorized the General Manager to continue negotiating with Noble Americas, and to forward the draft contract with SENA and necessary appropriations to the Board of Supervisors for its review and consideration (Resolution 11-0194). The SFPUC also required the General Manager to return to the Commission for further approval, including the adoption of Not to Exceed rates for the program, before signing the initial Confirmation—which financially obligates the City to purchase the energy—with SENA. Ultimately, the SFPUC did not approve the proposed Not to Exceed rates as necessary to execute the contract with SENA.

2. Current Efforts

In January 2015, the SFPUC began work to redesign CleanPowerSF, focused on three principle objectives: (1) provide electricity and related services at competitive rates while promoting long-term rate stability, energy security and reliability for San Francisco; (2) reduce, and eventually eliminate, the greenhouse gas emissions associated with the use of electricity in San Francisco; and (3) to the greatest extent possible and affordable, support the development of new clean energy infrastructure and new employment opportunities for San Franciscans.

Rather than contract with a third party for full requirements electricity supply services, the CleanPowerSF program will utilize the power purchasing, scheduling and portfolio management expertise that already exists within the SFPUC's Power Enterprise. The SFPUC will institute a regular electric supply procurement program to solicit renewable energy and related products and services from qualified suppliers. The SFPUC is targeting early August for the issuance of a request for offers (RFO) to support the energy requirements for CleanPowerSF's first phase, which the SFPUC expects will average approximately 30 MW.

On April 17, 2015, the Rate Fairness Board approved the program's Not to Exceed rates and rate-setting methodology, which are intended to keep CleanPowerSF generation rates affordable and competitive with PG&E's generation rates. The SFPUC approved the rate setting methodology on May 12, 2015. The SFPUC issued an RFP for CleanPowerSF customer care and administrative services on May 29, 2015. The SFPUC expects to execute the contract for customer care and administrative services in September 2015. The SFPUC intends to begin working with the customer care and administrative services supplier on pre-launch activities in October 2015. The SFPUC is targeting late November 2015 to begin the issuance of program opt-out notifications with customer enrollment beginning in late January 2016.

B. *Consequences of CleanPowerSF*

Through CleanPowerSF, the City and County of San Francisco intends to procure a renewables-based portfolio of competitively priced and reliable electricity for San Francisco retail electricity customers. As a community choice aggregator, the City will be able to increase the scale and cost-effectiveness of renewable energy and demand-side management in San Francisco and will exercise more local control over electricity prices, resources, and reliability.

CleanPowerSF intends to exceed State of California requirements for RPS and has set a goal of providing a default product that is 33% to 50% renewable and a premium product that is 100% renewable, using California-sourced renewable energy at program launch. This target will, at a minimum, immediately achieve the RPS requirement of providing 33% of power from eligible renewable resources by 2020.[3]

CleanPowerSF will meet its renewable goals, to the extent feasible, through new, preferably local renewable generating capacity and demand-side efforts, including energy efficiency and conservation programs. CleanPowerSF will evaluate opportunities for constructing or investing in new resources such as in-City solar photovoltaic cells, local renewable distributed generation such as fuel cells, and one or more wind turbine farms, as well as demand-side management, including conservation, peak shaving, and increased energy efficiency efforts. Before making any future decisions to construct or cause the construction of specific renewable energy projects subject to the California Environmental Quality Act (CEQA) the SFPUC would consider any environmental review documents prepared by the

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[3] The California Energy Commission's guidelines for Renewables Portfolio Standards (RPS) classifies the following projects as eligible for RPS-compliance, subject to specific fuel requirements: biomass, biodiesel, fuel cells using renewable fuels, digester gas, geothermal, landfill gas, municipal solid waste, ocean wave, ocean thermal, tidal current, solar photovoltaics (PV), small hydroelectric (30 MW or less), solar thermal and wind.

City or other lead agency in compliance with CEQA and, if it approves such projects, the SFPUC would adopt any required CEQA findings as part of such approval actions.

At launch, the program expects to offer electric generation rates to CCA customers that are competitive with PG&E generation rates.[4] CleanPowerSF is committed to providing equitable treatment of all classes of customers without undue discrimination in setting rates.

All PG&E and DA electric customers within the City will be eligible to become CleanPowerSF customers. CleanPowerSF will enroll customers in phases. Phase 1 will enroll sufficient customers to serve an average of approximately 30 MW. CleanPowerSF is currently analyzing the potential composition of Phase 1 accounts in consideration of opportunities for maximizing demand-side management programs and renewable energy impacts, synergies with local ordinances and other customer programs, cost of service and customer load characteristics, expected rates of participation, and other operational considerations.

All electricity customers covered by each phase would be automatically enrolled in CleanPowerSF and served by it, except for those customers who affirmatively elect to "opt-out" of the program and remain either bundled service customers of PG&E or customers of their DA provider (if currently served by a DA provider). As described in section VII.A, customer enrollment will follow the notice requirements necessitated by state law.

Pursuant to Section 366.2(c)(9), PG&E will be required to continue providing distribution, metering and billing services to a ratepayer who receives electric generation service from CleanPowerSF. CleanPowerSF customer billing statements will look much the same as they do currently; however, the generation portion of the bill will read CleanPowerSF as opposed to PG&E, and applicable CleanPowerSF rates will be applied. The SFPUC and its third party supplier of customer services will coordinate the transfer of account payments with PG&E.

III. Organizational Structure, Operations and Funding

In accordance with Section 366.2(c)(3)(A), this section describes the organizational structure of CleanPowerSF and the key elements of its operations and funding.

A. *Organizational Structure*

1. Overview

The organizational structure of CleanPowerSF is determined by the requirements of State law, the San Francisco City Charter, and applicable City ordinances. The key entities with a role related to CleanPowerSF are: (1) the San Francisco Board of Supervisors, which

[4] See Section IV (Rate Setting and Other Costs) for more details.

established the City's CCA program by ordinance in May 2004 (Ord. 86-04) and provides broad policy direction for the program; (2) the SFPUC, which manages and controls CleanPowerSF; (3) the San Francisco Local Agency Formation Commission, which advises the Board of Supervisors and the SFPUC regarding various aspects of CleanPowerSF; and (4) the Rate Fairness Board, which advises the SFPUC regarding CCA program rates. A general description of the roles and operating procedures of these entities follows.

2. San Francisco Board of Supervisors

The Board of Supervisors is the legislative branch of the City. The Board consists of eleven full-time members elected by district, who may serve up to two successive four-year terms. Regular Board meetings are held weekly (except for holidays) and are subject to the public meeting requirements of California's Brown Act and the San Francisco Administrative Code. In addition, the Board has several standing Committees that hold regular public meetings to conduct hearings regarding proposed legislation and to consider other legislative matters. The Mayor may approve or veto legislation approved by the Board. The Board may override a mayoral veto by a vote of not less than two-thirds of the members of the Board.

In addition to establishing the City's CCA program and providing general policy guidance for the program, the Board's responsibilities related to CleanPowerSF include reviewing rates set by the SFPUC (Charter Sec. 8b.125) and reviewing certain contracts that the City Charter requires to be approved by the Board (Charter Sec. 9.118).

3. San Francisco Public Utilities Commission

Pursuant to the San Francisco Charter, the SFPUC is responsible for the management and control of CleanPowerSF. Headquartered at 525 Golden Gate Avenue in San Francisco, the SFPUC has approximately 2,300 employees with a combined annual operating budget of approximately $700 million.

The SFPUC is comprised of three separate enterprises: Water, Wastewater, and Power. The Water Enterprise is responsible for managing the transmission, treatment, storage and distribution of potable water to San Francisco's wholesale and retail customers. The Wastewater Enterprise is responsible for managing the collection, treatment and disposal of San Francisco's storm water and wastewater. The Power Enterprise is responsible for managing electric energy for San Francisco municipal customers, including: retail power sales, transmission and power scheduling, energy efficiency programs, street lighting services, utilities planning for redevelopment projects, energy resource planning efforts and various other energy services.

As a division of the Power Enterprise, the CleanPowerSF program is under the direct administrative oversight of its Assistant General Manager, who in turn reports to the SFPUC General Manager.

The SFPUC is overseen by a Commission consisting of five members appointed by the Mayor to four-year terms, subject to confirmation by the Board of Supervisors. Each

Commissioner fills a designated seat on the Commission based on particular qualifications: Seat 1 requires experience in environmental policy and an understanding of environmental justice issues; Seat 2 requires experience in ratepayer or consumer advocacy; Seat 3 requires experience in project finance; Seat 4 requires expertise in water systems, power systems, or public utility management; Seat 5 is an at-large member (Charter Sec. 4.112(b)). The Commission holds regular meetings twice monthly that are subject to the public meeting requirements of California's Brown Act and the San Francisco Administrative Code. Subject to the overall policy direction given by the Board of Supervisors, the Commission's duties include evaluation and approval of key policies and goals related to the development, implementation, and operation of CleanPowerSF. The Commission is responsible for reviewing and approving the contracts recommended by SFPUC staff with third-party suppliers of electricity and other services for CleanPowerSF. The Commission will also approve rates for CCA services, subject to rejection by the Board of Supervisors.

4. Local Agency Formation Commission

The San Francisco Local Agency Formation Commission (LAFCO) was created pursuant to California Government Code Sections 56000 *et seq.* LAFCO consists of two members from the Board of Supervisors representing the County of San Francisco, two members appointed by the Board of Supervisors to represent the City of San Francisco, and a fifth member representing the general public. LAFCO holds regular monthly meetings that are subject to the public meeting requirements of California's Brown Act and the San Francisco Administrative Code.

In June 2007, the Board of Supervisors formally asked LAFCO to monitor the implementation process and advise the SFPUC and the Board of Supervisors regarding the development, implementation, operation and management of the CCA program (Ordinance 146-07).

5. Rate Fairness Board

In accordance with Charter Section 8B.125, the SFPUC established the Rate Fairness Board (RFB) to advise the Commission regarding the setting of rates for the public utility services under the jurisdiction of the SFPUC. The RFB consists of seven members, including three designated City officials, two City residential retail customers and two City business retail customers. The RFB's duties include making recommendations to the SFPUC Commission on utility rates, holding public hearings on annual rate recommendations, and reviewing five-year rate forecasts. The RFB's hearings and meetings are subject to the public meeting requirements of California's Brown Act and the San Francisco Administrative Code.

B. *Operations*

As described above, SFPUC staff will oversee and manage the program, while certain functions will be contracted out to third-party suppliers, including some electric supplies, data management, billing and certain customer support services. The San Francisco Department of the Environment ("SFE") will assist with program outreach, while the

Department of Public Works will support the SFPUC in the construction of rooftop local solar facilities owned and operated by the City.

Day-to-day operations of CleanPowerSF will be handled by the CleanPowerSF Program Director and the program staff, and the third-party service providers.

Major functions that will be performed by CleanPowerSF staff are summarized below.

1. <u>Resource Planning</u>

CleanPowerSF will develop both short (one and two-year) and long-term resource plans to meet the program's energy requirements. CleanPowerSF will develop resource plans in compliance with California law, California Independent System Operator (CAISO), and other requirements of California regulatory bodies (CPUC and CEC). Long-term resource planning includes load forecasting and supply planning on a 10- to 20-year time horizon. CleanPowerSF will develop integrated resource plans that strive to meet program supply objectives while balancing cost, risk and environmental considerations. Integrated resource planning will consider energy efficiency and demand response programs as well as traditional supply options. CleanPowerSF will strive to ensure that local preferences regarding the future composition of supply and demand resources are planned for, developed, and implemented.

2. <u>Portfolio Management</u>

SFPUC staff will provide the activities necessary for wholesale procurement of electricity to serve end use customers. These activities will include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources and ancillary services to supply the electric needs of program customers.
- *Risk Management* – employ standard industry techniques to reduce exposure to the volatility of energy markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop accurate load forecasts, both long term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – working with the SFPUC's third party scheduling coordinator, schedule and settle electric supply transactions, day-ahead and real-time trading, with the CAISO.

3. <u>Local Energy Programs</u>

A central goal of the CCA program is the development and implementation of local energy programs, including demand-side management programs, distributed generation programs and development of local renewable generation resources. SFPUC will be responsible for further development of these programs in cooperation with other City agencies that may have existing complementary programs.

The City will assess the technical and economic feasibility of administering demand-side management programs that can be used as cost-effective alternatives to procurement of supply-side resources. The City will strive to meet its renewable goals through new, preferably local, renewable sources of electricity generation and demand-side management programs to the extent feasible. Before making any future decisions to construct or cause the construction of specific renewable energy projects subject to CEQA, the SFPUC would consider any environmental review documents prepared by the City or other lead agency in compliance with CEQA and, if it approves such projects, the SFPUC would adopt any required CEQA findings as part of such approval actions. At a future date, CleanPowerSF intends to apply to the CPUC for funding to administer energy efficiency programs in San Francisco and anticipates a transition from PG&E-based programs to a CCA-based energy efficiency program.

4. Rate Setting

The SFPUC will be responsible for setting electric generation rates for its customers. CleanPowerSF intends to offer its customers stable and cost-effective rates and is committed to equitable treatment of all classes of customers. On April 17, 2015, the Rate Fairness Board approved the proposed Not to Exceed rates and rate setting methodology for implementation of CleanPowerSF. These Not to Exceed rates and rate setting methodology was subsequently adopted by the SFPUC on May 12, 2015. The SFPUC will review and approve the final rates for CleanPowerSF prior to launch of the program, after it has conducted its initial electric supply procurement. Rate setting is discussed in more detail in Sections IV and V.

5. Financial Management/Accounting

The CleanPowerSF Program Director will be responsible for managing the financial affairs of CleanPowerSF, including developing the annual budgets and revenue requirements, managing and maintaining cash flow requirements, arranging potential bridge loans and other financial tools, arranging financing for capital projects and preparing financial reports, and managing a large volume of billing settlements. Financial management will also include risk management functions, including establishing credit policies and monitoring the credit of suppliers, as well as ensuring that revenues from customers will only be used for CleanPowerSF activities, and will not be used to fund other City programs.

Management of CleanPowerSF's financial affairs will utilize the experience and financial management systems of the SFPUC Financial Services Department. The Financial Services Department provides the financial services for the SFPUC's three utility enterprises. The Financial Services Department's functions include developing and maintaining long-range capital and financial plans, and support for financial accounting and reporting, accounts payable, billing and collection of water, wastewater, and power charges, and other revenues.

The CleanPowerSF Program Director will use contractors and/or SPFUC staff in support of these activities, as appropriate.

6. Customer Services

In addition to general program communications and marketing, a significant amount of customer service and key account representation will be necessary. This will include both a call center for questions and routine interaction with customer accounts. CleanPowerSF will coordinate call center duties between the existing SFPUC call center and a third-party contractor.

Customer Services will manage retail settlements-related duties and customer account data. Other services will include processing customer service requests, administering customer enrollments and departures from the program, and maintaining a current database of customers enrolled in the program. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks customer payments.

Activities include the electronic exchange of customer energy usage and payments data with the distribution utility and the SFPUC, tracking of customer accounts receivables and payments, issuance of late payment and/or service termination notices, and administration of customer deposits in accordance with SFPUC credit policies.

Customer Services will also manage communications with customers relating to the generation portion of energy bills, customer call centers, and routine customer notices regarding generation and CleanPowerSF-managed demand-side management programs.

SFPUC staff will conduct the general program marketing and key customer account management functions. These include assignment of account representatives for key accounts to provide high levels of customer service and implementation of a comprehensive marketing and education program to promote customer awareness and satisfaction with the CCA program. Ongoing communications, marketing messages, and information regarding the CCA program to all customers will be critical for the overall success of the CCA program.

7. Legal and Regulatory Representation

CleanPowerSF will utilize the San Francisco Office of the City Attorney ("City Attorney") as legal counsel to advise regarding administration of CleanPowerSF; review contracts; represent the program as necessary before the CPUC, other regulatory agencies, and the courts; and to provide overall legal support to the activities of CleanPowerSF.

8. Roles and Functions

City officials and employees will be responsible for policy-making, management and planning for CleanPowerSF to ensure that the program remains responsive to San Francisco participants. The SFPUC will have a direct role in marketing, communications and customer service for CleanPowerSF. Other highly specialized functions, such as customer enrollment, account management, and data exchange, will be contracted out to third parties with sufficient experience, technical and financial capabilities.

The functions that are expected to be performed by the SFPUC and third parties are summarized in Table 2 below.

Staffing Roles
Table 2

Function	Start-Up	Near-Term	Long-Term
Program Governance	SFPUC and Board of Supervisors	SFPUC and Board of Supervisors	SFPUC and Board of Supervisors
Program Monitoring	SFLAFCO	SFLAFCO	SFLAFCO
Program Management	SFPUC	SFPUC	SFPUC
Outreach/Marketing	SFPUC (SFLAFCO and SFE support)	SFPUC (SFLAFCO and SFE support)	SFPUC (SFLAFCO and SFE support)
Customer Service	Third Party (SFPUC support)	Third Party (SFPUC support)	SFPUC
Key Account Management	SFPUC	SFPUC	SFPUC
Regulatory	SFPUC	SFPUC	SFPUC
Legal	City Attorney	City Attorney	City Attorney
Finance	SFPUC	SFPUC	SFPUC
Rates: Approve, Develop	SFPUC (with input from Rate Fairness Board)	SFPUC (with input from Rate Fairness Board)	SFPUC (with input from Rate Fairness Board)
Resource Planning	SFPUC (Third Party support)	SFPUC (Third Party support)	SFPUC (Third Party support)
Energy Efficiency	SFPUC (SFE[5] support)	SFPUC (SFE support)	SFPUC (SFE support)
Resource Development	SFPUC	SFPUC	SFPUC
Portfolio Management	SFPUC	SFPUC	SFPUC
Scheduling Coordinator	Third Party	Third Party	SFPUC
Data Management	Third Party	Third Party (SFPUC support)	SFPUC (Third Party support)

5 SFE: San Francisco Department of the Environment.

C. *Funding*

This section presents CleanPowerSF's plans for the start-up and ongoing funding needs of the CCA program.

1. Staffing

As described in Section III.C.8, CleanPowerSF will utilize a mix of City staff and contractors. Staff will be added incrementally to match workloads required for managing contracts and initiating customer outreach/marketing during the pre-operations and operating periods.

2. Start-up Funding Requirements

Operation of CleanPowerSF will be funded through customer rate revenues and not from the City's general fund. The startup of CleanPowerSF will require funding for staffing and contractor costs, program initiation, and working capital. The City has appropriated $8.9 million to date for planning and program launch. These activities have included funding several SFPUC CleanPowerSF project staff positions, as well as work by the City Attorney and external consultants. These start-up costs have been used to analyze the economic and technical potential for various CleanPowerSF program design alternatives, investigate the best-practices of CCA programs operating in the United States, and perform all other work required to implement the program thus far. In addition, the SFPUC and City Attorney have been actively engaged in CCA-related proceedings at the CPUC.

These funds have also been used to provide LAFCO funding in the amount of $2.1 million for its role in supporting the design and implementation of the CleanPowerSF program. These funds were available for three years, starting in fiscal year 2008-09 and were used to pay for LAFCO staff time as well as LAFCO-directed consultant work related to the CleanPowerSF program.

For fiscal year 2015-2016, the remaining funds (approximately $3.5 million) will be used to fund the final phases of implementing the CleanPowerSF program, including approximately $700,000 for continued LAFCO support.

In addition, the SFPUC has requested approval from the San Francisco Board of Supervisors to provide a loan in the amount of $4,000,000 from SFPUC funds to the CleanPowerSF program to serve as working capital. These funds will serve to address CleanPowerSF's anticipated 2-month lag between initial expenses and program cash receipts after customer enrollment. These funds will be subject to the County-wide pool interest rate (currently 0.73%) and are to be repaid no later than January 31, 2018.

The total staffing, contractor and program initiation costs will be collected ultimately through CCA program rates.

3. Start-up Activities and Costs

Start-up activities for the **SFPUC** may include:

- Defining and executing a Communications plan;
- Customer outreach and education;
- Informational materials and customer notices;
- Legal and regulatory support;
- General consulting costs;
- Working capital to cover payments to suppliers prior to receipts from participating customers;[6]
- Negotiating supplier/vendor contracts;
- Initiating enrollment and opt-out processes;
- Conducting load forecasting; and
- Financial reporting.

Additional activities that are expected to be provided by a **Third Party Supplier** include:

- Customer call center;
- Customer data management;
- Billing administration;
- Tracking and processing all opt-out notices received;
- Managing customer service requests for returns to PG&E or a DA provider; and
- Customer complaints resolution.

4. On-Going Funding Requirements

On-going funding, including staffing, third-party supplier costs, and any additional working capital needs will be recovered through customer rates.

Following program start-up, the SFPUC anticipates that municipal financing may be available as one possible mechanism for financing development of new renewable resources, as appropriate.

IV. Rate Setting and Other Costs

In accordance with Section 366.2(c)(3)(B), this section describes the initial policies for CleanPowerSF rate design, objectives, and due process in setting program rates. Final

[6] Operating revenues from sales of electricity will be remitted to CleanPowerSF beginning on approximately day 50 of program operations, based on PG&E's standard meter reading cycle of 30 days and a payment/collections cycle of 20 days.

program rates will be approved by the SFPUC and will be included in the initial customer opt-out notices.

By adopting this 2015 Implementation Plan, the SFPUC has approved the rate policies and procedures contained herein to be effective at program initiation. The SFPUC retains authority to modify program policies from time to time at its discretion.

A. *Rate Setting Principles*

CleanPowerSF will establish rates sufficient to recover all costs related to operation of the program, including cost responsibility surcharges and any reserves that may be required as a condition of financing, and other discretionary reserve funds that may be approved by the SFPUC.

The primary objective of the rate setting plan is to set rates in accordance with the following principles:

- Affordability;
- Rate stability;
- Equitable treatment of all customer classes;
- Customer understanding;
- Revenue sufficiency to recover costs; and
- Compliance with AB 117 and Charter Section 8B125.

B. *Rate Design*

To minimize customer confusion, CleanPowerSF's customer classes will match PG&E's customer classes. CleanPowerSF will ensure that customers enrolled in specialized rate options, for example net energy metering and low-income ratepayer assistance programs, will continue to be eligible for these tariffs under CCA service. CleanPowerSF may also introduce new rate offerings for customers.

The SFPUC has the discretion to modify CleanPowerSF's rate design policies, and it is likely that over time, CleanPowerSF's rates will become less tied to those offered by PG&E.

C. *Additional Costs*

Miscellaneous fees and charges will be developed by CleanPowerSF on an as-needed basis. These fees and charges may be levied on customers for activities including, but not limited to, special meter reading and service switching. Such fees and charges, if required, will be set in accordance with the rate setting principles described above and will be approved by the SFPUC.

Customers who choose to opt out of CleanPowerSF and return to bundled service with PG&E after the initial opt-out period may be charged a small one-time departure fee to be determined by CleanPowerSF.

V. Provisions for Disclosure and Due Process in Rate Setting

In accordance with Section 366.2(c)(3)(C), this section describes the provisions for disclosing energy rates and ensuring due process in the development of rates.

A. *Disclosure Provisions*

Rates at the program's start will be set through a public process. The methodology for setting rates was approved by the Rate Fairness Board April 17, 2015 and the SFPUC on May 12, 2015. Final customer rates will be established by the SFPUC at a public meeting and are subject to rejection by the Board of Supervisors at a public meeting (Charter Sec. 8B.125). Proposed rates and underlying cost information will be made public pursuant to the Brown Act and the San Francisco Administrative Code prior to SFPUC approval. Two notices issued during the Initial Notification Period will inform customers of initial rates.

Subsequent rate changes will be made through a similar public process.

CleanPowerSF will generally follow customer noticing requirements similar to those the CPUC requires of investor-owned utilities. These notice requirements are described as follows:

Notice of rate changes will be published at least once in a newspaper of general circulation in the City within ten days of submitting a rate. Such notice will generally summarize the rate proposal and indicate that the proposal and related exhibits may be examined at the offices of the SFPUC. Notices related to meetings of the Rate Fairness Board, SFPUC, and Board of Supervisors are published as required by the Brown Act and San Francisco Administrative Code Chapter 67.

Within 45 days after submitting a proposal to change rates, CleanPowerSF will furnish notice of its proposed changes to its customers affected by the proposed increase, either by mailing such notice postage prepaid to such customers or by including such notice with the regular bill for charges transmitted to such customers. The notice will state the amount of the proposed change expressed in both dollar and percentage terms, a brief statement of the reasons the change is required or sought, and the mailing address of CleanPowerSF to which any customer inquiries relative to the proposed change, including a request by the customer to receive notice of the date, time, and place of any hearing on the application, may be directed.

B. *Due Process in Rate Setting*

1. Public Oversight of Ratesetting

CleanPowerSF customers will be guaranteed adequate due process to protect their interests. As described above, the ratesetting process will be a public process at every step.

In addition, the City officials and agencies who oversee CleanPowerSF are accountable to local voters and accessible to customers through local offices and regular public meetings. Moreover, all City business is subject to the requirements of the City's Sunshine Ordinance (Admin. Code Chapter 67), in addition to the Brown Act.

2. Rate and Complaint Monitoring

In addition to providing a recommendation on initial rates and rate adjustment proposals, the Rate Fairness Board will have an ongoing rate monitoring role. The Rate Fairness Board will report its findings to the SFPUC Commissioners on an as-needed basis.

VI. Procurement Process

In accordance with Section 366.2(c)(3)(D), this section describes CleanPowerSF's initial methods for entering and terminating agreements with other entities. By adopting this Implementation Plan, the SFPUC has approved the general procurement policies contained herein to be effective at program initiation. CleanPowerSF retains authority to modify program policies from time to time at its discretion.

A. *Procurement Methods*

CleanPowerSF will enter into agreements for a variety of services needed to support program development, electric supply acquisition and energy resource development, operation and management. CleanPowerSF will principally utilize competitive procurement methods for services but at times may also utilize direct procurement or sole source procurement, depending on the nature of the services to be procured, consistent with the San Francisco Municipal Code and procurement policies of the SFPUC. CleanPowerSF will report regularly to the SFPUC and the Board of Supervisors with respect to procurement for the program.

Agreements will be terminated pursuant to the provisions of the contract and consistent with the San Francisco Municipal Code.

B. *Supplier Selection*

The City will issue multiple RFPs from eligible contractors to provide the products and services required by the CleanPowerSF program and preferred contractors will be selected through a competitive solicitation process. A short list of potential energy suppliers and other services providers selected as a result of these RFPs should reflect a highly qualified pool of providers for further negotiations and eventual contract execution.

VII. Customer Rights and Responsibilities

In accordance with Section 366.2(c)(3)(E), this section describes the rights and responsibilities of CleanPowerSF customers. These include the process to opt-out of the program, switching service providers after the opt-out period, customer confidentiality, responsibility for payment and customer deposits. Section C—Customer Confidentiality—also describes how CleanPowerSF will comply with privacy protections concerning customer usage data as required by the CPUC under D.12-08-045.

A. *Customer Opt-Out Rights, Notices and Process*

A minimum of four notices will be provided to all customers describing the program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. Two of the notices will be provided within 60 days prior to enrollment in CleanPowerSF, as required by 366.2(c)(13)(A). Customers who do not affirmatively opt out within this period shall be automatically enrolled in the program.

Following automatic enrollment, two additional opt-out notices will be provided within 60 days or two billing cycles after the initiation of service. All notices will detail the program's terms and conditions, and provide ample opportunity to opt-out of the program without penalty. Customers may also participate in program advance enrollment or, if not offered service in the first phase, may proactively elect to enroll in CleanPowerSF after program initiation.

Following enrollment, the City may charge departing CleanPowerSF customers a small one-time departure fee to be determined by the SFPUC. Per direction from the Board of Supervisors, City imposed departure charges will only apply to customers who return to PG&E service after six months of CCA service (Resolution 0348-12). In 2015, the SFPUC adopted a $5 departure fee for residential customers and a $25 fee for non-residential customers.

CleanPowerSF will likely use its own mailing service for opt-out notices rather than including the notices in the distribution utility's monthly bills. CleanPowerSF will work with PG&E to determine the best means to provide the retail customers with this notice. Consistent with CPUC regulations, notices returned as undelivered mail will be treated as failure to opt out and the customer will be automatically enrolled.

B. *Customer Service Switchover after Initial Opt-out Period*

After the initial opt-out period, all customers enrolled in CleanPowerSF electric service may return to bundled service by PG&E by submitting a Customer Advanced Notification Form to PG&E in writing or electronically.[7]

[7] Rules for post-opt-out period are detailed in PG&E Tariffs Rule No. 23 and Rule No. 22.1.

Consistent with PG&E tariffs, a CleanPowerSF customer must provide a six-month notice in order to return to bundled service with PG&E. PG&E will provide those customers who have provided advance notice with written confirmation and necessary switching process information upon receipt of the customer's notification.

During the six-month advance notice period before customers become eligible for PG&E service at bundled customer rates, customers may either continue on CCA service or return to bundled service and receive Transitional Bundled Service (TBS). According to PG&E's tariff, Community Choice Aggregation service customers who elect to take TBS prior to the end of the mandatory six-month notice period will be charged a Transitional Bundled Commodity Cost (TBCC) charge.

C. *Customer Confidentiality*

CleanPowerSF will maintain confidentiality of individual customer data. Confidential data includes individual customers' name, service address, billing address, telephone number, account number and electricity consumption. Aggregate data that does not contain identifiable information of individual customers may be released at the discretion of CleanPowerSF or as required by law or regulation.

D. *Customer Privacy and Data Security*

As required by the CPUC in Decision 12-08-045, the following rules shall apply to CleanPowerSF's collection, storage, use, and disclosure of customer energy use information ("Customer Data"):

1. CleanPowerSF shall provide every customer with a Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information ("Notice"). The Notice shall contain CleanPowerSF's policies and practices for use of Customer Data. Once a year, CleanPowerSF will notify customers how to obtain a copy of the Notice. A copy of the Notice will also be maintained on the CleanPowerSF website.
2. Unless a customer consents in writing to other uses, CleanPowerSF may use Customer Data only to: (a) provide or bill for electrical power; (b) provide for its system, grid, or operational needs; (c) provide services as required by state or federal law, or as specifically authorized by CPUC order; or (d) plan, implement, or evaluate demand response, energy management, or energy efficiency programs.
3. In connection with such uses, CleanPowerSF may disclose Customer Data to third parties under contract with CleanPowerSF, provided such third parties agree to use Customer Data only for the purpose set forth in the contract. CleanPowerSF may also disclose such information to the CPUC or other governmental agency for matters related to energy efficiency.
4. With customer consent in writing, CleanPowerSF may use Customer Data for any purpose specified in the consent. CleanPowerSF will notify customers on a yearly basis that they may revoke or modify such consent.
5. Upon request, and within a reasonable time thereafter, CleanPowerSF shall provide customers with secure access to their Customer Data in an easily readable format.

6. When required by a legally-served subpoena, CleanPowerSF may disclose Customer Data after 7-day notice to customer, except that without notice to customer CleanPowerSF may: (a) disclose the customer's name, address, and contact information; and (b) disclose Customer Data to emergency responders in situations involving imminent threats to life or property.
7. CleanPowerSF shall implement reasonable safeguards to protect Customer Data.

E. *Responsibility for Payment*

Pursuant to CPUC regulations, electricity service will not be shut off for failure to pay CleanPowerSF's bill. In most circumstances, customers will be returned to utility service for failure to pay bills in full and any customer deposits will be withheld in the case of unpaid bills.[8] In accordance with PG&E's Rule 23, PG&E is responsible for notifying customers of unpaid balances and collecting any outstanding balances. If payment is not received, CleanPowerSF may submit a request to transfer the customer to PG&E's service on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, CCA service will not be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account. Based on program operations and customer feedback, CleanPowerSF may develop its own procedures for collecting unpaid balances.

Customers will be obligated to pay CleanPowerSF's charges for service provided through the date of transfer including any applicable termination fees. CleanPowerSF will attempt to negotiate collection arrangements with PG&E that will satisfy CleanPowerSF's credit requirements. CleanPowerSF may petition the Commission to obtain shut-off rights for customer non-payment of CCA charges if a satisfactory collections agreement cannot be negotiated with PG&E.

F. *Customer Deposits*

Customers may be required to post a deposit to obtain service from the program. Any policy related to customer deposits shall be determined at a public meeting of the SFPUC with an opportunity for public input and comment.

VIII. Roles and Requirements of Third-Party Contractors

CleanPowerSF will rely on third-party contractors to provide some of its services. At program launch, these services will include, but are not necessarily limited to, third party electric supply, power scheduling, and data management, billing and customer care services. In accordance with Section 366.2(c)(3)(G), this section describes the functions

[8] "Utilities should be required to serve a CCA customer that fails to pay for CCA services." CPUC Decision 05-12-041, Decision Resolving Phase 2 Issues on Implementation of CCA Program and Related Matters, Conclusions of Law #43, Rulemaking 03-10-003.

that a third party supplier(s) will perform as well as the financial, operational and technical capabilities SFPUC will require from its suppliers.

A. *Functions of Third-Party Supplier(s)*

1. Electric Supply

Over the next several months, the SFPUC will negotiate contracts with qualified suppliers to secure the energy supplies required to provide reliable, cost-effective electric service and meet CleanPowerSF's portfolio content objectives. The SFPUC is in the process of developing an RFO for the electricity supply needed to serve Phase 1 of the CleanPowerSF program. It is anticipated that the RFO will be published during the summer of 2015 and that CleanPowerSF will enter into a number of renewable energy supply contracts during the fall. In its RFO, CleanPowerSF will also be seeking resource adequacy capacity to comply with applicable state reliability requirements. Before making any future decisions to construct or cause the construction of specific renewable energy projects subject to CEQA, the SFPUC would consider any environmental review documents prepared by the City or other lead agency in compliance with CEQA and, if it approves such projects, the SFPUC would adopt any required CEQA findings as part of such approval actions.

2. Scheduling Coordination

At program launch, CleanPowerSF will utilize the SFPUC's scheduling coordinator to provide power scheduling, settlement and other support services. The primary role of the scheduling coordinator will be to submit generation and load schedules – and corresponding meter data – into the CAISO scheduling system on behalf of the SFPUC and CleanPowerSF, consistent with CAISO timelines. The scheduling coordinator will work with and under the direction of the various staff in the SFPUC.

The scheduling coordinator shall be capable of providing:

- 7 day per week day-ahead pre-scheduling services
- 7 day per week, 24 hour real-time services
- Credit services / collateral with the CAISO

The scheduling coordinator will manage communications between CAISO and the SFPUC day-ahead schedulers and real-time operators will provide updates on CAISO market changes that will affect SFPUC and CleanPowerSF operations. The scheduling coordinator will also support CleanPowerSF in the development and submission of all required resource adequacy reports to the CAISO.

3. Development of Generating Resources and Demand-Side Management

The SFPUC anticipates the potential development of both in-City and out-of-City renewable energy resources to meet the program's renewable goals to the extent feasible.

A third party supplier or developer may coordinate with CleanPowerSF to identify and study potentially appropriate sites to develop new resources. Before making any future decisions to construct or cause the construction of specific renewable energy projects subject to CEQA, the SFPUC would consider any environmental review documents prepared by the City or other lead agency in compliance with CEQA and, if it approves such projects, the SFPUC would adopt any required CEQA findings as part of such approval actions.

CleanPowerSF will also coordinate with the San Francisco Department of Environment to provide demand-side management programs and resources, including conservation and energy efficiency. SFE has a contract with PG&E to administer certain demand-side management programs in the City.

4. Customer Care and Administrative Services

At program launch, a third party supplier is expected to provide customer enrollment, billing administration, and customer services, including working with the SFPUC call center to respond to customer account representatives, billing inquiries and requests for specific program data. Over the course of the contract, CleanPowerSF will coordinate with the third party supplier to transfer full responsibility for customer care and administrative services to the SFPUC.

CleanPowerSF initially intends to utilize a third party(ies) to provide the following customer care and administrative services:

- **Customer Enrollment**. This task consists of providing all services necessary to administer customer enrollments and departures from CleanPowerSF, including exchange and processing of Community Choice Aggregation Service Requests with PG&E.
- **Billing Administration**. This task consists of providing all services necessary to issue monthly bills to participating customers through PG&E's billing process and tracking customer payments. Services include the electronic exchange of customer usage, billing, and payments data with PG&E; tracking of customer accounts receivables and payments; issuance of late payment and/or termination notices; and administration of customer deposits.
- **Customer Care Services**. This task consists of providing call center services to respond to customer billing inquiries and requests for specific program information. The provider will coordinate with SFPUC staff, as needed, to respond to specific customer inquiries about the program including but not limited billing rates and program resource portfolio.

The agreement between CleanPowerSF and the third party shall provide that, unless directed by CleanPowerSF, the third party may use Customer Data only for customer billing. The agreement between CleanPowerSF and the third party shall provide that any use by the third party of Customer Data for any other purpose, or any failure to maintain the confidentiality of Customer Data, shall be considered a material breach of the contract.

The agreement shall also enable CleanPowerSF to require the third party to cease any such improper uses of Customer Data.

B. *Capabilities of Third-Party Supplier(s)*

1. Electric Supply

The SFPUC will select qualified third party suppliers for CleanPowerSF. In addition to fulfilling the specifications of the products requested in the RFO (e.g., product type, resource location, annual delivery amounts, point of delivery, dates and terms of delivery, etc.), proposers will be required to demonstrate certain financial, operational and technical capabilities.

While the specific financial, operational and technical capabilities may vary depending on the specific supply product requested, these capabilities may include, but are not limited to the demonstration of experience and knowledge providing similar products or services to other retail sellers within the CAISO control area; sufficient operational experience of the proposer and its key personnel; sufficient financial capacity as demonstrated by audited financial statements and a credit rating from a recognized rating agency; a project financing plan and ownership structure, if applicable; demonstration of site control; status of land use permitting, environmental review and other governmental approvals; and interconnection agreements.

2. Scheduling Coordination

As noted in Section VII.A.2 above, at program launch CleanPowerSF will utilize the SFPUC's scheduling coordinator to provide power scheduling, settlement and other support services. On July 8, 2014, the SFPUC issued an RFP for Power Scheduling Coordination and Related Support Services. The RFP sought qualified bidders that were able to demonstrate the relevant expertise to successfully perform the role and responsibilities detailed in the RFP scope of services, and summarized above. The RFP required that proposers be currently certified by the CAISO as a scheduling coordinator as defined in the CAISO Tariff and that proposers must have possessed this certification continuously for a period of not less than five (5) years. In addition, the RFP required

To qualify as a Prime Proposer or Lead JV Partner for the RFP, the SFPUC also required proposers to possess experience and knowledge of (1) CAISO operations as they currently exist including substantial knowledge of CAISO Market Operation, Scheduling and Settlements; (2) Experience and knowledge of the energy and ancillary service products implemented at CAISO day-ahead and real-time market as well as the associated market rules and obligations; (3) hydroelectric system operations and scheduling of hydroelectric units with reservoir and water flow constraints; and (4) CAISO dispute procedures, extensive knowledge of CAISO charge codes and experience in verifying and disputing CAISO charges.

On September 23, 2014, the SFPUC adopted Resolution 14-0141 approving the selection of APX, Inc. to provide CAISO certified scheduling coordinator and consulting services to the SFPUC and authorizing the General Manager of the SFPUC to negotiate and execute an agreement. The agreement will include an option to provide additional SC services for CleanPowerSF.

3. Development of Generating Resources and Demand Side Management

Although there are no specific projects identified at this time, CleanPowerSF anticipates the development of both in-City and out-of-City renewable energy resources to meet the program's renewable energy goals. CleanPowerSF will determine the feasibility and timeline of developing new renewable generation resources. Some of these resources may be developed by third parties that sell energy, capacity and environmental attributes to CleanPowerSF. Before making any future decisions to construct or cause the construction of specific renewable energy projects subject to CEQA, the SFPUC would consider any environmental review documents prepared by the City or other lead agency in compliance with CEQA and, if it approves such projects, the SFPUC would adopt any required CEQA findings as part of such approval actions.

As noted above, CleanPowerSF will be coordinating with the San Francisco Department of Environment to provide demand-side management programs and resources, including conservation and energy efficiency. It is likely that CleanPowerSF, either directly, or through SFE, will contract with third parties to provide some of these demand-side management services. The potential scope and role of third parties in providing demand-side management services to CleanPowerSF will be determined at a later date.

4. Customer Care and Administrative Services

CleanPowerSF will contract with a highly qualified third party or team of parties to provide customer care and administrative services detailed above. CleanPowerSF is seeking provider(s) that have at least three years of experience managing and administering customer accounts, tracking customer usage, issuing bills, monitoring payments, issuing late payment/termination notices, administering customer deposits, and carrying out EDI functions for an energy industry client, preferably a CCA program. In addition, the provider(s) must also have one year of experience managing a call center for an energy industry client.

IX. Contingency Plan for Program Termination

In accordance with Section 366.2(c)(3)(F), this section describes the process to be followed in the case of program termination. By adopting this Implementation Plan, the City approved the general termination process contained herein to be effective at program initiation. SFPUC or the Board of Supervisors retains authority to modify program policies from time to time at its discretion.

A. *Termination*

There is no planned program termination date. In the unanticipated event that the City decides to terminate CleanPowerSF, and subject to any applicable restrictions, notice will be provided to customers six months in advance that they will be transferred back to PG&E. A second notice will be provided during the final 60 days in advance of the transfer. The notice will describe PG&E's bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules. At least one year advance notice will be provided to PG&E and the CPUC before transferring customers, and CleanPowerSF will coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers will be transferred on the date of their regularly scheduled meter read date.

Per CPUC requirements, CleanPowerSF will post a bond or self-insure to cover payments due to PG&E in the event of sudden cessation of service. Public Utilities Code Section 394.25(e) requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. CleanPowerSF will provide evidence of insurance or post a bond against the risk of customer reentry fees.

APPENDIX A