San Francisco Water Power Sewer
Services of the San Francisco Public Utilities Commission

CleanPowerSF

525 Golden Gate Avenue, 7th Floor
San Francisco, CA 94102
T 415.554.0773
cleanpowersf@sfwater.org

Date: July 2, 2020

To: Commissioner Sophie Maxwell, President
Commissioner Anson Moran, Vice President
Commissioner Tim Paulson
Commissioner Ed Harrington
Commissioner Newsha Ajami

Through: Michael Carlin, Acting General Manager MPC
Barbara Hale, Assistant General Manager, Power BH

From: Michael Hyams, Deputy AGM, Power – CleanPowerSF MAH

Subject: CleanPowerSF Quarterly Update

This memorandum serves as the regular quarterly update to the San Francisco Public Utilities Commission (SFPUC or Commission) on the Power Enterprise's CleanPowerSF program.

The *Quarterly Update* focuses on the following:

1. Program Service Statistics and Enrollment Activities
2. COVID-19 Impacts and Relief Measures
    a. Arrearage Management Program
    b. CPUC Debt Relief Proceeding
3. Generation Rates
    a. July 1st Rate Change
    b. Residential Time-of-Use Rate Transition
4. Customer Programs Update
    a. Peak Day Pricing Pilot Program
    b. Energy Efficiency Program for Food Service Sector
    c. Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs

1. Program Service Statistics and Enrollment Activities

i. Service Statistics

CleanPowerSF remains fully operational, and our clean electricity generation services to San Francisco customers continue successfully. As of June 17, 2021, CleanPowerSF is serving approximately 384,000 active customer accounts.

The program opt-out rate has increased by 0.1% to 4.1% of all enrolled accounts since the last CleanPowerSF quarterly update to the Commission on March 9, 2021. Additional details about opt-outs are provided in the “CleanPowerSF Opt-Out Reason Data” section below.

Customer enrollment in SuperGreen, CleanPowerSF’s optional 100% renewable energy product, has remained steady since the last quarterly update at 2.1% of active accounts, which is estimated to account for more than 5% of CleanPowerSF’s total annual electricity sales.

ii. CleanPowerSF Opt-Out Reason Data

CleanPowerSF has enrolled a total of 411,536 service points since its launch in 2016. To date, approximately 16,914 (4.1%) have opted out of CleanPowerSF service.

CleanPowerSF offers all customers who are opting out of its service the opportunity to provide feedback on their reason for doing so. Response data for all opt-outs that occurred between January 2019 through May 2021 is reported below in Figure 1. Figure 2 provides opt-out survey responses by year to compare year-over-year trends. The 2021 pie chart only includes year-to-date data through May 2021. Customers who declined to provide a reason for opting out or provided a reason that did not fall into a common category are notated in the pie charts in the ‘Other or No Response’ category.

Figure 1. Customer Opt-out Reasons (January 2019 – May 2021)

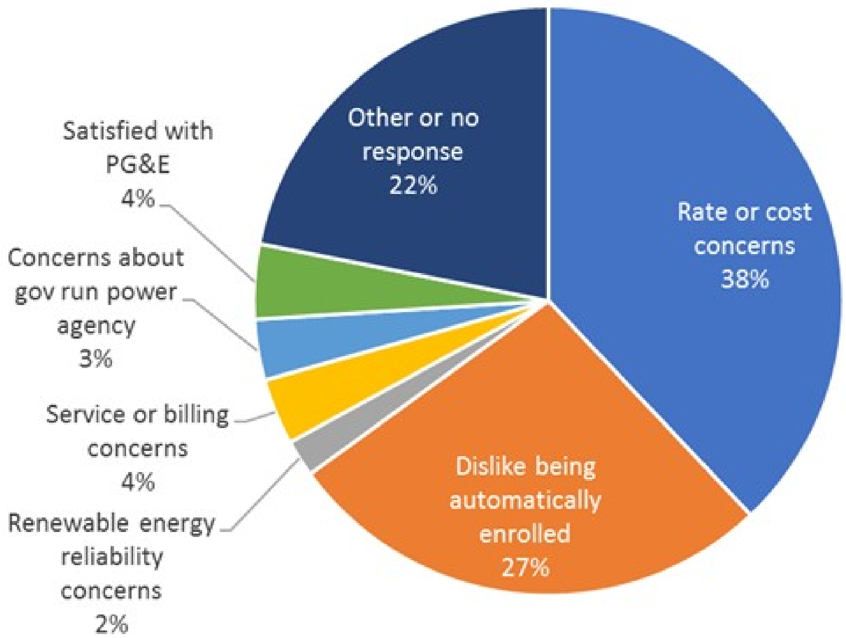
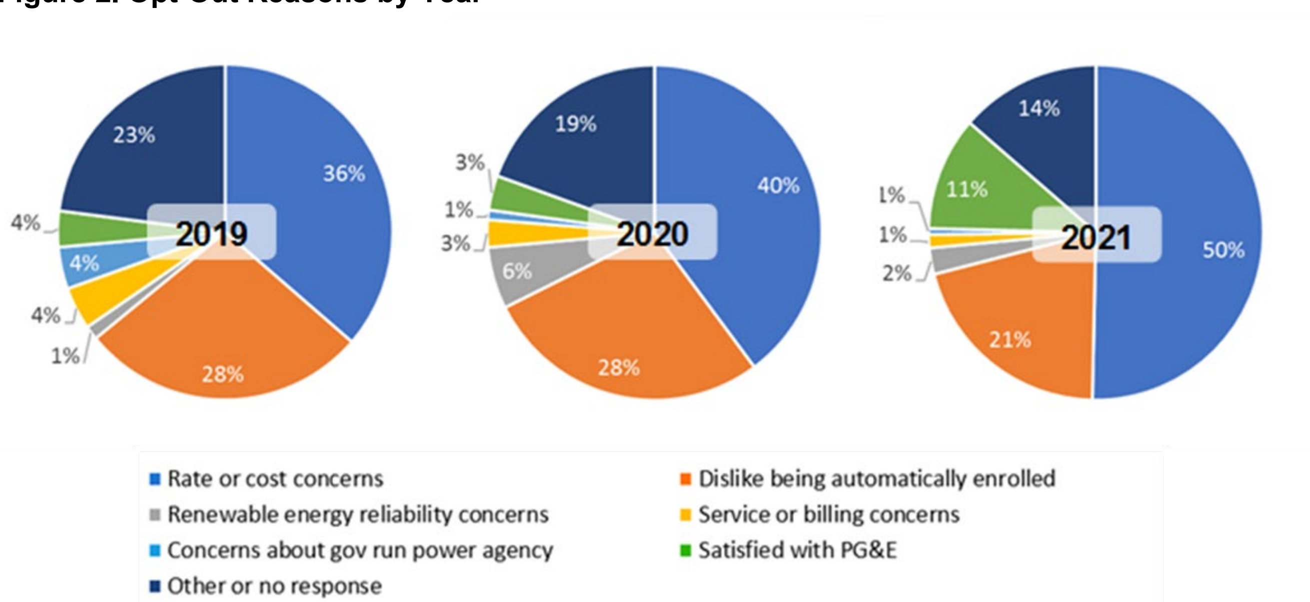


Figure 2. Opt-Out Reasons by Year



Based on the feedback received from customers, "rate or cost concerns" is the top reason for opting out, followed by "dislike of being automatically enrolled" and “satisfaction with PG&E”. Of note, in 2021 the proportion of customers that have opted out due to “rate or cost concerns” has increased to 50% of responses. “Dislike for automatic enrollment” has decreased slightly, while “satisfaction with PG&E” has increased. However, as noted above, customer opt-outs remain low overall with only 4.1% of all customer accounts enrolled opting to take generation service from PG&E.

CleanPowerSF uses this opt-out data to inform our interactions with the public and tailor the content of the information we share. Understanding the top reasons why people choose to opt-out of CleanPowerSF helps staff refine the messages included in outreach material, enrollment notices, talking points, web content, call center scripts and more. We will continue to analyze opt-out data so we can anticipate and respond to concerns from customers.

2. COVID-19 Impacts and Relief Measures

i. Ratepayer Relief Measures

We recognize that the societal response to COVID-19 has required sacrifice and many members of our community are facing economic hardship. The SFPUC and its CleanPowerSF program is here to help our community.

Measures available to help customers at this time include, but are not limited to: a temporary suspension of returning CleanPowerSF customers to PG&E for generation service for nonpayment; a suspension of PG&E service disconnections ordered by the California Public Utilities Commission (CPUC) through September 30, 2021; expanded flexible payment plans; a new debt forgiveness plan for low-income customers (e.g., Arrearage Management Plan); and rent and utility bill relief through the Emergency Rental Assistance Program. Qualifying customers may also be eligible for up to 35% off their energy utility bills through the California Alternate Rates for Energy (CARE) or Family Electric Rates Assistance (FERA) programs.

To keep our customers informed about these and other relief measures, we are maintaining a COVID-19 information page on our CleanPowerSF website. That page may be found at https://www.cleanpowersf.org/covid-19. We continue to update this webpage with the latest information on COVID-19 response and support services.

The two sections that follow below provide additional information on the implementation of the Arrearage Management Plan and new relief measures adopted by the CPUC in its COVID-19 debt proceeding.

a. Arrearage Management Plan (AMP) Implementation

To help low income customers with arrears get back on track, the Commission adopted Resolution No. 20-0242 December 8, 2020, authorizing CleanPowerSF to participate in the CPUC's AMP program. The AMP provides qualifying customers with debt forgiveness for past due amounts owed. The cost of customer debt forgiven under the program – for both CleanPowerSF and PG&E charges – is recovered from Public Purpose Program charge revenues collected by PG&E from all retail customers within its service territory. All customers of CPUC-jurisdictional providers (like CleanPowerSF and PG&E) pay into the Public Purpose Program.

Customers eligible for the AMP program must be residential customers enrolled in the CARE or FERA discount programs and owe at least $500 in arrearages.[1] Under the CPUC-approved program, enrolled customers will receive arrearage forgiveness equal to 1/12 of their arrearage balance at the time of enrollment for every on-time payment of a current monthly bill, up to a maximum of $8,000 total. Customers who miss two consecutive monthly payments will be removed from the program but will not forfeit forgiven amounts. The CPUC directed that CleanPowerSF will receive remittance payments from PG&E equal to forgiven participating customer arrearages associated with CleanPowerSF's generation-related charges.

CleanPowerSF and PG&E began enrolling eligible customers in the AMP program on February 2, 2021. As of June 16th, 605 CleanPowerSF customers have enrolled in the AMP, out of approximately 3,300 eligible customers. Arrearages for enrolled customers total $140,000. To date, staff have promoted the AMP by providing information about the program on our CleanPowerSF website, via social media, and including it with other CleanPowerSF communications and marketing materials. The SFPUC's Power Communications Team has been coordinating with community-based organizations to be sure they are able to inform their respective community members about this important opportunity.

b. California Public Utilities Commission's COVID-19 Debt Proceeding

---

[1] The AMP is a CPUC program offered to CleanPowerSF and PG&E customers. For more information about applying for the AMP, see: https://www.pge.com/en_US/residential/save-energy-money/help-paying-your-bill/payment-assistance-overview/payment-assistance-overview.page?WT.mc_id=Vanity_amp

To protect customers from being disconnected during the pandemic, the CPUC issued Resolutions M-4842 and M-4849, which directed investor-owned utilities to suspend disconnections and offer various customer protections from March 4, 2020 through June 30, 2021.

With the disconnection moratorium set to end June 30th, the CPUC opened a proceeding on February 18, 2021 to address the customer utility debt that had accumulated during the COVID-19 period and to consider the development of a COVID-19 debt relief program. CleanPowerSF actively participated in the proceeding through the California Community Choice Association (CalCCA), advocating for broad debt relief measures and extending the disconnection moratorium until there was sufficient time for economic reopening and recovery. In its initial decision adopted on June 24, 2021, the CPUC extended the disconnection moratorium through September 30, 2021 and authorized a new COVID-19 Relief Payment Plan program.

The CPUC's COVID-19 Relief Payment Plan decision directs the investor owned utilities (i.e., PG&E) to automatically enroll <u>all</u> residential customers with arrearages more than 60 days past due into 24-month payment plans, further protecting customers from disconnection. This program will complement the AMP, supporting all residential customers including those that may not qualify for the AMP. Similar to the AMP, customers may miss up to two monthly payments. Customers already enrolled in AMP will not be automatically enrolled in COVID-19 payment plans and may remain in the AMP program. Qualifying customers may also choose to enroll in AMP instead of the COVID-19 payment plan.[2]

Small business customers with arrearages more than 60 days past due will also be automatically enrolled in COVID-19 payment plans that add no more than 10 percent to the customer's average monthly bill, based on the prior 24 months. Small businesses located in areas that meet the state's criteria as Disadvantaged Communities will be enrolled in payment plans that add no more than 5 percent to the customer's average monthly bill (for more information about Disadvantaged Communities see footnote 5 below). Small business customers who miss more than one payment during a 12-month period may be removed from the payment plan.

---

[2] AMP is a preferable program for qualifying customers because it forgives those customers' accumulated debt (subject to the limits described in Section 2.i.a. above) whereas the COVID-19 Relief Payment Plan only provides extended repayment. The AMP is also preferable to CleanPowerSF because the forgiven debt will be recovered through the Public Purpose Program charge over a shorter period of time (12 months versus 24 months) for qualifying customers that are able to make monthly payments on their current charges.

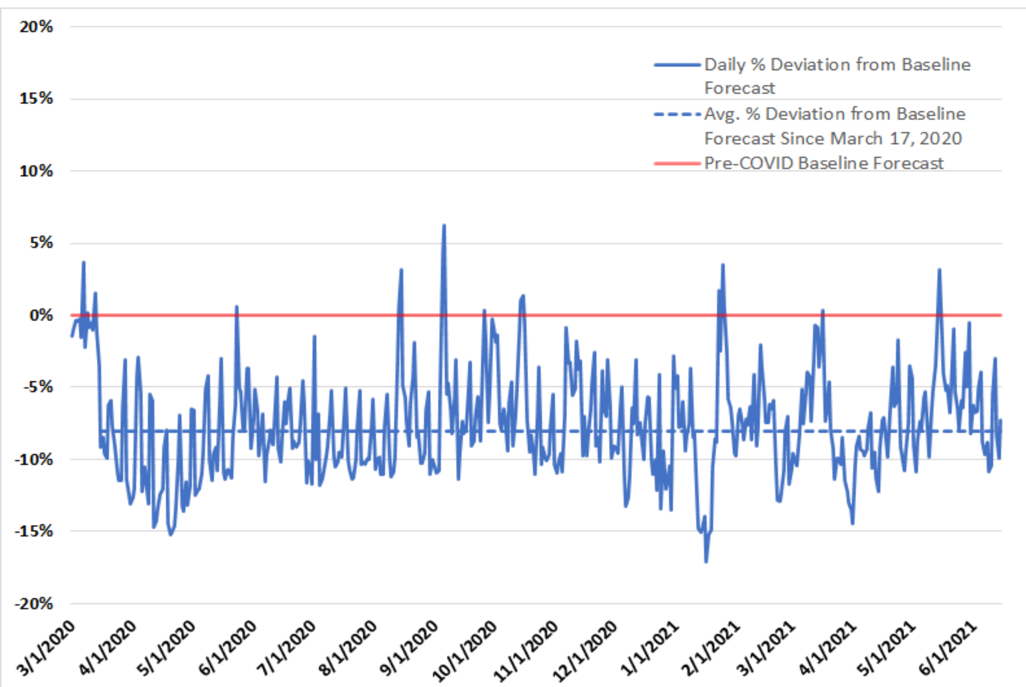
With state funding of COVID-19 utility debt relief pending, the CPUC deferred issues related to customer debt relief to a second phase of the proceeding, which is expected to commence shortly after approval of the state budget.

ii. Demand for Electricity

Since San Franciscans were ordered to shelter-in-place (SIP) on March 17, 2020 CleanPowerSF has seen an overall reduction in customer electricity usage of about 8.1%, relative to pre-SIP usage, a decrease of 0.3% since the last Quarterly Update to the Commission (which reported 8.4% lower usage). Residential customer usage since SIP took effect has been about 7% higher than pre-SIP usage, while non-residential customer usage is about 18% lower than pre-SIP forecasts, both of which are about the same as reported in the last quarterly update.

Figure 3, below, shows CleanPowerSF's daily energy sales as a percentage of the pre-SIP baseline forecast (solid blue line). The pre-SIP baseline forecast is a forecast of program electricity sales before the impacts of COVID-19 and the SIP order in San Francisco. While daily electricity sales relative to the pre-SIP baseline forecast oscillate between -16% and +6%, on average, program sales are 8.1% below the baseline forecast (represented in Figure 3 by the dotted blue line).

Figure 3. COVID-19 Impacts on CleanPowerSF Electricity Sales - Daily Electricity Sales as a Percentage of the Pre-SIP "Baseline" Forecast



The few times program electricity sales exceeded baseline forecast since the SIP order took effect (represented in the graph by the solid blue line crossing above the solid red line) were the result of the extreme heat events experienced in San Francisco during the summer and early fall of 2020 and hot weather in late spring 2021.

While energy sales in Fiscal Year 2021 Q3 and Q4 remain depressed relative to the pre-SIP baseline forecast (-7% in this time period), the change in statewide policies related to COVID-19 that became effective on June 15, 2021 may lead to increased program sales as local economic activity recovers and things return to “normal”. Staff will continue tracking and analyzing our customer usage and demand trends so we can understand the impact to our service and are using this information to support financial planning and on-going procurement needs.

iii. Power Supply

Recall that long-term power purchase agreements were approved by the Commission and Board of Supervisors and executed prior to the pandemic. These power purchase agreements allow the renewable energy project developers to receive financing enabling the projects to proceed to construction.

To date, we have had no problems with our supply of power or our suppliers' ability to operate as a result of COVID-19. However, we have received reports that COVID-19 related disruptions to shipping and manufacturing are causing supply chain disruptions, delaying delivery of key components of projects under construction. As summarized below, CleanPowerSF has two contracts to purchase renewable energy from projects that are under development with expected commercial operation dates later this year that may be affected by such supply chain delays.

As previously reported, the Blythe IV solar project reached commercial operation on September 11, 2020, three weeks earlier than initially planned. Also, following a four-month delay that was described in the March 9, 2021 Quarterly Update the Voyager IV wind project reached commercial operation on March 30th. The Voyager IV project is now delivering approximately 50 MW of wind power to the CleanPowerSF program.

The status and expected schedule of projects under development with on-line dates by the end of 2021 are provided in Table 1 below.

Table 1. Projects[3] Under Development

Project Name	Technology	Project Capacity (MW)	Status
Blythe IV	Solar PV	62 MW	On-line, 9/11/2020
Voyager IV	Wind	50 MW	On-line, 3/30/2021
Oasis	Wind	60 MW	Expected on-line by 9/30/2021
Maverick Solar 6	Solar PV + Battery Storage	100 MW (solar) 50 MW (battery)	Expected on-line by 12/1/2021

3. Generation Rates and the Power Charge Indifference Adjustment (PCIA)

i. July 1st Rate Change

At a noticed public hearing on May 25, 2021, the Commission adopted Resolution No. 21-0085, approving a new rate-setting methodology effective July 1, 2021 that sets CleanPowerSF rates to the lesser of either 5% higher than comparable PG&E rates, or rates that recover CleanPowerSF's program costs.[4] On July 1, 2021, CleanPowerSF rates were updated according to the new rate-setting methodology. Beginning on July 1, 2021 a message notifying customers of the rate change will be placed on each customers' energy bill. This notice will remain on bills for two billing cycles through the end of the month of August. Customers will also be able to find updated CleanPowerSF rates and cost comparison information at: https://www.CleanPowerSF.org/Rates.

ii. Residential Time-of-Use Rate Transition

On December 10, 2019, the Commission approved Resolution No. 19-0237, endorsing CleanPowerSF's plan to transition residential customers to time-of-use (TOU) as the default rates and to provide bill protection to automatically-

---

[3] Contracts to purchase energy from these projects were executed pursuant to Commission Resolution Nos. 17-0026 and 18-0028 and Board of Supervisors Ordinance No. 008-18.

[4] As required by the City Charter (Section 8B.125), the Commission took this action after a publicly noticed hearing at the Rate Fairness Board on April 23, 2021 and a public presentation of the rate action at the Power Subcommittee of the SFPUC Citizens Advisory Committee on May 4, 2021. As required by the City Charter, notice of the rate action as also published in the newspaper and on the SFPUC's website prior to the hearing date.

transitioned customers in the form of a one-time credit after the first year of TOU service. Nearly 200,000 eligible CleanPowerSF residential customers are scheduled to transition to TOU rates in July 2021 at the same time the customers' PG&E distribution rates are transitioned to TOU rates.[5] By providing bill protection and aligning CleanPowerSF's generation and PG&E's distribution rate TOU transitions, CleanPowerSF customers are receiving competitive and equivalent rate offerings as well as benefiting from collaborative customer educational efforts between CleanPowerSF, PG&E, and other participating CCA programs in PG&E's service area.

All customers transitioning to TOU rates received two mailed notices informing them of their options ahead of their transition date and directing them to PG&E and CleanPowerSF's TOU rate transition webpages for information.[6] The notices included an estimated rate comparison between a customer's existing rate and the new TOU rate based on their previous year's electricity usage.

In June 2021, CleanPowerSF hosted an educational webinar for customers and Community Based Organizations to learn more about the TOU transition. During this webinar, customers learned about the environmental benefits of shifting energy use away from peak hours, received tips on how to save energy and money on the new TOU rate, including available energy saving programming, and received a tutorial from PG&E on how to use their online account to run a personalized cost comparison and confirm bill protection eligibility. A recording of the webinar can be found here: https://www.youtube.com/watch?v=RhBf8x7YPXw.

More information about the TOU rate transition can be found at www.CleanPowerSF.org/TOU which includes an overview of TOU rates, helpful links, and frequently asked questions. CleanPowerSF will continue its education campaign geared toward residential, including multi-family, CleanPowerSF customers over the coming months. The goal of the campaign is to augment the statewide TOU rate communications effort and inform customers of their rate options, opportunities for saving money with a TOU rate, and the benefits of risk-free bill protection. The multilingual campaign includes collateral on energy and money saving tips, coordination with community-based organizations, SFPUC Newsroom articles, direct email, and more.

---

[5] The majority of CleanPowerSF's residential E-1 customers will be transitioned in July of 2021. However, some PG&E retirees and current employees taking service from CleanPowerSF were transitioned in October 2020. Additionally, NEM customers will transition on their annual True-Up date beginning March 2021.
[6] Customers received one notice 90 days and 30 days prior to transitioning.

4. Customer Programs Update

i. Peak Day Pricing Pilot Program

CleanPowerSF's Peak Day Pricing pilot program is a voluntary demand response program that incentivizes large commercial customers to reduce their electricity consumption on "Event Days" in the summer when the grid is expected to be strained, typically due to high temperatures. CleanPowerSF launched the 2021 program season on July 1, marking the third year CleanPowerSF has offered the program.

CleanPowerSF has made structural changes to the program's incentive model for the 2021 season to better align incentives with the amount of load shed/demand reduction participants contribute and to improve the customer experience. Customers will be directly compensated for the amount of electricity they are able to reduce, making the program more transparent and predictable for customers.

To make it easier for customers to participate, CleanPowerSF also implemented some modifications to the protocol for Event Days. CleanPowerSF will no longer call Event Days on holidays and weekends, when it can be challenging for office buildings (CleanPowerSF's large commercial customer base) to respond. Additionally, the program's Event Day peak hours were extended from 4-8 p.m. to 4-9 p.m. to align with the new Time-of-Use rates peak period.

The 2021 program season commenced July 1 and will run through October 31. CleanPowerSF will call between six to twelve Events during that time. At the end of the season, CleanPowerSF will calculate participants' incentives and evaluate performance data. Staff will share the results of this year's program once the season is completed and the data is available.

ii. Energy Efficiency Program for the Food Service Sector

CleanPowerSF, in collaboration with the San Francisco Department of the Environment, has developed a proposal to launch a new energy efficiency program to serve food service businesses and community organizations in San Francisco. The program would be funded through Public Purpose Program charge funds collected from CleanPowerSF ratepayers in PG&E's service territory and administered by the CPUC. Staff are planning to present the program proposal and CPUC funding application to this Commission for approval at its July 27, 2021 meeting. If approved, CleanPowerSF will submit the application to the CPUC in August 2021. An overview of the program is provided below and a more detailed summary is attached to this memorandum in Appendix A.

If approved by the CPUC, this new energy efficiency program would serve San Francisco's food service industry, including grocery stores, markets, restaurants, and non-profit social organizations such as dining halls, food banks, and meal delivery services for community members facing food insecurity. By subsidizing energy efficiency investments that reduce energy usage and utility costs, the program will strengthen the economic viability and increase the service capacity of these vital community businesses and organizations. Additionally, the program will contribute to the City's ambitious greenhouse gas emissions reduction goals through electricity savings, fuel switching, and the promotion and use of low-global warming potential refrigerants.

As noted above, the proposed program would be funded through the Public Purpose Program charge, a non-bypassable charge that is added to all PG&E electric ratepayer bills to fund public-interest programs. Community Choice Aggregation (CCA) Programs in California have the option of applying to the CPUC to administer a portion of these funds collected from the CCA's customer base. Pursuing this option would allow CleanPowerSF to redirect existing ratepayer funds into a new program that is uniquely designed to meet local needs. For more information about this program see Appendix A, attached.

iii. Disadvantaged Communities Green Tariff and Community Solar Programs

In the December 8, 2020 Quarterly Update to the Commission, staff reported that it was developing a proposal to implement new Disadvantaged Communities (DAC) Green Tariff and DAC Community Solar programs.[7] Staff submitted the proposal to the CPUC by its December 31, 2020 deadline. On April 15, 2021, the CPUC issued Resolution E-5124 approving

---

[7] As defined by the State of California, DACs are the communities (measured at the census tract level) that have been disproportionately affected by environmental pollution and have higher concentrations of people that have health sensitivities to pollution's effects, such as asthma, are low-income, experiencing high levels of unemployment, have low home ownership rates, high rent burdens, or low levels of educational attainment. For additional background on how DACs are defined and identified and the Green Tariff and Community Solar programs, see CleanPowerSF's Quarterly Update to the Commission provided on December 8, 2020: https://sfpuc.sharefile.com/share/view/sce2dbc15f0a8482186f65b601ea94979 (accessed on Feb. 3, 2021)

CleanPowerSF's DAC Green Tariff and Community Solar program proposals. The Resolution also required CleanPowerSF to submit Advice Letters making specified revisions to its 2021 and 2022 proposed program budgets and to submit its draft solicitation and Pro-Forma contract to procure the renewable energy for the programs. Staff shared the required draft materials with the Commission June 8th and then submitted them to the CPUC for its review by the June 15th deadline.[8]

Staff are currently refining the solicitation materials to procure the renewable energy supply for the two programs. Once the CPUC approves the solicitation materials, CleanPowerSF will need to issue its Request for Offers ("RFO") within 60 days. Staff expects to receive approval from the CPUC by July 15th. After that time, staff will finalize the materials and plans to issue the RFO on or around September 15th.

If CleanPowerSF is able to procure capacity from an interim renewable resource in PG&E's service area, staff anticipate being able to launch the DAC Green Tariff program in the first quarter of 2022. Staff anticipate the DAC Community Solar program could launch between 2023 and 2025, depending on when the new local project(s) that need to be built to serve program participants become operational.

Next steps for CleanPowerSF's implementation of the DAC Green Tariff and DAC Community Solar programs include finalizing and issuing the Request for Offers to purchase renewable energy from eligible projects to supply the two programs, identifying possible community sponsors to collaborate with project developers in the DACs, developing a brand identity for these two new electricity products, and conducting customer outreach and enrollment. Staff will be presenting the Commission with more information regarding our plan for engaging with potential project community sponsors and marketing the program to customers at its meeting on July 27th.

Key milestones for the development of the DAC Green Tariff and DAC Community Solar programs are summarized in Table 2 below.

---

[8] June 8, 2021 Commission meeting memo with the Disadvantaged Communities programs solicitation materials available here: https://sfpuc.sharefile.com/share/view/s8a723bf620224d4796823b635cb60763

Table 2. DAC Green Tariff and Community Solar Programs Development Schedule

Activity	Expected Timeline
Solicitation materials submitted to the CPUC	June 15, 2021
CPUC approval of solicitation materials	July 15, 2021
Finalize solicitation and Pro-Forma contracts	July 15 to August 31, 2021
Hold a webinar meeting to share information about the program with interested CBOs	August 2021
Issue Request for Offers to purchase renewable energy	September 15, 2021
Issue solicitation and contract w/ interim DAC Green Tariff renewable resource	October-December 2021
Begin DAC Green Tariff customer engagement and enrollment efforts	October-December 2021
PPA negotiations and contract(s) award	January - March 2022
Launch DAC Green Tariff program with interim renewable energy resource	January - March 2022
Submit program long-term power purchase agreements to CPUC, SFPUC Commission and Board of Supervisors for approval	April - September 2022
Begin DAC Community Solar program customer engagement and enrollment efforts	January 2023
Launch DAC Community Solar program when new projects are constructed and operational	2023-2025

APPENDIX A

CleanPowerSF Energy Efficiency Program Proposal

The following is a summary of CleanPowerSF's proposed Energy Efficiency Program that will be presented to the Commission for approval at the July 27, 2021 meeting.

Background
Community Choice Aggregation Programs in California have the option of applying to the CPUC for funds to administer energy efficiency programs, as established in D.14-01-033. The funds for such programs are collected through a line item charge paid by all customers of Investor Owned Utilities, called the Public Purpose Program (PPP) charge. By pursuing the option titled "Elect to Administer," CleanPowerSF may seek to be allocated a portion of PPP funds collected from its customer base to implement a CPUC-approved program.

CleanPowerSF has partnered with the San Francisco Department of the Environment to develop a program proposal to seek energy efficiency funding through the CPUC's "Elect to Administer" pathway. The Department of the Environment has historically managed San Francisco's CPUC-administered energy efficiency programs marketed to PG&E customers and will support SFPUC in the implementation of the proposed program as it is marketed to CleanPowerSF customers, if it is approved.

Program Overview
The proposed CleanPowerSF Community Food Service Energy Efficiency Program will serve San Francisco's food service industry, including grocery stores, markets, restaurants, and non-profit social organizations such as dining halls, food banks, and meal delivery services for community members facing food insecurity. The program would provide participants with financial support to install energy improvements such as: LED Lighting and Controls, Refrigeration Equipment and Optimization, HVAC Controls and Optimization, Electric Food Service Equipment replacement, and Electrification Measures.

Many of the target customers for this program are currently underserved by the existing energy efficiency options available through PG&E and the Bay Area Regional Energy Network (BayREN). In particular, community food service organizations and small grocery stores have been underserved because they are harder to reach and may have smaller energy loads per site, making them less cost-effective to serve. This proposed program intends to fill that gap.

The food service customer segment targeted by this program represents approximately 200,000 MWh of annual electricity usage, or approximately 4% of total usage in San Francisco in 2020. The program is projected to save approximately 5,300 MWh over three years. The requested budget for the program is $4.5M, which is determined by a funding formula established by the CPUC, based on a portion of PG&E's budget for local energy programs. The Program's budget is detailed in Table 1 below, according to cost categories defined by the CPUC.

Table 1: Annual and Total Program Budget by CPUC Cost Category

Cost Category / Program Function	Year 1	Year 2	Year 3	Total
Administration	$ 152,635	$ 152,635	$ 152,635	$ 457,905
Marketing, Education and Outreach	$ 91,581	$ 91,581	$ 91,581	$ 274,743
Direct Implementation (Non-Incentive)	$ 501,471	$ 501,471	$ 501,471	$ 1,504,413
Direct Implementation (Incentive)	$ 763,176	$ 763,176	$ 763,176	$ 2,289,528
Evaluation, Measurement & Verification	$ 17,489	$ 17,489	$ 17,489	$ 52,467
Program Budget	**$ 1,526,352**	**$ 1,526,352**	**$ 1,526,352**	**$ 4,579,056**

If approved by both the Commission (for proposal submission) and the CPUC (for funding), the Program will employ a pay-for-performance model, in which CleanPowerSF will contract with an Energy Service Company (ESCO) to implement the program. The ESCO will engage with potential program participants, conduct an energy audit at no cost to the customer, coordinate the installation of energy upgrades, and provide commissioning and training. Under pay-for-performance programs, the ESCO is typically compensated based on a fixed price per kilowatt-hour of energy reductions, based on the energy savings that are actually achieved by the customer.

CleanPowerSF will also contract with an Evaluation, Measurement, and Verification (EM&V) provider to independently evaluate if projected energy savings have been achieved. A population-based normalized metered energy consumption (NMEC) approach will be employed to evaluate energy savings. The NMEC method establishes baseline energy usage for the customer group, "normalizes" this baseline using weather data and other information that may impact energy usage, then compares the baseline to actual energy usage after the installation of the energy efficiency measures.

Goals and Success Metrics

To be approved, the program must be projected to meet the CPUC's program cost-effectiveness standards. The Total Resource Cost (TRC) cost-effectiveness test determines the ratio of a program's benefits relative to its cost to ratepayers. Benefits are measured as avoided energy supply costs associated with energy savings. The CPUC requires new programs to meet a TRC of at least 1.0 for the first three years. CleanPowerSF's program is projected to achieve a TRC of 1.11.

In addition to tracking the Program's overall cost-effectiveness and energy savings, CleanPowerSF will track the following performance metrics:

- Underserved communities and hard-to-reach customers served
- Non-energy benefits to customers
- Number of customers referred to other energy programs
- Number of customers that did not fit or were not eligible for other program offerings
- Percentage of customers audited who install at least one program measure
- Percentage of recommended measures installed by customers
- EM&V process, tracking, and incorporation into program design
- Percentage of energy savings realized, compared to projected
- Contribution toward the City's goal of net-zero emissions by 2050

If approved by the Commission, CleanPowerSF plans to submit the program application to the CPUC in August 2021. The program would be expected to launch by early 2023. Table 2 below is a schedule of application and launch activities.

Table 2: Application and Launch Schedule

Timeframe	Action	Lead Entity
Upon submission (Aug 2021)	•Begin implementation planning •Develop Inter-departmental MOU with SFE •Develop Solicitation for ESCO and M&V Provider	CleanPowerSF; SF Environment
3-4 months after Submission (Nov – Dec 2021)	Issue Solicitation for ESCO and M&V Provider	CleanPowerSF
6 months after submission (Feb 2022)	CPUC Program Plan approval	CPUC
6 months from CPUC approval (August 2022)	Seek SFPUC approval for: •Accepting funding via contract with PG&E •Approving ESCO and M&V contracts	CleanPowerSF
9-12 Months from CPUC Approval (Nov 2022 – Feb 2023)	Program Launch	CleanPowerSF