

Date: September 29, 2022

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

Through: Dennis J. Herrera, General Manager *DJH*
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From: Michael Hyams, Deputy AGM, Power – CleanPowerSF *MAYH*

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.

This *Quarterly Update* focuses on the following topics:

1. Program Service Statistics and Enrollment Activities
2. Renewable Energy Ordinance Activities
3. Heat Event of September 5-9
4. Communications Update
 - a. Product Content Labels (2021)
 - b. Community Events
5. COVID-19 Relief Measures
6. Generation Rates
 - a. Time of Use Bill Protection
7. Customer Programs Update
 - a. EV Charge SF
 - b. Other Program Updates

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Mayor

Anson Moran
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CleanPowerSF is a program of the San Francisco Public Utilities Commission (SFPUC), an enterprise department of the City and County of San Francisco.

CleanPowerSF is committed to protecting customer privacy. Learn more at cleanpowersf.org/privacy.

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



1. Program Service Statistics and Enrollment Activities

CleanPowerSF remains fully operational, and our clean electricity generation services to San Francisco customers continue successfully. As of September 26, 2022, CleanPowerSF is serving approximately 384,000 active customer accounts.

The program opt-out rate is 4.3% of all enrolled accounts, which is consistent with what we reported in the last CleanPowerSF quarterly update provided to the Commission on July 12, 2022.¹

Customer enrollment in SuperGreen, CleanPowerSF's optional 100% renewable energy product, has also remained steady since the last quarterly update at 2.1% of active accounts. Staff estimates that these accounts' electricity usage represents more than 6% of CleanPowerSF's total annual electricity sales.

2. Renewable Energy Ordinance Activities

San Francisco Environment Code Chapter 30² (Ordinance 220-19) requires large commercial buildings to obtain all electricity from 100% renewable sources. The ordinance sets a series of deadlines for compliance, with an initial deadline of December 31, 2022 for commercial buildings over 500,000 square feet.

Enrollment in either Hetch Hetchy Power's default service or CleanPowerSF's 100% renewable service option, SuperGreen, would fulfill the compliance obligations for commercial properties under the ordinance. Earlier this year, CleanPowerSF developed a strategic marketing and outreach plan to reach current and prospective customers subject to the ordinance. In early October CleanPowerSF will begin implementation of its marketing plan, with a focus on engaging commercial customers subject to the December 31, 2022 deadline that are currently receiving its Green service about upgrading to SuperGreen

¹ The CleanPowerSF Quarterly Report communicated to the Commission on July 12, 2022 may be accessed here:

<https://sfpuc.sharefile.com/share/view/sf04da3f0b75141329b9c8640b5a440e8>

[accessed on September 27, 2022]

² For more information see:

https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_environment/0-0-0-48519 [accessed on September 29, 2022]

service. As part of the outreach plan, the SFPUC will be offering consultations for current and prospective customers and will provide cost estimates and comparisons, service information, and guidance on the upgrade process.

Large commercial properties interested in the SFPUC's 100% renewable service options can learn more at: www.sfpuc.org/clean100 [accessed on September 29, 2022].

3. Heat Event of August 31 to September 9

California's historic 10-day heat event that occurred at the end of August through early September created grid pressures that resulted in the need for widespread energy conservation and load reduction from power customers throughout the state. CleanPowerSF did its part to help alleviate grid pressures by communicating directly with San Francisco customers and the public about the urgent need to conserve energy between the critical hours of 4-9pm to prevent rolling blackouts.

CleanPowerSF, in coordination with the Power Communications team, executed an array of tactics to get the message out to customers in real-time, including email notifications during the peak of the heat event, social media posts on Twitter, Facebook and Nextdoor; website alerts and banners on CleanPowerSF.org and SFPUC.org, direct outreach to key accounts, including accounts with back-up generation as well as customers participating in CleanPowerSF's Peak Day Pricing (PDP) program.

To encourage greater participation in energy savings during the peak of the heat event from Sept 5-9, CleanPowerSF doubled the Peak Day Pricing Program incentive rate to \$3.00/kWh (from \$1.50/kWh) during the Heat Event week. In addition, PDP Participants that reduced load during more than 75 percent of the PDP program event-hours during the week of September 5 will be eligible for a \$1.00/kWh bonus, for a total possible payment of \$4.00/kWh. To alert PDP participants of the increased incentives, CleanPowerSF sent specialized text alerts and emails with details of the increased incentives. Staff will provide updates on the performance of its PDP program during the Heat Event when final data is available.

4. Communications Update

a. Product Content Labels (2021)

Power Communications has finalized CleanPowerSF's Product Content Labels, which show the sources of energy for Green and SuperGreen service for the previous year (2021). New this year, each Product Content Label has been translated into Chinese, Spanish and Filipino. Customers are expected to receive their Product Content Label either by mail or via email by October 1. A digitally accessible and downloadable version of the Product Content Label can also be found at: cleanpowersf.org/key-documents [accessed on September 29, 2022].

b. Community Events

To increase customer outreach and program visibility, Power Communications has resumed in-person engagement at community events and has been coordinating presentations at multi-family affordable housing sites for residential customers. Power Communications and Customer Engagement represented CleanPowerSF at the [Autumn Moon Festival](#) on Saturday, September 17 in the Richmond District. Staff provided in-language information on upgrading to SuperGreen and enrolling in discount programs like CARE/FERA. Power Communications, Customer Engagement, and Customer Service also conducted a customer town hall meeting at 201 Turk St, an affordable housing site served by CleanPowerSF and managed by Chinatown Community Development Center. Staff provided a brief overview presentation about CleanPowerSF and ways customers can lower bills. Future residential outreach events will focus on SuperGreen Saver enrollment for eligible properties.

5. COVID-19 Relief Measures

a. Ratepayer Relief Measures

We recognize that the societal response to COVID-19 required sacrifice and many members of our community continue to face economic hardship. The SFPUC and its CleanPowerSF program continues to be here to help our community.

Measures available to help customers with the cost of their electric service include but are not limited to:

- new payment plans for customers that are behind on their PG&E energy bills;

- a new debt forgiveness payment plan for low-income customers; and
- the California Arrearage Payment Program, a new COVID-19 debt relief program provided by the State of California.

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. Customers can learn about these programs and more ways to reduce their electricity costs at <https://www.cleanpowersf.org/loweryourbill> [accessed on September 27, 2022].

Information about the California Arrearage Payment Program is provided below.

i. 2022 California Arrearage Payment Program (CAPP) Funding

In Spring of 2022, CleanPowerSF secured and disbursed over \$2.4 million in federal funding to customers with past due balances accumulated during the COVID-19 pandemic period (defined as March 4, 2020 – June 15, 2021). Shortly afterward, on June 30, 2022, the Governor signed Assembly Bill (AB) 178 and AB 205, appropriating an additional \$1.2 billion from the 2022 State Budget for assistance to active utility customers with past due electricity utility bills incurred during the COVID-19 pandemic relief period.

This additional funding, being described as CAPP 2.0, expands the qualifying relief period beyond June 15, 2021, through December 31, 2021, expanding the eligibility of customer past due bills that can be forgiven through the assistance program. Staff are working with the state administrator of these funds, the Department of Community Services and Development, to secure and disperse funds to CleanPowerSF customers. Staff expect eligible customers will receive CAPP 2.0 bill credits in the third quarter of FY 2022-23 and will continue to report to the Commission with updates.

6. Generation Rates

a. Time-of-Use Bill Protection

On May 25, 2021 the Commission adopted Resolution 21-0085, approving the CleanPowerSF default time-of-use (TOU) rates as well as a 12-month bill protection program for customers transitioned to the default TOU rate in July 2021. The default E-TOU-C rate encourages customers to manage their electricity costs by shifting usage from peak hours (4-9 pm, everyday) to hours

when market prices and greenhouse gas emissions from electricity generation are generally lower (see Figure 1 below).

Figure 1. Illustration of Time-of-Use Rate Plan



July 2022 marked the conclusion of the 12-month bill protection period. Approximately 143,000 customers, or 85% of the customers transitioned in July 2021, completed the 12-month bill protection period. Approximately 26,000 customers, or 15%, either elected a rate other than E-TOU-C, moved or opted out of CleanPowerSF, or otherwise had a change in service agreement excluding them from the bill protection program.

Customers who completed the bill protection period were grouped into three different customer types, outlined below in Table 1. Non-benefiters, or customers who paid greater than \$10 more on E-TOU-C compared to the E-1 rate received a bill protection credit on their 13th bill. All customers received a bill message summarizing how they performed, including net cost or savings over the 12-month period.

Table 1. TOU Bill Protection Customer Types

Customer Type	Description
Non-Benefitting Customer	Customers paid >\$10 more on E-TOU-C rate compared to E-1 rate over 12-month period. Bill protection credit applied.
Neutral Customer	Customers net bill difference was less than or equal to \$10 over 12-month period.
Benefiting Customer	Customers saved >\$10 on E-TOU-C rate compared to E-1 rate over 12-month period.

After engaging a consultant to estimate the financial impacts of defaulting CleanPowerSF customers to the E-TOU-C rate, we reported to the

Commission that the majority of customers defaulted would either be neutral or benefit from the transition.³ The post-bill protection period analysis confirmed that nearly all customers who concluded the bill protection period were neutral or benefited, and only 88 customers were provided a bill protection credit (Table 2).

Table 2. CleanPowerSF Post-TOU Transition Bill Impacts

Customer Type	# of Customers	Avg. Customer Bill Impact (Annual)	Billed Revenue Impact
Non-Benefiter	88	↑\$19.18	↑\$1,681
Neutral	59,874	↓\$5.29	↓\$318,877
Benefiter	82,830	↓\$23.46	↓\$1,963,622
Total	142,792		↓\$2,284,180*

*The Total Billed Revenue Impact is the sum of bill changes for all participants, including the amount credited to Non-Benefiters at the end of the bill protection period. In other words, although Non-Benefiters saw their aggregate bills increase by approximately \$1,681 total, this “additional revenue” to CleanPowerSF was returned to these customers through bill protection credits.

The total billed revenue impact of the TOU transition and bill protection program was a reduction in FY 21-22 revenues of approximately \$2.2 million, compared to an estimated \$250 million in total CleanPowerSF revenues or 0.9% of total program revenues for FY 21-22. CleanPowerSF’s pre-transition analysis, reported to this Commission on December 10, 2019, projected only a 0.4% reduction to program revenues. While the pre-transition analysis was only an estimate, staff contemplate that a contributing factor to the more significant billed revenue impact is in large part due to changes in residential usage patterns associated with the COVID-19 pandemic.

The pre-transition analysis made assumptions based on customer usage patterns prior to the start of the COVID-19 pandemic, when the majority of residential CleanPowerSF customers worked from an office or from school. On November 8, 2021, nearly 20 months after Mayor Breed ordered San Franciscans to shelter-in-place, CleanPowerSF reported in its quarterly update to the Commission that residential load was 7% higher than pre-COVID-19 baseline estimates. Due to lower “off-peak” rates assessed in all hours except for the “peak” hours of 4-9 p.m. (see Figure 2), residential customers who

³ CleanPowerSF’s plan to transition customers on the E-1 rate to the E-TOU-C rate, presented to the Commission on December 10, 2019, can be found here: <https://sfpuc.sharefile.com/share/view/sf0d870db1a64850a> [accessed 9/27/2022]

increased home electricity usage during traditional business hours would expect higher savings on E-TOU-C compared to the flat E-1 rate. The lower rates are reflective of the lower cost of procurement to serve load during these “off-peak” hours.

Information about CleanPowerSF’s default time-of-use rates for residential customers can be found at: <https://www.cleanpowersf.org/residential> [accessed on September 29, 2022].

7. Customer Programs Update

a. EV Charge SF

EV Charge SF, a new construction EV charging incentive program currently available to Hetch Hetchy Power customers, will expand to CleanPowerSF customers in early calendar year 2023. EV Charge SF is designed to align with changes to San Francisco’s building code requiring the provision of electric vehicle charging in new parking lots and garages.

The program is open to both new construction (buildings currently in the process of construction or which have not yet broken ground) and recent construction (buildings built since January of 2018). These buildings are subject to San Francisco’s EV Readiness Ordinance, which requires that 10% of parking spaces be “turnkey ready” for EV charger installation.

The program will assist builders in exceeding the Ordinance requirements through:

- Incentives paid out upon project completion
 - Level 2 Chargers: \$2,000 per charger for first 10% of parking spaces, \$3,000 per charger beyond first 10%
 - Level 1 outlets: \$1000 per outlet beyond first 10% of spaces
 - Conduit Pathway: \$250 per stall beyond the first 10% of spaces
- Technical Assistance: Expert guidance and design support for builders without the needed knowledge or background to develop a plan for EV charging in their building
- Additional 20% kicker for affordable housing customers for all incentives.

b. Other Program Updates

CleanPowerSF continues to offer programs that help customers manage their energy costs, reduce their carbon footprint, and align with City and State environmental goals. Below are some highlights from this past quarter. For more detail, please reference past Commission updates or visit cleanpowersf.org/customer-resources [accessed on September 29, 2022].

1. SuperGreen Saver (Disadvantaged Communities Green Tariff) - In August, 151 CARE customers were enrolled into the SuperGreen Saver program, which provides 100% renewable energy and a 20% electric bill discount. This Fall, CleanPowerSF will send direct mailers to eligible customers encouraging them to enroll into the program.
2. Peak Day Pricing Program – As of September 25, CleanPowerSF had called 11 of 12 possible Event Days, four of which were called during the statewide heat event September 5-9. If CleanPowerSF calls its last Event Day before the end of the Peak Day Pricing 2022 season (October 31, 2022), the program can call voluntary event days as needed to continue to encourage customers to reduce load during times of electric grid stress.
3. Energy Efficiency for Food Services – The program is currently in the RFP process for its implementation and Evaluation, Measurement and Verification (EM&V) services. The program is expected to begin serving customers in Q3 of Fiscal Year 2023.
4. Solar Inverter Replacement Program – The Solar Inverter Replacement Program, available to low income customers with GoSolarSF-funded systems, has seen strong customer interest. In late September, nearly 150 eligible customers received mailing notices about the program offerings.
5. Heat Pump Water Heater Regional Incentive Program – CleanPowerSF has seen 27 incentives either applied for or paid out under this program since it began in May 2022. CleanPowerSF is seeking an extension of the Cooperative Agreement to participate in this regional program through 2025 to meet customer demand. Additional direct to customer outreach is planned for Fall 2022.