




**Date:** December 28, 2022

**To:** Commissioner Newsha Ajami, President  
Commissioner Sophie Maxwell, Vice President  
Commissioner Tim Paulson  
Commissioner Tony Rivera  
Commissioner Kate Stacy

**Through:** Dennis J. Herrera, General Manager   
Barbara Hale, Assistant General Manager, Power 

**From:** Michael Hyams, Deputy AGM, Power – CleanPowerSF  for Michael Hyams

**Subject:** CleanPowerSF Quarterly Update

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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. Long-term Power Supply Procurement
4. COVID-19 Relief Measures
5. Customer Programs Update
  - a. Peak Day Pricing 2022 Season Wrap-up
  - b. Other Program Updates
6. Regulatory Compliance Reporting

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General Manager

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](https://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 December 05, 2022, CleanPowerSF is serving approximately 384,000 active customer accounts.

The program opt-out rate is 4.4% of all enrolled accounts, which is approximately 0.1% more than what was reported in the last CleanPowerSF quarterly update provided to the Commission on October 12, 2022.<sup>1</sup>

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 30<sup>2</sup> (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. In early October CleanPowerSF began implementing a marketing and outreach plan, with a primary focus on reaching current CleanPowerSF Green customers about upgrading to SuperGreen service. Both current and prospective CleanPowerSF customers have received information about service options via e-mail marketing, direct mail, and personalized outreach from Power's Customer Engagement Group (see Figures 1 and 2 below for examples).

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<sup>1</sup> 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 December 27, 2022]

<sup>2</sup> For more information see:

[https://codelibrary.amlegal.com/codes/san\\_francisco/latest/sf\\_environment/0-0-0-48519](https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_environment/0-0-0-48519) [accessed on December 29, 2022]

**Figure 1.** Renewable Energy Ordinance Marketing Campaign Slogan



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

**Figure 2.** Renewable Energy Ordinance Marketing Campaign



Large commercial properties interested in the SFPUC's 100% renewable service options can learn more at: [www.sfpuc.org/clean100](http://www.sfpuc.org/clean100)

### 3. Long-term Power Supply Procurement

#### a. **2022 Request for Offers for Renewable Energy Supplies (PRO.0263)**

On September 21, 2022, the SFPUC posted solicitation PRO.0263, a Request for Offers (RFO) for renewable energy, renewable energy and co-located energy storage, and demand response resources with bids due in November 2022.

PRO.0263 sought bids of energy, capacity and related products from new and existing California Renewable Portfolio Standard-eligible renewable energy resources, renewable energy resources co-located with energy storage resources, and demand response resources that are directly connected to the California Independent System Operator Balancing Authority Area. PRO.0263 is seeking offers with contract start dates between January 1, 2023 and December 31, 2028.

The RFO indicated that the SFPUC is prioritizing resources that are eligible for the Diablo Canyon Power Plant Replacement category in the California Public Utilities Commission's Decision Requiring Procurement to Address Mid-Term Reliability (Decision 21-06-035). In addition, consistent with regular SFPUC practice, the RFO indicated that the SFPUC has a preference for resources located within the local nine county Bay Area region.

For new, to-be constructed projects, proposers were encouraged to commit to using a project labor agreement or similar agreement providing for terms and conditions of employment, prevailing wages and workforce training.

The RFO also included an optional, scored Social Impact Partnership component for new, to-be constructed projects located within California. Social Impact Partnership commitments are commitments on the part of proposers to be delivered to the community impacted by the SFPUC at no cost to the SFPUC and in accordance with the SFPUC's 2011 Community Benefits Policy and 2009 Environmental Justice Policy. These policies direct the SFPUC to be a good neighbor to all who are directly affected by its activities and investments. Bidders into the RFO may submit a Social Impact Partnership proposal that identifies projects, activities, and/or strategies that promote positive social, environmental and economic impacts, which are described in further detail in the RFO documents. Social Impact Partnership commitments shall be completed within five (5) years of the Agreement execution date or by the end of the Agreement term, whichever is sooner.

The latest schedule for PRO.0263 is summarized in Table 1 below.

**Table 1.** PRO.0263 Timeline

Action	Date	Status
RFO Issued	September 21, 2022	Completed
Deadline to Submit Questions	October 11, 2022	Completed
Deadline to Submit Bids	November 3, 2022	Completed
Notification of Shortlisted Respondents	November 18, 2022	Completed
Contract Negotiations and Contract Approval	January to June 2023	Pending

Additional information on PRO.0236, including copies of solicitation documents and the latest project schedule, may be found on SFBid at:

<https://sfbid.sfwater.org/opportunity-details/263/cleanpowersf-2022-renewable-energy-supplies#tab=details> (accessed on December 28, 2022).

**b. 2021 Request for Offers for Renewable Energy Supplies and Stand-Alone Storage (PRO.0236, rebid of PRO.0213)**

As reported in previous CleanPowerSF's Quarterly Reports, the SFPUC posted solicitation PRO.0236,<sup>3</sup> a Request for Offers (RFO) for renewable energy supplies and stand-alone energy storage on October 15, 2021 with bids due in November 2021.<sup>4</sup>

This RFO sought bids of energy, capacity and related products from new and existing California Renewable Portfolio Standard-eligible renewable energy resources, renewable energy resources co-located with energy storage resources, and stand-alone energy storage resources that are directly connected to the California Independent System Operator Balancing Authority Area. The RFO indicated that the SFPUC had a preference for resources operating within the local nine county Bay Area region.

<sup>3</sup> For more information, see PRO.0263 solicitation materials posted to SFBid at: [https://sfbid.sfwater.org/opportunity-details/236/2021-renewable-energy-supplies-and-stand-alone-storage-\(rebid-of-puc-pro-0213\)](https://sfbid.sfwater.org/opportunity-details/236/2021-renewable-energy-supplies-and-stand-alone-storage-(rebid-of-puc-pro-0213)) [accessed on December 28, 2022]

<sup>4</sup> See CleanPowerSF Quarterly Report dated March 25, 2022, available at: <https://sfpuc.sharefile.com/share/view/s765559c18a2e42029cd05d5148aa822b> and October 28, 2021, available at: <https://sfpuc.sharefile.com/share/view/s131203677cb24b238dd8e14213ad96c9> [accessed on December 28, 2022]

Staff's efforts to procure new energy supplies through PRO.0236 has been met with challenging market and geopolitical circumstances that have limited new procurement opportunities. For example, over the past year, market prices for solar panels, batteries and related plant equipment (e.g., transformers) have risen dramatically due to supply chain disruptions from COVID-19, higher commodities prices, and increased demand for renewable energy and electric vehicles that has outpaced supply of key components. Further exacerbating these supply constraints has been geopolitical unrest, such as the war in Ukraine, and petition regarding circumvention of US tariffs for solar panels manufactured in China, which suspended the import of solar panels from southeast Asia, increasing solar panel prices domestically. All of these factors have contributed to extreme uncertainty for the development of new renewable energy and battery systems as project developers are unable to secure firm pricing for some types of equipment. These circumstances also contributed to requests from developers to re-price offers originally submitted into PRO.0236.

In response to these conditions, staff requested pricing and project availability updates from stand-alone storage resources bid into PRO.0236 by November 22, 2022. Staff recently completed its evaluation of the responses received and will be moving into the negotiation phase for the highest scoring project(s), beginning in January. We will provide updates to the Commission as this effort progresses in a subsequent Quarterly Report.

#### **4. 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 December 27, 2022].

Information about the California Arrearage Payment Program is provided below.

**i. California Arrearage Payment Program 2.0 (CAPP 2.0)**

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. On November 17, 2022, a total of \$1.2 million in arrearage payments for CleanPowerSF customers was approved by the state administrator of these funds, the Department of Community Services and Development. Funds are expected to be applied to all eligible customer accounts by February 2023.

**5. Customer Programs Update**

**a. Peak Day Pricing 2022 Season Wrap-up**

CleanPowerSF's Peak Day Pricing pilot program is a voluntary demand response program that incentivizes large commercial customers to reduce their electricity consumption between 4pm and 9pm on "Event Days" in the summer and fall when the grid is expected to be strained, typically due to high temperatures. CleanPowerSF concluded the 2022 Peak Day Pricing season at the end of October and is applying earned bill credits to participating customers' January 2023 bills, marking the completion of the fourth year that CleanPowerSF has offered this program.

## Program Impacts

A total of 36 customer accounts enrolled in this year's Peak Day Pricing program, representing a 16 percent increase compared to 2021.

In 2022, there were eleven Event Days, during which participants reduced their usage by 60.74 megawatt-hours (MWh) of electricity. In comparison, the 2021 Season had six Event Days with a total demand reduction of 26.5 MWh. On average, participants reduced their electricity demand on Event Days by 9.7 percent relative to what their demand was expected to be had an Event Day not been called.

Of the eleven Event Days, four were part of the September 2022 Heat Event (September 6 – 9). To support Heat Event demand reduction efforts, CleanPowerSF doubled its Peak Day Pricing Program incentives during that week and offered a Heat Event-specific bonus for participants that reduced their electricity usage for more than 75 percent of the PDP Event Day hours called during September 6 – 9.

A total of approximately \$183,000 in end-of-season incentives are being distributed in the form of bill credits to program participants for their demand reductions during Event Days.

## Next Steps

CleanPowerSF staff will evaluate participants' performance data and conduct participant interviews to gather customer feedback. This data will be used to inform and further develop the program.

### b. Other Program Updates

CleanPowerSF continues to develop and 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](https://cleanpowersf.org/customer-resources) [accessed on December 27, 2022].

- i. SuperGreen Saver (Disadvantaged Communities Green Tariff) – CleanPowerSF's SuperGreen Saver program provides 100% California Renewable Portfolio Standard-eligible renewable energy and a 20% electric bill discount to qualifying low-income residential customers residing in a state-defined Disadvantaged Community. This past Fall, CleanPowerSF sent direct mailers to eligible customers encouraging them to enroll in the program. CleanPowerSF also hosted townhall



meetings at eligible affordable housing sites to directly inform and enroll customers in the program. As of December 13, 2022, there are 176 customers currently enrolled in the SuperGreenSaver program. For more information see: <https://www.cleanpowersf.org/supergreensaver> [accessed on December 27, 2022].

- ii. EV Charge SF – In January 2023, the EV Charge SF program will open for applications from qualifying projects that will receive electric generation supply from CleanPowerSF. Program staff are working closely with Power’s Customer Engagement and Communications teams on direct outreach to property developers, which will be followed by a broader marketing push.
- iii. Energy Efficiency for Food Services – The program is currently in the Request for Proposals (RFP) process for its implementation and Evaluation, Measurement and Verification (EM&V) services. Pending the results of the RFP, the program is expected to begin serving customers in Q1 of Fiscal Year 2024.
- iv. 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. Of those 150, 65 systems were deemed likely in need of repairs and were enrolled into the program. To date, about 30 of these systems have fully completed their repairs and received a rebate, covering the full costs of repairs.
- v. Heat Pump Water Heater Regional Contractor Incentive Program – CleanPowerSF has seen 35 incentives either applied for or paid out under this program since it began in May 2022. There are now thirteen contractors participating in this program who serve CleanPowerSF customers, more than doubling in count since this past summer. The existing Cooperative Agreement will expire on March 31, 2023. Staff is presently working with our program partners to amend the Cooperative Agreement to extend the program through March 2025, consistent with the Commission’s approval in Resolution No. 22-0177.<sup>5</sup> Additional

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<sup>5</sup> For more information see Agenda Item 11a from the Commission meeting of October 24<sup>th</sup>, available at: <https://sfpuc.sharefile.com/share/view/se57a12bb8a82441a964c1caeca3a525> [accessed on December 28, 2022]

direct outreach to customers about this and related incentive programs is planned for Spring 2023.

## **6. Regulatory Compliance Reporting**

CleanPowerSF is under the regulatory jurisdiction of a number of state entities responsible for achieving California's clean energy and carbon emissions reduction goals. These agencies include the California Public Utilities Commission ("CPUC"), California Energy Commission ("CEC"), and California Air Resources Board ("CARB"). Though a non-governmental entity, the California Independent System Operator ("CAISO") also sets rules and requirements by which CleanPowerSF must abide as a market participant. Together, these entities require CleanPowerSF and other electric service providers to file at least four dozen separate reports multiple times annually documenting our plans and progress toward meeting California's electric supply and clean energy mandates.

### **a. Renewable Portfolio Standard**

As a retail seller of electricity under the jurisdiction of the CPUC, CleanPowerSF filed the 2021 Annual Renewable Portfolio Standard (RPS) Compliance report in August 2022. This report documents CleanPowerSF's renewable energy mix and progress toward supporting the state's efforts to meet its clean energy goals. CleanPowerSF supplied nearly 60 percent of its retail demand using California RPS-eligible Renewable Energy in 2021, as compared to the state target of 35.8% (when you account for the non-RPS-eligible hydroelectric energy CleanPowerSF procured as well, our total clean and renewable energy content was 93% in 2021). CleanPowerSF is on track to surpass the state's mandate that retail sellers' electric supply be comprised of 60% RPS-eligible Renewable Energy by 2030.

The CPUC highlighted many elements of CleanPowerSF's 2021 Draft RPS Procurement Plan as a model for others to emulate. We will file CleanPowerSF's Final 2021 RPS Procurement Plan later this month.

### **b. Resource Adequacy**

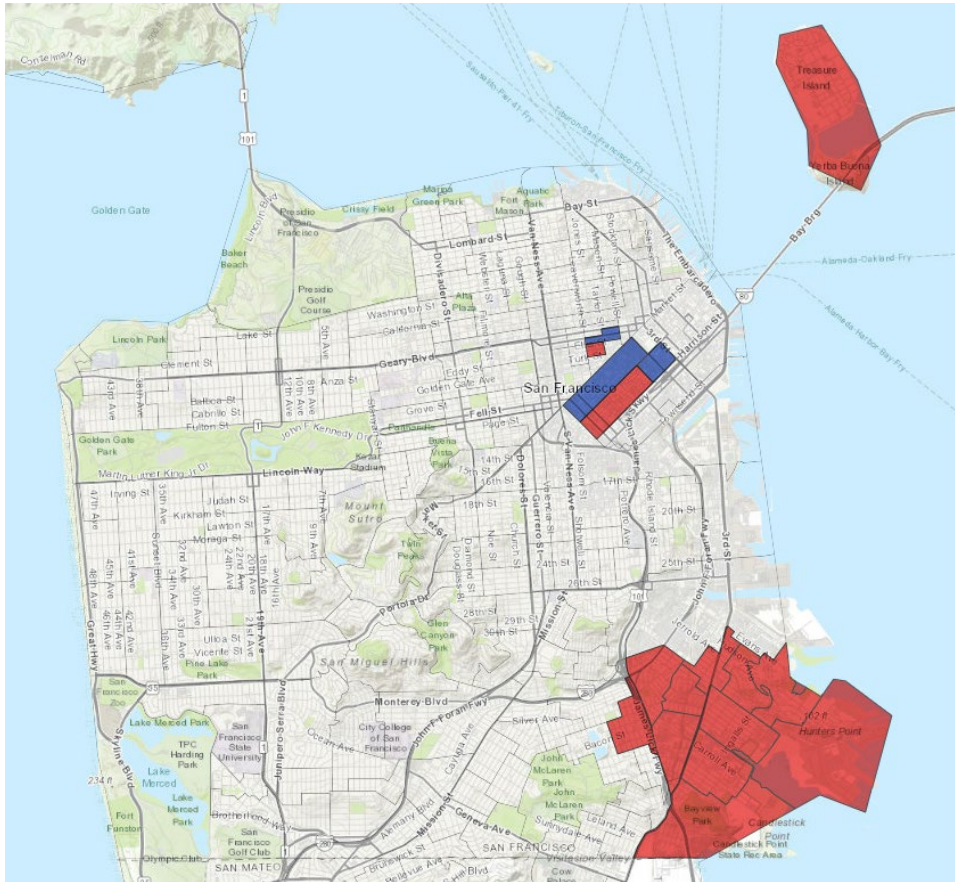
CleanPowerSF filed annual Resource Adequacy compliance documents in October 2022 demonstrating that it had procured sufficient electric generating capacity to reliably meet customers' peak demand in each month of 2023. The CPUC, in concert with the California Independent System Operator, requires that electric service providers report their Resource Adequacy annually and

monthly. The CPUC may fine electric service providers that fail to meet their Resource Adequacy requirements on either a year-ahead or month-ahead basis. The market for electric generating capacity has significantly tightened in California over the past few years – particularly for the summer months of July through October – putting significant upward pressure on capacity costs and challenging all electric service providers to maintain compliance. Staff intends to use the PRO.0236 and PRO.263 solicitations discussed above to add new long-term clean energy resources that will support CleanPowerSF’s future Resource Adequacy compliance.

**c. Disadvantaged Communities Green Tariff and Community Solar Green Tariff**

CleanPowerSF’s Disadvantaged Communities Green Tariff program, branded locally as SuperGreen Saver (see Section 5.b.i above), has been given preliminary regulatory authority to expand the neighborhoods that it can serve in San Francisco (see Figure 3.0 below). Per directive, CleanPowerSF files quarterly and semi-annual reports on the status of program enrollment and long-term contracting with the CPUC.

**Figure 3.** Map of San Francisco Census Tracts Eligible for Disadvantaged Communities Green Tariff Program<sup>6</sup>



<sup>6</sup> Treasure and Yerba Buena Islands, and The Shipyard are not within CleanPowerSF's CCA-eligible service area and are served by Hetch Hetchy Power.