



August 4, 2015

c/o Barbara Carr
 Department of Elections
 City Hall, Room 48

**RE: Ballot Simplification Committee – Request for Reconsideration:
 Propositions G & H**

Dear Ballot Simplification Committee,

The San Francisco Public Utilities Commission (SFPUC) hereby submits the following request as part of an appeal for reconsideration of the digests adopted by the Ballot Simplification Committee on August 3, 2015, for Propositions G and H. The SFPUC has prepared the following amendments for the Committee's consideration (see attached for redlined digests). These amendments are intended to improve the clarity of the digest and help the Committee properly inform voters of the facts at issue with the measures.

Proposition G

- 1. The digest should only state that CleanPowerSF has not yet begun to sell electricity to customers; CleanPowerSF will begin the process to purchase electricity supplies soon.***

Under "The Way It Is Now", the adopted digest explains that CleanPowerSF has not yet begun to buy electricity to sell to customers. However, the SFPUC will be issuing a Request for Proposals for electricity supplies to serve CleanPowerSF customers at program launch in early 2016. This RFP, which will start the process of buying electricity, will be issued in August. The SFPUC is concerned that the existing digest language could mislead voters. To address this issue, we request the following amendment:

*CleanPowerSF has not yet begun ~~to buy electricity~~ to sell **electricity** to customers, so most San Francisco residents and businesses currently purchase their electricity from Pacific Gas & Electric (PG&E), a private company.*

- 2. The digest's reference to the CleanPowerSF enrollment process is incomplete and irrelevant to the proposed measures.***

The same paragraph also explains that San Francisco residents will have the opportunity to opt-out of CleanPowerSF. While this is factually true, it is not the

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 Commissioner
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 General Manager



complete picture. San Francisco residents will also have the opportunity to opt-in to the CleanPowerSF program. Since the customer enrollment process is not an issue addressed in Proposition G, the SFPUC requests that the Committee strike this sentence from the digest:

~~San Francisco residents would have the opportunity to opt out of CleanPowerSF.~~

3. The digest should be amended to clarify that the three categories of “eligible renewable resources” are defined by State law.

The last sentence under “The Way It Is Now” states that renewable resources “generally” fall under three categories. However, these three categories are actually defined by State law. The use of the term “generally” fails to recognize that the source of these categories is State law. The SFPUC requests that this be clarified in the digest as follows:

Under State law, Generally “eligible renewable energy resources” fall into one of three categories, depending on when and where the electricity is generated.

4. The digest should be clear that Proposition G would restrict CleanPowerSF from acquiring and calling “renewable” two of the three categories of renewable resources eligible under State law.

Under “The Proposal” section, the digest states that Proposition G would limit the definition of “eligible renewable resources” to one of the three categories defined in State law. The SFPUC is concerned that the digest does not clearly state that the measure would prohibit CleanPowerSF from claiming renewable energy from the other two categories of eligible renewable resources, as defined under State law. This is an important fact and would be the major outcome of the passage of the proposition.

Additionally, the first bullet describing the resources that could be called “renewable, greenhouse gas free electricity” under the measure is inaccurate. Proposition G would disallow CleanPowerSF from calling renewable, energy from resources located within California (and even San Francisco) that were purchased by the program as Product Content Category 3, unbundled renewable energy certificates.

To address this, the SFPUC recommends the following amendments:

The Proposal: Proposition G would limit the definition of “eligible renewable energy resources” to one of these categories. It would prohibit CleanPowerSF from claiming renewable energy from the other two categories that are eligible for use in meeting California’s renewable energy requirements. Specifically, Proposition G would define “renewable, greenhouse-gas free electricity” to mean:

- electricity obtained exclusively from certain eligible renewable resources located within or adjacent to the California border; or

....

A "YES" Vote Means: If you vote "yes," you want to:

- limit the definition of "renewable, greenhouse-gas free electricity" to mean electricity derived exclusively from **certain eligible** renewable resources located within or adjacent to the California border or electricity derived from Hetch Hetchy;

5. Finally, the digest should be clear that this restriction would only apply to the CleanPowerSF program and not to other sellers of electricity in San Francisco.

The SFPUC believes it is important that voters understand that this measure would create a different standard for CleanPowerSF than exists for other sellers of electricity in San Francisco. The SFPUC proposes the following text be added to the digest under "The Proposal" section:

This definition would apply only to San Francisco's CleanPowerSF program and not to other sellers of electricity in San Francisco.

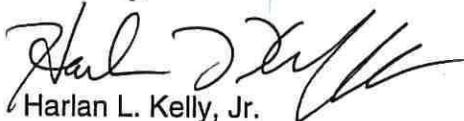
Proposition H

To conform Proposition H and Proposition G, the SFPUC recommends the same edit be made to the description of the status of CleanPowerSF, under "The Way It Is Now":

*San Francisco has created CleanPowerSF, a program to purchase, generate and sell electricity. CleanPowerSF has not yet begun ~~to buy electricity to sell~~ **electricity** to customers, so most San Francisco residents and businesses currently purchase their electricity from Pacific Gas & Electric (PG&E), a private company. ~~San Francisco residents would have the opportunity to opt-out of CleanPowerSF.~~*

Michael Hyams, Policy and Administration Manager of our Power Enterprise, (415) 554-1590, MHyams@sfwater.org, is available to address the Ballot Simplification Committee as necessary. Please do not hesitate to contact him directly if you have questions, or if additional information is required. Thank you.

Sincerely,



Harlan L. Kelly, Jr.

General Manager

San Francisco Public Utilities Commission

Disclosures Regarding Renewable Energy*

Digest by the Ballot Simplification Committee

Status: Approved Digest
On: Monday, August 3, 2015
Members: Packard, Fasick, Fraps, Jorgensen, Unruh
Word count: (suggested 300-word limit)

Deadline to Request Reconsideration: 3:45 p.m. on Tuesday, August 4, 2015

The Way It Is Now: San Francisco and other local governments are allowed by state law to purchase and generate electricity to sell to residential and business customers.

San Francisco has created CleanPowerSF, a program to purchase, generate and sell electricity. CleanPowerSF has not yet begun to buy electricity to sell **electricity** to customers, so most San Francisco residents and businesses currently purchase their electricity from Pacific Gas & Electric (PG&E), a private company. ~~San Francisco residents would have the opportunity to opt out of CleanPowerSF.~~

The City generates hydroelectric power at its Hetch Hetchy facilities in Tuolumne County and uses this power to meet most of its municipal power needs. The City does not sell this electricity to most San Francisco residents or businesses.

State law requires all retail electricity suppliers to disclose to customers the sources of power being provided, including renewable energy resources. Renewable resources include biomass, solar thermal, photovoltaic, wind, geothermal, solid waste conversion, landfill gas, ocean wave, ocean thermal, and tidal current.

Current City law does not define "renewable, greenhouse-gas free electricity."

The State requires that a certain percentage of the electricity provided to customers must come from "eligible renewable energy resources," which include renewable resources located in the Western United States, Canada, and Mexico. San Francisco is allowed to use power from its Hetch Hetchy facilities to meet its required renewable resource percentage.

Under State law, ~~Generally~~ "eligible renewable energy resources" fall into one of three categories, depending on when and where the electricity is generated.

The Proposal: Proposition G would limit the definition of "eligible renewable energy resources" to one of these categories. **It would prohibit CleanPowerSF from claiming renewable energy from the other two categories that are eligible for use in meeting California's renewable energy requirements. Specifically, Proposition G** ~~It~~ would define "renewable, greenhouse-gas free electricity" to mean:

- electricity obtained exclusively from **certain eligible** renewable resources located within or adjacent to the California border; or
- electricity generated by the City's Hetch Hetchy facilities.

This definition would apply only to San Francisco's CleanPowerSF program and not to other sellers of electricity in San Francisco.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

Proposition G would require the City to inform customers and potential customers of CleanPowerSF of the planned percentage of types of “renewable, greenhouse-gas free electricity” to be provided:

- in at least three written notices to potential customers, and
- in every communication sent to customers.

CleanPowerSF would not be allowed to market, advertise or make any public statement that its electricity is “clean” or “green” unless the electricity is “renewable, greenhouse gas-free electricity” as defined in this measure.

A "YES" Vote Means: If you vote “yes,” you want to:

- limit the definition of “renewable, greenhouse-gas free electricity” to mean electricity derived exclusively from **certain eligible** renewable resources located within or adjacent to the California border or electricity derived from Hetch Hetchy;
- require CleanPowerSF to inform customers and potential customers of the planned percentage of “renewable, greenhouse-gas free electricity” to be provided; and
- prohibit CleanPowerSF from marketing, advertising or making any public statement that its electricity is “clean” or “green” unless the electricity is “renewable, greenhouse gas-free electricity” as defined in this measure.

A "NO" Vote Means: If you vote “no,” you do not want to impose these regulations.

Defining Clean, Green, and Renewable Energy*

Digest by the Ballot Simplification Committee

Status: Approved Digest
On: Tuesday, July 28, 2015
Members: Packard, Fasick, Fraps, Jorgensen, Unruh
Word count: (suggested 300-word limit)

Deadline to Request Reconsideration: 3:45 p.m. on Tuesday, August 4, 2015

The Way It Is Now: San Francisco and other local governments are allowed by state law to purchase and generate electricity to sell to residential and business customers.

San Francisco has created CleanPowerSF, a program to purchase, generate and sell electricity. CleanPowerSF has not yet begun to buy electricity to sell **electricity** to customers, so most San Francisco residents and businesses currently purchase their electricity from Pacific Gas & Electric (PG&E), a private company. ~~San Francisco residents would have the opportunity to opt out of CleanPowerSF.~~

The City generates hydroelectric power at its Hetch Hetchy facilities in Tuolumne County and uses this power to meet most of its municipal power needs. The City does not sell this electricity to most San Francisco residents or businesses.

State law requires all retail electricity suppliers to disclose to customers the sources of power being provided, including renewable energy resources. Renewable resources include biomass, solar thermal, photovoltaic, wind, geothermal, solid waste conversion, landfill gas, ocean wave, ocean thermal, and tidal current.

Current City law does not define "Clean Energy," "Green Energy," "Renewable Greenhouse Gas-free Energy," or similar terms.

A certain percentage of the electricity provided to customers must come from "eligible renewable energy resources." Under State law, "eligible renewable energy resources" include renewable resources located in the Western United States, Canada, and Mexico. San Francisco is allowed to use power from its Hetch Hetchy facilities to meet its required renewable resource percentage.

The Proposal: Under Proposition ____, San Francisco would use the State definition of "eligible renewable energy resources" when referring to terms such as "Clean Energy," "Green Energy," and "Renewable Greenhouse Gas-free Energy." Included in this definition is electricity from large hydroelectric facilities such as Hetch Hetchy.

This definition would apply to all City programs and expenditures.

Proposition ____ would urge CleanPowerSF to inform customers and potential customers of the planned percentage of "Clean Energy," "Green Energy," and "Renewable Greenhouse Gas-free Energy" to be supplied in each communication required by law.

Proposition ____ would make it City policy for CleanPowerSF to use electricity generated within California and San Francisco when possible.

A "YES" Vote Means: If you vote "yes," you want San Francisco to use the State definition of "eligible renewable energy resources" when referring to terms such as "Clean Energy," "Green Energy," and "Renewable Greenhouse Gas-free

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Energy." You also want to urge CleanPowerSF to inform customers and potential customers of the planned percentage of types of renewable energy to be supplied in each communication and to make it City policy for CleanPowerSF to use electricity generated within California and San Francisco when possible.

A "NO" Vote Means: If you vote "no," you do not want to establish these definitions.