

Memo to Reporters June 19, 2007

From: Barbara George, Exec. Dir. WEM, 510-915-6215, bgwem@igc.org

RE: San Francisco Supervisors Approve Plan to Leave PG&E Power System;
Prepare To Launch Long-Awaited Innovative, Local Green Energy Plan

*S.F. to build 50% renewable energy by 2017 —
Community Choice Aggregation gaining momentum statewide*

If you thought the Governor's passage of a state climate change plan was big California energy and environmental news, the San Francisco Board of Supervisors' vote yesterday to adopt a Community Choice Energy Implementation Plan and become the 2nd locality to become a "Community Choice Aggregator" (CCA) should stop every press in the state.

In a surprisingly unheralded decision made just blocks away from corporate headquarters of the state's largest for-profit, investor-owned utility (PG&E), the San Francisco Board of Supervisors voted 9-2 to organize a local customer base, leave the big utility, and begin to significantly "green" California's energy production locally. The vote Tuesday June 12 was the "first reading" of the ordinance, a final vote to approve the plan is expected June 19.

The Board voted on ordinances researched and advanced for more than two years by San Francisco supervisors Tom Ammiano and Ross Mirkarimi, making San Francisco a leader among dozens of California cities and counties that have formally expressed interest in or are actively working to become Community Choice energy Aggregators (CCAs). As Community Choice Energy gains momentum, and communities like San Francisco succeed in assuming local control of energy production, they can green the state, help avert climate change, and ensure both local energy security and reliably low energy costs for ratepayers. The San Francisco Board's approval demonstrates that local governments are taking the lead to ensure a clean, safe environment and affordable energy.

California cities and counties, frustrated with the exorbitant costs and weak environmental performance of the State's three large, investor-owned for-profit utilities, are seizing the opportunity to gain local control of energy purchasing by taking advantage of a 2002 state law called Community Choice Aggregation (AB 117, Carole Migden). The law enables localities to leave the utilities, assemble their own, local customer bases, and build their own, largely local, and much cleaner energy systems. The City and County of San Francisco will likely be the second locality to file its Notice of Intent to leave PG&E (San Joaquin Valley

Power Authority recently served its CCA Notice of Intent to the California Public Utilities Commission).

San Francisco's Community Choice Implementation Plan (IP), authored by Paul Fenn and Robert Freehling and approved by the Board June 12, includes building 360 megawatts of clean, renewable energy (1/3 of San Francisco's peak load) and local management of innovative energy efficiency programs.

The “Solar Bonds” measure passed by San Francisco voters in 2001, would be used to fund the construction of the new renewable energy infrastructure. An energy service provider, to be selected by the City in coming months, will share construction costs and assume all the risks; when the system is paid off, San Francisco will buy out the private energy partner. As a CCA, San Francisco can offer lower rates than PG&E from day one, because of its superior municipal financing capabilities and elimination of PG&E’s exorbitant executive salaries and profits.

The slow pace of California’s investor-owned utilities to deliver affordable clean, renewable power, and lackluster performance in energy efficiency programs (despite all their greenwashing) — coupled with their waste of ratepayer funds — led consumer and environmental organizations to support Community Choice Aggregation. Sierra Club, Local Power, Greenpeace, Pacific Environment, Women's Energy Matters and many others have urged cities and counties to move expeditiously to become CCAs before the profit-seeking investor-owned utilities can further expand their fossil fuel and nuclear power plant construction and pin the cost on all consumers.

Nearly all of San Francisco's Supervisors helped advance the Community Choice Aggregation decision and contributed to the development of San Francisco's innovative Community Choice Aggregation Energy Plan. The final reading/vote on the San Francisco Community Choice Implementation Plan and Community Choice Governance Plan is scheduled for June 19th.

For more information regarding the potential opportunities and challenges to Community Choice Aggregation; for updates on California's current statewide energy planning and procurement proceedings; or for questions about energy efficiency, please contact Barbara George @ (510) 915-6215. Ms. George is the founder and Executive Director of Women’s Energy Matters and serves as an official party “intervenor” (public interest representative) at the California Public Utilities Commission.

(See ENERGY FACTS: Community Choice Energy vs. PG&E, attached)