MEETING NOTICE
AND AGENDA

ENERGY WORKING GROUP
The Energy Working Group may take action on any item appearing on this agenda.

Thursday, April 26, 2007
11:30 a.m. to 2:00 p.m.

SANDAG
7th Floor Board Room
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Susan Freedman
(619) 699-7387
sfr@sandag.org

AGENDA HIGHLIGHTS

• SENATE BILL 451
• REQUEST FOR INDEPENDENT POWER PRODUCER NOMINATIONS
• EWG ATTENDANCE POLICY APPROVED

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To request this document or related reports in an alternative format, please call (619) 699-1900, (619) 699-1904 (TTY), or fax (619) 699-1905.
1. WELCOME AND INTRODUCTIONS

+2. SUMMARY OF MARCH 22, 2007, EWG MEETING

The EWG should review and approve the attached meeting summary.

3. PUBLIC COMMENTS AND COMMUNICATIONS

Anyone who would like to address the Energy Working Group (EWG) on a topic not on the agenda should do so at this time.

+4. SENATE BILL 451 – ENERGY: GOVERNMENTAL ENERGY PRODUCERS

The bill language proposed at the EWG legislative forum in November 2006 has been amended into SB 451 by Senator Kehoe. It is to be discussed at a Senate Energy, Utilities, and Communication hearing on April 24, 2007. The bill is attached.

+5. REQUEST FOR INDEPENDENT POWER PRODUCER (IPP) NOMINATIONS

The addition of three new EWG member categories has been approved by the Regional Planning Committee. SANDAG requests nominations by May 4, 2007, for consideration under the IPP member category. The request is attached.

+6. EWG MEMBER ATTENDANCE POLICY AND UPDATE

The Regional Planning Committee approved the EWG member attendance policy at its April 6, 2007 meeting. To maintain voting privileges, members may not miss two consecutive or three total meetings during a calendar year beginning April 2007. The full policy is attached.

7. EWG SUBCOMMITTEE UPDATES

a) Policy: Outcome of Direct Access Debate, future workshops, and other subcommittee activities.
b) Resources: Upcoming infrastructure discussions, including local power and transmission options, and other subcommittee activities.
c) Membership: Supplemental information to items 5 and 6 will be addressed.

+8. APPROVED CALIFORNIA ENERGY COMMISSION (CEC) FUNDING

The CEC approved two contracts with SANDAG at its March 28 and April 11, 2007, Business Meetings to conduct regional energy planning. Staff will provide details. Scope of work is attached.
<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>9.</td>
<td>LOCAL CLIMATE CHANGE ACTIVITIES INFORMATION</td>
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<td>The EWG elected officials sent a peer to peer letter to other local jurisdictions inviting them to also sign on to the U.S. Mayors Climate Protection Agreement. The letter is attached. Staff will provide information on a series of climate events being coordinated in the region over the next year.</td>
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<td>10.</td>
<td>EWG RETREAT DISCUSSION</td>
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<td>The EWG will hold a retreat on Thursday, June 14, in Chula Vista at the City Council chambers. The facilitated meeting is scheduled for 9 a.m. to 1 p.m. and lunch will be provided. The retreat is in place of the regularly scheduled EWG meeting (June 28).</td>
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<td>11.</td>
<td>SUGGESTED MEETING TOPICS FOR NEXT MEETING DISCUSSION</td>
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<td>EWG members should suggest items to be discussed at the next or future meeting.</td>
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<td>12.</td>
<td>ADJOURN</td>
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<td>The next EWG meeting is scheduled for May 24, 2007, from 11:30 a.m. to 2:00 p.m.</td>
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+ next to an item indicates an attachment
SUMMARY OF MARCH 22, 2007, EWG MEETING

Agenda Item #1: Welcome and Introductions

Co-Chair Art Madrid, City of La Mesa, called the meeting to order at 11:40 a.m. and facilitated introductions.

Agenda Item #2: Summary of February 22, 2007, Meeting

Steve Castaneda, City of Chula Vista, moved to approve the EWG minutes from February 22, 2007, and the motion was seconded by Mike Evans, San Diego Chamber of Commerce. There were no additions.

Agenda Item #3: Public Comments and Communications

No public comments were made.

Agenda Item #4: EWG Subcommittee Updates

MEMBERSHIP SUBCOMMITTEE

Subcommittee Chair Irene Stillings, San Diego Regional Energy Office, proposed revisions of EWG membership guidelines stemming from the January 25, 2007, EWG meeting and subsequent subcommittee meetings. The ad hoc EWG Membership Subcommittee met twice and had one conference call. They developed recommendations regarding the maximum number of EWG members, attendance, and a nominations process for additional members.

The Subcommittee recommended an increase to 25 members, which would be the maximum number for the Working Group. Ms. Stillings explained that although this is larger than most SANDAG working groups and committees, it is necessary to encompass the diverse opinions of stakeholders in energy-related issues. In the January 25 meeting, the EWG voted to include an independent power producer and the San Diego Renewable Energy Society. In addition, today the Subcommittee recommended adding the South County Economic Development Corporation (EDC). The San Diego City Unified School System and County Water Authority were placed on a waiting list for future consideration if voting membership decreases via the new attendance policy. The Membership Subcommittee would continue to meet on an as-needed basis to address membership issues.
With the exception of the subregional representation, if a voting member misses two consecutive meetings or three total over the course of one calendar year, then they will be considered as advisory members. After one year, advisory members may petition the EWG for consideration as a voting member again. The proposed attendance policy would require EWG members to name alternates. The purpose of the attendance policy is to achieve regular attendance and quorums at EWG meetings.

The proposed attendance policy also would identify that only in the event that an elected official cannot serve, a subregion can appoint a non-elected government employee to serve in their place as either the primary or alternate member.

A new voting member may be recommended for the EWG as long as membership does not exceed 25 people. Those in danger of losing voting rights due to attendance policy violations will be notified by SANDAG.

Mr. Castaneda moved to have the EWG recommend the addition of South County EDC as the EWG’s 25th member, and placement of a representative from San Diego City Schools, Water Authority, Community Health, and Community Outreach be placed on the waiting list (in that order). The adoption of the recommended attendance policy and the continued existence of the ad hoc Membership Subcommittee for new member review, etc., were included in the motion. The motion was seconded by Paul O’Neal, North County Economic Development Council. The Regional Planning Committee would address these recommendations at its April 6, 2007, meeting.

POLICY SUBCOMMITTEE

Subcommittee Chair Alan Ball, Qualcomm, attended the recent California Climate Registry Workshop and shared ideas emphasized there. These included the significance of the carbon reduction targets set by the state and the challenge the region faces in meeting them, in particular the obstacle of firms being expected to reduce emissions and energy consumption as a unit while growing at the same time.

At that meeting were discussions of how other investor-owned utilities were assisting customers with costs for being a Registry member, via tariffs or other avenues. Mr. Ball recommended that San Diego Gas and Electric (SDG&E) investigate these activities for our region.

Jennifer Porter, San Diego Regional Energy Office, reviewed recent State legislation. AB 1064 was introduced in the Assembly to extend the Self-Generation Incentive Program through 2012 for combined heat and power systems (CHP). The “Governmental Energy Producers” language or virtual wheeling bill that the EWG supported was approved by SANDAG Executive Committee in March and a letter of support was sent to Senator Kehoe.

Mr. Ball encouraged EWG members to participate in the April 11, 2007, Direct Access Workshop.

Regarding climate change, Ms. Hunter, EHC, noted the State carbon reduction goal the region should be working toward is the 2050 mark of 80% below 1990 levels, the level recommended to avoid the worst of global climate change effects. She also stated that the list of early actions is advocated and the Urban Futures section of the World Watch Report be reviewed.
Dave Carey, Port of San Diego, asked about the status of aligning utility company incentives with the “preferred loading order,” another recommendation from the 2006 Legislative Forum. Mr. Ball stated that this item did not have traction at this time with legislators, but the concept currently was being addressed for energy efficiency, the top of the loading order.

Mr. Zolezzi believed that the use of energy credits (or purchasing carbon offsets) should be further investigated with caution. He requested that the EWG hear more about this issue.

The next Policy Subcommittee meeting is scheduled for April 19, 2007.

RESOURCES SUBCOMMITTEE

Subcommittee Chair Mr. Paul O’Neal, representing North County Economic Development Council, stated that regional generation proposals were discussed at their meeting including the Miramar proposal by Enpex, which is opposed by the City of Santee.

Steve Castaneda, City of Chula Vista, provided an update on the South Bay Power Plant. The existing plant is inefficient and in need of replacement. The Chula Vista City Council unanimously opposed a replacement on the waterfront. The Port followed the Chula Vista recommendation and did not approve leasing to LS Power (now Dynegy) the bayfront property for a new plant. Other sites inland are being assessed.

Mr. Madrid, EWG Co-Chair, mentioned opposition to new energy projects are often based on poor aesthetics, but this is changing. An example provided is the Palomar Project, which is based in a populated area but does not have widespread opposition because of its progressive design.

David Geier, SDG&E, added that local renewable energy production should be included in these regional planning discussions and that no single technology should be over-emphasized.

Mr. Zolezzi noted the EWG can serve as an educator on energy infrastructure needs and options. It was decided that a stronger position in this capacity will be discussed at the next Resources Subcommittee meeting. If the EWG heard a presentation from Enpex, it was discussed that the City of Santee representatives should be invited and given adequate notice of the meeting time.

The Subcommittee will also discuss alternatives for new energy production and the Renewable Energy Parks proposal in future meetings.

Agenda Item #5: California Energy Commission (CEC) Partnership

Susan Freedman, SANDAG, reviewed the development of a proposal for multi-year CEC funding to SANDAG. This would provide financial support for regional energy and climate planning as well as implementing CEC’s Integrated Energy Policy Report (IEPR) recommendations, effectively forming a partnership between the organizations. Ms. Freedman referred to the draft master calendar attached in the agenda for a timeframe of proposed activities. CEC approval of this partnership is on the CEC Business Committee Agenda for April 11, 2007. If approved, a likely start date is May 1, 2007.
The contract would be for two years at $200,000 a year. The main focus areas are updating the Regional Energy Strategy and developing a Regional Climate Change Action Plan with a transportation energy component. This component would provide tools for local governments in developing alternative fuel options and associated infrastructure support.

This partnership will include developing a municipal energy element that could be adopted by local governments as part of their general plans. Sample ordinances (e.g., green buildings, vehicle fleets, Energy Star procurement, etc.) will also be developed for the RES Update. Another component will be data collection needed to update our existing infrastructure and proposed additions since the Regional Energy Infrastructure Study of 2002.

The main differences between the past Regional Energy Strategy and this one are the addition of a transportation energy section (40%+ of greenhouse gas emissions), a municipal energy element, and a larger focus on energy and land use planning. These areas also will address climate change impacts.

Once approved, work would begin immediately. The EWG will be crucial as the local advisory board to this partnership. Input from additional working groups would be sought as needed and updates will be provided to the Regional Planning Committee. Ms. Freedman thanked Henry Abarbanel, Gary Gallegos, Senator Kehoe, Irene Stillings, and others for their efforts in developing the partnership over the last year.

Linda Wagner, City of Chula Vista, stated cruise ship emissions while in port translate to 3,000 cars on the road per day. She suggested linking these ships to the grid to reduce emissions. Dave Carey, Port of San Diego, responded proactive moves by the Port have been made to address this and alternative maritime power (e.g., ‘cold ironing’) options are coming forward. Feasibility studies by SDG&E have been undertaken to determine costs of ships using grid power while in port. Costs are significant but not completely prohibitive (Port of Seattle is now ‘green’). Mr. Ball noted the shift of consumption from ship-based diesel burning power to city power does not eliminate the problem but merely reduces it slightly. ‘Cold ironing’ and other solutions are complicated by the vast majority of ships in U.S. ports being foreign. The California Air Resources Board (CARB) is responsible for regulating ship-generated air pollution. Ms. Hunter recommended the EWG consider formal support of CARB ‘cold ironing’ regulations, and noted that Seattle and others receive clean ships because they have the infrastructure and regulations in place to support them.

It was questioned whether the $400,000 for two years would be sufficient funding for the CEC tasks. Ms. Freedman stated the CEC funds were serving as only part of the funding, SANDAG’s and SDG&E’s contributions would need to continue to cover the scope of work. If additional funding becomes necessary, staff will bring forward needs to the EWG for discussion.

Mike Evans, Chamber of Commerce, noted that much of California Bonds A-E funding is transport oriented and asked if requests for allocation toward this would be possible. Mr. Madrid noted an additional $430+ million dollars recently was sequestered from the state for SANDAG transportation projects. Both believed the EWG should investigate how bond measures could be applied to EWG efforts. Ms. Freedman added that links between energy and transportation will be researched to obtain bond funding, if possible.
Ms. Stillings, SDREO, discussed updating the Regional Energy Infrastructure Study (REIS), which served as a basis for the last ‘Regional Energy Strategy 2030.’ The energy planning landscape has changed since the last study and strategy were drafted, and any updates should incorporate these changes. She recommended that a facts-only assessment of regional infrastructure be developed, which will be used for the policy decisions within the RES update. This facts-only assessment can be a shorter document that can serve as a resource for not only the RES work, but also for EWG members and stakeholders that would like an overview of our electricity infrastructure. Ms. Stillings provided a review of the history of regional energy planning bringing the EWG to present day.

The Regional Energy Policy Advisory Council (REPAC), through transparent processes and multiple meetings, developed a regional energy plan as a public policy document for SANDAG. This document, the ‘Regional Energy Strategy 2030’ (RES 2030), provided nine ‘stretch’ goals based on regional needs established by community input and REPAC deliberation. The main, overarching objective of the document is to “provide measurable targets and develop strategies and policies to achieve the region’s sustainable energy vision.” A large increase of in-county energy production with an emphasis on renewables is a key element of the plan.

Since the RES was written over 2002 and 2003, changes have occurred requiring an update. These changes include the enactment of climate change laws, SANDAG’s adoption of a Regional Comprehensive Plan, SDG&E being returned to the role of long-term procurement planning, and several others. Some of the recommended updates are the inclusion of more performance measures that show where we are on the path toward goals set in the RES, establish guidelines that can be easily adopted by municipalities, a focus only on San Diego County and not beyond, utilization of EWG as an Advisory Committee, etc. It was added that a first step to the plan update be this infrastructure data update. To accomplish this first task, SANDAG would utilize SDREO for a minimal budget, to provide a shorter document than the REIS, including an inventory of supply, demand, price, and environment, and a look at energy efficiency and demand response. SDREO will vet the data sources being used for this infrastructure update with the Resources Subcommittee.

Mr. Madrid mentioned each city has a general plan with eight fundamental elements, only one of which has to be revised every five years. He recommended a generic energy element be developed to be adopted by all cities. Donna Frye, City of San Diego, added that she has recommended to the San Diego City Land Use Department that a specific energy element be included in their updates. Ms. Wagner noted Chula Vista updated its general plan last year with the inclusion of a 40% renewable energy requirement by 2017. Ms. Freedman added that the CEC partnership contract calls for development of a sample energy element for use for local governments.

Mr. Geier concurred that much has changed since 2003, in particular that SDG&E is in a position of long-term resource planning again, and he felt that SDG&E should be included in the process of developing an updated strategy. Ms. Stillings agreed and elaborated that SDG&E definitely has a seat at the table, as the EWG is the advisory group to this update. She provided further history to the group as to how the utility did not have a vote in the recommendations last time around.

Bill Powers, Sierra Club, inquired whether RES 2030 would be an update of the current plan or a complete overhaul of the policy recommendations. Ms. Stillings stated it would be a new assessment of the community. Ms. Freedman clarified that step one, the infrastructure assessment...
that SDREO will undertake, is data collection only, not policy recommendations (e.g., in-region vs. out of region generation), providing a ‘snapshot’ of energy infrastructure. The wider Regional Energy Strategy update will be where policy discussions and recommendations are made. An assessment of the region’s performance on existing goals will be part of the update.

**Agenda Item #7: Advanced Metering Infrastructure; Smart Meters - SDG&E**

Mr. Geier stated that a settlement had been reached in February 2007 regarding the SDG&E Advanced Metering Infrastructure (AMI) Program proposal. This settlement among SDG&E, the Division of Ratepayer Advocates (DRA), and the Utility Consumers’ Action Network (UCAN) allows AMI to move forward. The CPUC must now approve the settlement. AMI will use ‘smart meters’ that should reduce operating costs, encourage consumer energy conservation, and shift usage away from high demand/cost or constrained supply time periods.

Mr. Geier introduced Ted Reguly, Director of SDG&E’s AMI Program, who reviewed AMI and the Smart Meter. He noted the program is not just about new meters but, more importantly, great improvements in utility interface with consumers allowing real-time usage and pricing information. The meters have a two-way communication link between consumer and the utility. This system will create a change from monthly meter readings to hourly updates for homes and 15-minute updates for businesses. AMI is not a San Diego specific project, but is paralleled in other areas of the county and abroad. PG&E is the furthest along in implementation of AMI, of the IOUs in California.

One important element of the settlement was an additional system functionality called ‘electric remote disconnect.’ This allows a client to move from one location to another and the utility can energize or de-energize the locations remotely. Also, in emergency situations where demand is much higher than supply, loads can be dropped remotely at the end point by certain amounts in certain locations. For example, hospitals and other critical care users will retain power while other less vital customers will not.

It is expected that retailers (not the utility) will respond to AMI by selling real-time feedback devices for home appliances and other energy-consumptive items. This will be facilitated by a technology network in homes called the Home Area Network (HAN). HAN devices will display the amount of energy being consumed and translate that into costs, which, in turn, will likely reduce consumption, especially during peak hours. Future appliances, etc., may have HAN displays built in with automatic shutdowns; e.g., during peak hours a television screen will dim and the icemaker shuts down. Furthermore, Internet and cell phones may allow remote shutoffs; e.g., being away from home, seeing the lights were left on and turning them off.

SDG&E along with those involved in the settlement case have formed a Technology Advisory Committee that is open to the public and will develop implementation strategies. Following an April 12, 2007, approval decision, system integration work will begin, requiring over a year. After that (probably late 2008), 1.4 million electric meters will be installed and 900,000 gas meters will be retrofitted in the county.

There are three field tests being carried out currently and each location was selected to test the communication technology involved. One test is in Fallbrook to account for complications with mountainous terrain, another in downtown San Diego for the amount of underground meter constraints, and the third in Clairemont because of RF interference. Furthermore, outside of
San Diego, PG&E is currently installing smart meters and Philadelphia Electric, Kansas City Power and Light, Con Edison, and others already have them.

Energy savings are expected to be around 200 peak-demand megawatts by 2011. Work is being done with the California Energy Commission and other California energy providers to develop state standards for the system so that manufacturers of HAN devices will have uniformity. Billing plans with peak-time rebates will incentivize AMI. A no layoff policy ensures that meter readers will be transitioned. Online and hardcopy billing will display time of use and ‘what if’ tools will be provided for reduction inquires. Two-way, bi-directional meters will allow consumers to monitor power put back into the grid via hybrid vehicle batteries, solar, etc., for rebates or other incentives. To avoid fears of privacy infringement, the utility will only enter a customer’s home upon request by the customer.

**Agenda Item 8: California Solar Initiative (CSI): San Diego Program**

Nathalie Osborne, San Diego Regional Energy Office (SDREO), provided a review and update of CSI and its benefits for the San Diego region. The initiative was authorized by the State legislation and the California Public Utilities Commission (CPUC) in 2006, with a budget of $2.165 billion. CSI was formally launched January 1, 2007, and provides incentives for residential and non-residential solar energy projects through state subsidies of over $2.1 billion over the next ten years, focusing first on photo voltaic (PV) systems.

Eligible projects include residential retrofits and non-residential retrofits and new construction. There is a separate program in place for new projects residential solar projects through the California Energy Commission’s (CEC) New Solar Homes Partnership. The minimum system size is 1 kW and the maximum system size is 5 MW, although incentives will be capped at the first MW. Also, installed capacity may not exceed actual energy consumption during the previous 12 months (excluding new construction). Incentive rates and MW step allocations were explained and San Diego has an overall ten-year target of 180 MW, representing 10%+ of the State’s goals.

There are two CSI incentives. The first is the Expected Performance-Based Buydown (EPBB) incentive program for PV projects under 100kW which provides up-front rewards based on estimates of the system’s future performance. This is a lump sum payment based on summer peak rates and systems under 100kW can still opt for PBI, but not vice versa. For optimal efficiency, especially during summer peak, these systems should be oriented in the south- to west-facing quadrant. The second is the Performance-Based Incentives (PBI) program for PV projects equal to or greater than 100kW that provides monthly payments based on measured kWh solar power output at actual generation rates (vs. summer peak) over a five-year period. Currently, SDREO provides an incentive of $2.50/watt for all system sizes paid up to 1 MW, though system size can be up to 5 MW.

New CSI requirements are Time of Use (TOU) requirements from the utility, energy efficiency audits, installer requirements, ten-year warranty requirements, metering requirements, and inspection requirements.

Phase 2 of CSI will account for non-PV systems, which are becoming more widespread as technology improves. Other phase 2 topics include CSI marketing, education, and outreach, measurement and evaluation, and affordable housing and low income. A public forum on CSI will be held on April 2,
2007, in San Francisco for phase 2 input and SDREO will be making recommendations on phase 2 at a May 1, 2007, meeting with the CPUC.

The SDREO Solar Water Heating Pilot program with a $3 million dollar budget was approved by CPUC and SDREO is making required proposal changes before future implementation. The program will initially be available to SDG&E customers only. Residential, commercial, and industrial solar water heating systems that offset energy used by natural gas, electric, or boiler water heaters are eligible. The SDREO Internet site at www.sdenergy.org has more information.

Time of use meter requirements allow those with solar systems to sell power to the grid during peak hours and consume power during non-peak hours, though the benefits are dependent on how rates are structured. Energy produced beyond that consumed is credited to your account for a one year period, but not beyond that time or paid out in cash.

**Agenda Item #9: Upcoming Events**

Mr. Madrid noted EWG members should save the date of April 11, 2007, for the Direct Access debate that is part of the EWG's educational workshops. Also, members should reserve June 14, 2007 for the EWG Retreat at the Chula Vista council chambers.

**Agenda Item #10: Suggested Meeting Topics for Next Meeting**

Item suggestions for the EWG Retreat will be made an agenda item for the next EWG meeting April 26, 2007. Additional agenda items for the meeting include a Climate Change item regarding cities that have not signed on the U.S. Mayors Climate Protection Agreement and action items based on dialogue with King County (Seattle area, WA). Ms. Freedman solicited additional contributions to the agenda.

**Agenda Item #11: Adjourn**

The meeting was adjourned at 2:10 p.m.
### SANDAG ENERGY WORKING GROUP MEETING
### ATTENDANCE MARCH 22, 2007

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<tr>
<th>GEOGRAPHICAL AREA/ORGANIZATION</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
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<tr>
<td>North County Coastal</td>
<td>City of Del Mar</td>
<td>Henry Abarbanel, Co-Chair</td>
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<td>East County</td>
<td>City of La Mesa</td>
<td>Art Madrid, Co-Chair</td>
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<td>South County</td>
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<td>Steve Castaneda</td>
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<td></td>
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<td>Linda Wagner</td>
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<td>Donna Frye</td>
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<td>Jose Cervantes</td>
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<td>Metropolitan Transit System</td>
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<td>Sharon Cooney</td>
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<td>San Diego Gas &amp; Electric</td>
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<td>David Geier</td>
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<td>J C Thomas</td>
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<td>Rob Anderson</td>
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<td>San Diego Regional Chamber of Commerce</td>
<td>Shell Trading/ Coral Power</td>
<td>Mike Evans</td>
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<td>Gregory Parks</td>
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<td>North County Economic Development Council</td>
<td>Paul L. O’Neal and Associates</td>
<td>Paul O’Neal</td>
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<td>San Diego Regional Energy Office (SDREO)</td>
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<td>Irene M. Stillings</td>
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<td>Andrew McAllister</td>
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<td>Environmental Health Coalition</td>
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<td>Laura Hunter</td>
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<td>Scott Anders (Member, Yes)</td>
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<td>Dave Weil (Alternate, Yes)</td>
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<td>Marty Hunter (Member, Yes)</td>
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<td>David Deiranieh (Member, No)</td>
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<td>Patti Krebs (Member, Yes)</td>
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<td>Jim McCollum (Alternate, No)</td>
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Other Attendees:

Rob Rundle, SANDAG
Susan Freedman, SANDAG
Matthew Owens, SANDAG
Alexandra Hart, IBEW 569
Julie Gelfat, IBEW 569
Bob Resley, Resley Consulting
J. William Nash, San Diego Unified School District
Sephra Ninow, SDREO
Jennifer Porter, SDREO
Introduction

Staff will provide an update to the Governmental Energy Producers bill. The Senate Energy, Utilities and Communications Committee, chaired by Senator Kehoe, has scheduled a hearing for April 24, 2007, to discuss the bill. Jennifer Porter, SDREO, is attending the hearing.

Background

In November 2006, SANDAG hosted its second Legislative Forum chaired by Senator Kehoe, incoming Chair of the Energy, Utilities and Communication Committee. At this forum, the EWG recommended pursuing a bill that would expand opportunities for public agencies to pursue installation and use of renewable distributed generation at their facilities.

Subsequent to this meeting, SANDAG Energy Working Group (EWG) members sent potential bill language to Senator Kehoe’s staff that addressed increasing flexibility for public agencies to pursue renewable distributed generation projects. The EWG recommended support for this language to the Executive Committee on March 9, 2007. The SANDAG Executive Committee sent a letter of support for this language to Senator Kehoe on March 14, 2007. On April 16, 2007, Senate Bill 451 was amended to include this bill language.

An administrative track (non-legislative) also is being pursued with SDG&E.


Key Staff Contact: Susan Freedman, (619) 699-7387, sfr@sandag.org
An act to add Section 576 to Chapter 8 (commencing with Section 2840) to Part 2 of Division 1 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL’S DIGEST


Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities. Existing law permits a private energy producer to generate electricity not generated from conventional sources, as defined, solely for its own use or the use of its tenants, or to or for any electrical corporation, state agency, city, county, district, or an association thereof, but not the public, without becoming a public utility subject to the general jurisdiction of the commission. Existing law requires the commission to review the charges paid by electrical corporations to private energy producers for that electricity and related standby and transmission charges and, after the review, to adjust those charges to encourage the generation of electricity from other than conventional power sources. Existing law authorizes the City of Davis to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electric grid by a photovoltaic facility located within and partially owned by the city and requires the commission to adopt a rate tariff for the benefiting account.

This bill would authorize a city, county, city and county, or joint powers agency formed by a city, county, or city and county to receive
a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electric grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law authorizes the PUC to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. The existing Public Utilities Act requires the PUC to review and adopt a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives. Existing law requires that the costs of certain contracts entered into pursuant to a procurement plan by an electrical corporation for electricity be recoverable in rates, in a manner determined by the PUC to provide the best value to ratepayers. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to identify all potentially achievable cost effective electricity efficiency savings and to establish efficiency targets for an electrical corporation to achieve pursuant to its procurement plan. Existing law requires the PUC, in consultation with the Energy Commission, to identify all potentially achievable cost effective natural gas efficiency savings and to establish efficiency targets for the gas corporation to achieve these targets and to require that a gas corporation first meet its unmet gas resource needs through all available natural gas efficiency and demand reduction resources that are cost-effective, reliable, and feasible.

This bill would require the commission to require each electrical corporation and gas corporation to develop and implement an energy conservation investment initiative that consists of all cost effective, reliable, and feasible direct investments in equipment and practices that reduce the use of energy. The bill would provide that the investment made by an electrical corporation or gas corporation pursuant to an approved initiative is recoverable in rates, including a reasonable return on invested capital, as determined by the commission.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime. Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these provisions would require an order or other action of the commission to implement and
a violation of that order or action would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.


The people of the State of California do enact as follows:

SECTION 1. Chapter 8 (commencing with Section 2840) is added to Part 2 of Division 1 of the Public Utilities Code, to read:

Chapter 8. Governmental Energy Producers

2840. (a) As used in this section, the following terms have the following meanings:

1. “Benefiting account” means an electricity account, or more than one account, mutually agreed upon by a governmental entity and an electrical corporation.

2. “Bill credit” means credits calculated based upon the electricity generation component of the rate schedule applicable to a benefiting account, as applied to the quantities of electricity generated by an eligible renewable generating facility.

3. “Eligible renewable generating facility” means a generation facility that is an eligible renewable energy resource pursuant to the California Renewables Portfolio Standard Program that is owned or operated by a city, county, city and county, or joint powers agency formed by a city, county, or city and county.

4. “Environmental attributes” associated with an eligible renewable generating facility include, but are not limited to, the credits, benefits, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, however entitled resulting from the avoidance of the emission of any gas, chemical, or other substance attributable to the eligible renewable generating facility.

(b) A city, county, city and county, or joint powers agency formed by a city, county, or city and county may elect to designate
a benefitting account, or more than one account, to receive bill credit for the electricity generated by an eligible renewable generating facility, if all of the following conditions are met:

(1) A benefitting account receives service under a time-of-use rate schedule.

(2) The electrical output of the eligible renewable generating facility is metered for time of use to allow allocation of each bill credit to correspond to the time-of-use period of a benefitting account.

(3) All costs associated with the metering requirements of paragraphs (1) and (2) are the responsibility of the city, county, city and county, or joint powers agency formed by a city, county, or city and county.

(4) All electricity delivered to the electrical grid by the eligible renewable generating facility is the property of the electrical corporation that provides for interconnection.

(5) The city, county, city and county, or joint powers agency formed by a city, county, or city and county does not sell electricity delivered to the electrical grid to a third party.

(6) The right, title, and interest in the environmental attributes associated with the electricity delivered to the electrical grid by the eligible renewable generating facility are the property of the electrical corporation.

(c) A benefitting account shall be billed on a monthly basis, as follows:

(1) For all electricity usage, the rate schedule applicable to the benefitting account shall be the rate schedule of the benefitting account, including any cost-recovery surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity, pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(2) The rate schedule for the benefitting account shall also provide credit for the generation component of the time-of-use rates for the electricity generated by the eligible renewable generating facility that is delivered to the electrical grid. The generation component credited to the benefitting account may not include the cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity,
pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(3) If in any billing cycle, the charge pursuant to paragraph (1) for electricity usage exceeds the billing credit pursuant to paragraph (2), the city, county, city and county, or joint powers agency formed by a city, county, or city and county shall be charged for the difference.

(4) If in any billing cycle, the billing credit pursuant to paragraph (2) exceeds the charge for electricity usage pursuant to paragraph (1), the difference shall be carried forward as a credit to the next billing cycle.

(5) After the electricity usage charge pursuant to paragraph (1) and the credit pursuant to paragraph (2) are determined for the last billing cycle of a calendar year, any remaining credit resulting from the application of this section shall be reset to zero.

(d) Not more frequently than once per year, and upon providing the electrical corporation with a minimum of 60 days’ notice, the city, county, city and county, or joint powers agency formed by a city, county, or city and county may elect to change a benefiting account. Any credit resulting from the application of this section earned prior to the change in a benefiting account that has not been used as of the date of the change in the benefit account, shall be applied, and may only be applied, to a benefiting account as changed.

(e) A city, county, city and county, or joint powers agency formed by a city, county, or city and county shall provide the electrical corporation to which the eligible renewable generating facility will be interconnected with not less than 60 days’ notice prior to the eligible renewable generating facility becoming operational. The electrical corporation shall file an advice letter with the commission, that complies with this section, not later than 30 days after receipt of the notice, proposing a rate tariff for a benefiting account. The commission, within 30 days of the date of filing, shall approve the proposed tariff, or specify conforming changes to be made by the electrical corporation to be filed in a new advice letter.

(f) The city, county, city and county, or joint powers agency formed by a city, county, or city and county may terminate its election pursuant to subdivision (b), upon providing the electrical corporation with a minimum of 60 days’ notice. Should the city,
county, city and county, or joint powers agency formed by a city, county, or city and county sell its interest in the eligible renewable generating facility, or sell the electricity generated by the eligible renewable generating facility, in a manner other than required by this section, upon the date of either event, and the earliest date if both events occur, no further bill credit pursuant to paragraph (2) of subdivision (b) may be earned. Only credit earned prior to that date shall be made to a benefiting account.

SECTION 1. Section 576 is added to the Public Utilities Code, to read:

576. The commission shall require each electrical corporation and gas corporation to develop and implement an energy conservation investment initiative. For each electrical corporation and each gas corporation, the initiative shall consist of all cost-effective, reliable, and feasible direct investments in equipment and practices that reduce the use of energy. The investment made by an electrical corporation or gas corporation pursuant to an approved initiative shall be recoverable in rates, including a reasonable return on invested capital, as determined by the commission.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.
REQUEST FOR INDEPENDENT POWER PRODUCER (IPP) NOMINATIONS

Introduction
SANDAG is seeking recommendations for a candidate company to represent the Independent Power Producer (IPP) category on the Energy Working Group. EWG members and the public are encouraged to submit a nomination or letter of interest in writing to SANDAG by Friday, May 4, 2007. An IPP refers to any entity that owns or operates an electric generating facility that is not included in a utility’s rate base. An IPP is a private entity that generates electricity and sells it to other businesses including utilities. With their investment, the IPPs provide a marketplace check and balance to the regulated utilities. Details are provided below.

Background
At our January 25, 2007 meeting, the EWG recommended that a representative from the IPP category be added to the voting membership. At its April 6, 2007 meeting, the Regional Planning Committee (RPC) approved this addition, as well as the addition of the San Diego Renewable Energy Society and the South County Economic Development Council. An attendance policy also was adopted and technical edits made to the EWG Charter. See agenda item 6 for information on the policy. The EWG Charter states that the RPC must approve changes to EWG membership.

How to Apply
The closing date for submissions is May 4, 2007. Both EWG members and non-members should submit nominations in writing to Susan Freedman. Via email, please include “IPP Nomination” in your subject line. Self nominations, or letters of interest, also will be accepted. If you do not have email access, please mail your recommendation (postmarked no later than May 4, 2007) to Ms. Freedman at SANDAG, 401 B Street, Suite 800, San Diego, CA 92101-4231.

Please include in the submittal what regional generation facility the company owns/operates, a point of contact at that company, and why said company is interested in or would be a strong candidate to represent IPPs on the EWG. Candidates should understand the level of commitment involved and the attendance policy. To be considered, the IPP must have a facility in San Diego County. If you have any questions, please contact Ms. Freedman.

Selection Process
After the closing date, Ms. Freedman will compile the candidates for review and selection by the EWG Co-Chairs and SANDAG staff. Candidates will be notified of the outcome.

Key Staff Contact: Susan Freedman, 619-699-7387; sfr@sandag.org
EWG MEMBER ATTENDANCE POLICY AND UPDATE

Introduction

At its January 25 and March 22 meetings, the EWG discussed instituting a member attendance policy in conjunction with increasing the working group’s size to 25 voting members. At the March 22 meeting, the EWG recommended the attendance policy stated below. This policy was approved by the Regional Planning Committee (RPC) at its April 6, 2007, meeting and is effective immediately. The one-year period for attendance will run from April 2007 through March 2008. The EWG Charter states that the RPC must approve changes to the membership.

The RPC approved the three members recommended by the EWG. An Independent Power Producer (IPP), the San Diego Renewable Energy Society (SDRES), and the South County Economic Development Council (SCEDC). Letters of invitation are being sent to SDRES and SCEDC and a call for nominations for an IPP is included as Item 5 of this agenda. All IPP recommendations received by SANDAG will be compiled and presented to the EWG Co-Chairs. The Co-Chairs and staff will discuss the candidates and make a final decision. These member categories will be added to the EWG membership list once contacts are named by their organizations. The updated member list will be provided at a future EWG meeting.

Attendance Policy

The EWG will have a maximum of 25 voting members. Membership will include a diverse group of regional stakeholders. Elected officials serving on the EWG have been appointed by the subregions they represent (North County Coastal, North County Inland, East County, South Bay), the City of San Diego, and the County of San Diego. Voting members of the Working Group and their alternates are selected by the bodies they represent.

In the event that an elected official cannot serve, a subregion can appoint a non-elected government employee to serve in place of an elected in the primary or alternate member position.

With the exception of the subregional representation, if a voting member misses two consecutive meetings or three total over the course of one calendar year, then they will be considered as advisory members. This will span April 2007 – March 2008. After one year, advisory members may petition the EWG for consideration as a voting member again. Members of the RPC are able to appoint and recommend members to the EWG. Elected officials already on the EWG are also able to recommend additional considerations for membership to the RPC for approval.
Any member in danger of losing his/her voting privileges due to poor attendance will be notified via email by SANDAG staff.

**EWG Ad Hoc Membership Subcommittee**

The EWG Membership Subcommittee will continue to meet on an ad hoc basis as necessary. The EWG has requested that the subcommittee further discuss how best to have non-voting members serve in an advisory capacity at meetings, if a member loses voting status. Nominations for new or renewed membership to the EWG will be deferred to the subcommittee for discussion prior to placement on the EWG agenda for possible recommendation.

On a waiting list for consideration as future members of the EWG are the San Diego Unified School District and the County Water Authority. A health-based organization is to still be considered by the subcommittee as part of future membership or to reach out to for input.

The Membership Subcommittee is chaired by Irene Stillings, SDREO. Members are: Laura Hunter, EHC, David Geier, SDG&E, Linda Wagner, Chula Vista, Paul O’Neal, NCEDC, and SANDAG staff.

Key Staff Contact: Susan Freedman, (619) 699-7387, sfr@sandag.org
The CEC has approved two separate energy planning contracts for SANDAG, highlighted below: one on March 28, 2007 ($50,000), and a second on April 11, 2007 ($400,000). The SANDAG Board will be asked to accept these contracts at its April 27, 2007, meeting. The EWG will serve as the local advisory committee to this CEC partnership. Updates will be provided to the Regional Planning Committee and Board, and input from other working groups will be solicited over the course of this partnership. These revenue agreements will leverage existing funds provided by SANDAG and San Diego Gas and Electric. This also will fund a limited term associate planner, an intern, and added consultant services to complete the work effort through the 3rd quarter of FY 2009.

One-Year “Rebuild America” Grant

As part of the update of the RES, SANDAG will prepare a report section that includes measures that will encourage the energy efficient design of new nonresidential buildings. The Rebuild America program is a network of community-based partnerships across the nation that are committed to saving energy, improving building performance, easing air pollution through reduced energy demand, and enhancing the quality of life through energy efficiency and renewable energy technologies.

Two-Year Energy and Climate Change Planning Contract

The partnership will assist in updating the RES, developing a climate change action plan, developing an alternative transportation vehicles and fuels toolkit for local governments, and expanding a pilot Sustainable Region program to assist local governments with saving energy. The work effort will contribute to state energy planning through the CEC Integrated Energy Policy Report (IEPR) process.

Under this agreement, SANDAG will develop analytical tools for coordinated land use, energy, climate change, and alternative fuels research. The research and tools developed under this contract will provide guidance and information for California’s local governments to incorporate energy and climate considerations into their planning, development, and infrastructure deployment programs.

Attachment: 1. Scope of Work from Energy and Climate Planning Contract

Key Staff Contact: Susan Freedman, (619) 699-7387, sfr@sandag.org
Exhibit A
Scope of Work

The San Diego Association of Governments (SANDAG) (the Contractor) shall, through research, public hearings, outreach and collaboration, develop and disseminate model planning and development tools and strategies. The tools and strategies shall be developed as transferable materials, applicable for use by other regional and local governments that wish to incorporate land use, transportation, climate change, and energy considerations into their planning efforts. The development of these tools and strategies shall be overseen by SANDAG and a State Advisory Task Force, assembled by the Energy Commission and the Contractor. The Contract deliverables shall be widely disseminated through trade journals, presentations, and conferences.

This project is divided into three tasks:

Task 1: Update the Regional Energy Strategy (RES)
Task 2: Expand Sustainable Region Program
Task 3: Transportation and Energy: Alternative Transportation Fuels and Vehicles Program
Task 4: Final Contract Report

Tasks

1. Update the Regional Energy Strategy

The SANDAG Regional Energy Strategy has served as the energy policy blueprint for the region, similar to the state’s Integrated Energy Policy Report. The Energy Commission’s 2006 IEPR Update process includes focus on regional energy planning and the integration of energy and land use planning. The Blueprint Learning Network (BLN) is a network of planning professionals brought together by CALTRANS and works with the Metropolitan Planning Organizations (MPOs) and Councils of Government (COGs) to advance regional blueprint planning. SANDAG shall partner with BLN on the development of RES to provide oversight of work products. The Energy Working Group advises the SANDAG Regional Planning Committee on issues related to the coordination and implementation of the Regional Energy Strategy adopted by the SANDAG Board of Directors in July 2003. The Working Group consists of elected officials from the City of San Diego, County of San Diego and the four subareas of the region. In addition to elected officials, the Working Group includes stakeholders representing business, energy, environment, economy, education, and consumer interests.
The Contractor shall:

Use a public process to develop a long term energy plan for the San Diego region that:

- Integrates land use, transportation, water, and climate change impacts
- Addresses local implementation of the loading order
- Identifies binational energy issues and solutions
- Identifies energy imperatives for the region and implementation plan
- Uses the Energy Working Group (EWG) to serve as Advisory Committee
- Is developed in a way that can be modeled by other regional and local governments in California.

Task 1A. RES Framework

Framework development will be on monthly EWG meeting agendas. As the work effort progresses, items will be brought to other relevant advisory groups at SANDAG for input. All working groups and committee agendas are to be noticed and open to the public. The public must be able to provide comment.

Subtask 1.1 Review of 2003 San Diego regional energy strategy

Deliverable: Report on existing RES and additions for future RES. The report shall include, but not be limited, to Strengths and Weaknesses of the current plan and Opportunities for the future plan.
Deliverable Due Date: May 1, 2007

Subtask 1.2 Research and review of energy plans from other regions

Deliverable: Report on Energy Plans from other Regions in and out of California. The report shall contain, but not be limited to, an analysis of no less than seven (7) Plan backgrounds, highlights, analytical foundations, recommendations and implementation strategies. The report shall also contain a selection of best practices from the reviewed plans that may be appropriate for SANDAG and other regions Energy Plans.
Deliverable Due Date: May 15, 2007

Subtask 1.3 Identification of necessary chapters for RES

Deliverable: Outline of RES. The outline shall contain, but not be limited to, a table of contents, chapter headings, chapter section headings, brief description of Section contents.
Deliverable Due Date: June 1, 2007

Subtask 1.4 Research and review of municipal energy elements for general plans

Deliverable: Report on general plan energy elements from no less than ten (10) California local governments and appropriate non-California local governments. The report shall contain, but not be limited to, selected element backgrounds, highlights, analytical foundations, recommendations and implementation strategies. The report
shall also contain a selection of best practices from the reviewed elements that may be appropriate for SANDAG and other regions of the State.

Deliverable Due Date: May 15, 2007

Subtask 1.5 Identification of necessary components for regional energy element
Deliverable: Outline of Model Regional Energy Element with analytical direction. The outline shall be formatted as a “how to guide” for regional Energy Plan adoption and shall include, but not be limited to, descriptions of how regional governance entities should approach Energy Plan development and the appropriate background, research areas, stakeholders, public input process and other necessary factors to be considered. Additionally, the outline shall contain a model Energy Plan structure with model chapter headings, chapters, sections and findings.

Deliverable Due Date: June 15, 2007

Subtask 1.6 Present research to Blueprint Learning Network (BLN)
Deliverable: Report and presentation for BLN. The report shall contain, but not be limited to, a summary of findings to date and recommendations for Regional Energy Governance.

Deliverable Due Date: June 21, 2007

Subtask 1.7 Presentation of Draft RES
Deliverable: Draft RES. The Draft RES shall contain, but not be limited to:
- an executive summary,
- introduction,
- background with analysis of trends, energy use drivers and public policy,
- Goals and Objectives for public policy, electricity supply and infrastructure, electricity demand, natural gas supply, infrastructure and cost, transportation energy supply and demand and climate change,
- Numerical and time based indicators that will be used to measure the success of the RES

Deliverable Due Date: Mar. 31, 2008

Subtask 1.8 Public Workshop on RES
Deliverable: Workshop transcript and report on findings

Deliverable Due Date: Jul. 31, 2008

Contractor shall coordinate all aspects of the workshop including without limitation: advertising/publicity, preparation of agenda, enrolling attendees, securing meeting space, preparation of materials/handouts, and facilitation at the workshop. Workshop expenses shall be funded from the other direct costs category in the budget in Exhibit B.

Subtask 1.9 Final RES
Deliverable: Completed RES. The RES shall contain, but not be limited to:
- an executive summary,
- introduction,
- background with analysis of trends, energy use drivers and public policy,
- Goals and Objectives for public policy, electricity supply and infrastructure, electricity demand, natural gas supply, infrastructure and cost, transportation energy supply and demand and climate change,
- Numerical and time based indicators that will be used to measure the success of the RES

Deliverable Due Date: Nov 30, 2008

Subtask 1.10 Outreach and Dissemination

Deliverable: Plan for outreach to transfer RES lessons learned. The plan will include, but not be limited to, what outreach activities will be undertaken in the areas of media, conferences, trade journals and other methods of outreach and dissemination.

Deliverable Due Date: Feb 28, 2009

Contractor shall implement the outreach plan after approved by the Contract Manager.

Task 1B. Regional Climate Change Framework Tasks

Framework development will be on monthly EWG meeting agendas. As the work effort progresses, items will be brought to other relevant advisory groups at SANDAG for input. All working groups and committee agendas are noticed and open to the public. The public will be given the opportunity to provide comment.

Subtask 1.11 Research and review of municipal climate change plans

Deliverable: Report on California and outside of California municipal climate change plans. The report shall contain, but not be limited to, an analysis of no less than seven (7) plan backgrounds, highlights, analytical foundations, recommendations and implementation strategies. The report shall also contain a selection of best practices from the reviewed plans that may be appropriate for SANDAG and other regions climate change plans.

Deliverable Due Date: May 31, 2007

Subtask 1.12 Identification of components for regional climate action plan

Deliverable: Outline of a Regional Climate Action Plan. The outline shall be formatted as a “how to guide” for regional climate action plan adoption and shall include, but not be limited to, descriptions of how regional governance entities should approach climate action plan development and the appropriate background, research areas, stakeholders, public input process and other necessary factors to be considered. Additionally, the outline shall contain a model climate action plan structure with model chapter headings, chapters, sections and findings.

Deliverable Due Date: June 15, 2007
Subtask 1.13  Present research to Blueprint Learning Network (BLN)
Deliverable: Report and presentation for BLN. The report shall contain, but not be limited to, a summary of findings to date and recommendations for Regional Climate Governance.
Deliverable Due Date:  June 21, 2007

Subtask 1.14  Presentation of Draft Regional Climate Action Plan
Deliverable: Draft Regional Climate Action Plan. The Draft Regional Climate Action Plan shall contain, but not be limited to:
- an executive summary,
- introduction,
- background with analysis of trends, climate change drivers and public policy,
- Goals and Objectives for public policy, mitigation and adaptation measures for electricity supply and use, mobility, land use and community design,
- Numerical and time based indicators that will be used to measure the success of the Regional Climate Action Plan.
Deliverable Due Date:  Feb. 28, 2008

Contractor shall coordinate all aspects of the workshop including without limitation: advertising/publicity, preparation of agenda, enrolling attendees, securing meeting space, preparation of materials/handouts, and facilitation at the workshop. Workshop expenses shall be funded from the other direct costs category in the budget in Exhibit B.

Subtask 1.15  Public Workshop on Regional Climate Action Plan
Deliverable: Workshop transcript and report on findings.
Deliverable Due Date:  Jun. 30, 2008

Subtask 1.16  Final Regional Climate Action Plan
Deliverable: Completed Regional Climate Action Plan. The Regional Climate Action Plan shall contain, but not be limited to:
- an executive summary,
- introduction,
- background with analysis of trends, climate change drivers and public policy,
- Goals and Objectives for public policy, mitigation and adaptation measures for electricity supply and use, mobility, land use and community design,
- Numerical and time based indicators that will be used to measure the success of the Regional Climate Action Plan.
Deliverable Due Date:  Oct 31, 2008
Subtask 1.17  Outreach and Dissemination
Deliverable: Plan for outreach to transfer - Regional Climate Action Plan lessons learned. The plan will include, but not be limited to, what outreach activities will be undertaken in the areas of media, conferences, trade journals and other methods of outreach and dissemination.
Deliverable Due Date: Jan 31, 2009

Contractor shall implement the outreach plan after approval by the Contract Manager.

Task 2  Expand Sustainable Region Program

Sustainable Region Program
SANDAG, in conjunction with San Diego Regional Energy Office (SDREO) and San Diego Gas and Electric (SDG&E), conducted a pilot effort for the City of Carlsbad consistent with the principles of this “Sustainable Region” blueprint during the months of March 2005 through March 2006. This pilot effort has resulted in $200,000 annual savings for Carlsbad before consideration of savings in new building energy efficiency and renewable energy sources. The partnership between SANDAG and SDREO allowed access to the Carlsbad City Council, as well as public works and planning staff, which provided significant value added over programs which could have been run by the partners separately.

The Contractor will expand the pilot and implement this program with two other local governments in the San Diego region. The Sustainable Region Program will develop energy management plans to advise local governments in the effective implementation of renewable energy projects, green building options, and energy efficiency. The plans will include implementation measures such as funding initiatives to facilitate execution of the loading order at the local level.

Task 2.1  Draft outline of Sustainable Region action plan & toolkit
Deliverable: Report on research and outline of action plan and toolkit. The report shall contain, but not be limited to, an analysis of the current plan’s background, highlights, analytical foundation, recommendations and implementation strategies. The report shall also contain an analysis of the current programs Strengths and Weaknesses and future Opportunities for the program and toolkit development.
Deliverable Due Date: May 1, 2007

Task 2.2  Sustainable Region action plan & toolkit
Deliverable: Final plan and toolkit. The Plan and Toolkit shall contain but not be limited to a clear and succinct description of the Sustainable Region Program’s background, research areas, stakeholders, public input process and other necessary factors to be considered when a region is considering adopting a similar program. Additionally, the toolkit shall contain a model toolkit structure with descriptions of components, tools, research areas, outreach materials and other factors deemed necessary.
Deliverable Due Date: Aug. 31, 2007
Task 2.3 Program rollout to municipalities
Deliverable: Program Implementation Plan. The Plan shall contain, but not be limited to, details on how SANDAG will roll out the program through local government contact, developing project teams, assessing need and resources and other roll out details.
Deliverable Due Date: Oct 31, 2007

Task 2.4 Progress to date
Deliverable: Report on progress towards Program Implementation Plan targets. The report shall contain, but not be limited to, results of the program roll out and successes and challenges of the roll out.
Deliverable Due Date: April 30, 2008

Task 2.5 Sustainable Program Best Practices Report
Deliverable: Report on Best Practices. The report shall contain, but not be limited to, findings on the program attributes, activities, tools, analysis, resources and other best practices that should be considered when a regional governance agency is considering adopting a similar program.
Deliverable Due Date: Jul. 31, 2008

Task 2.6 Outreach and Dissemination
Deliverable: Plan for outreach to transfer lessons learned. The plan will include, but not be limited to, what outreach activities will be undertaken in the areas of media, conferences, trade journals and other methods of outreach and dissemination.
Deliverable Due Date: Sep. 30, 2008

Contractor shall implement the outreach plan after approval by the Contract Manager.

Task 2.7 Progress to date
Deliverable: Final report on progress towards Program Implementation Plan targets. The report shall contain, but not be limited to, results of the program roll out and successes and challenges of the roll out.
Deliverable Due Date: Mar. 31, 2008

Task 3 Transportation and Energy: Alternative Transportation Fuels and Vehicles Program

The Contractor will work with the SANDAG member governments to identify opportunities for alternative fuel vehicles both in municipally owned vehicles, as well as those owned by franchisees of these cities, such as trash haulers, green waste haulers, and curbside recyclable haulers. The Contractor will also work with its member governments to identify grant and other funding possibilities to aid in the transformation of fleets, and through local city councils, to work with business groups, such as Rotary or Chambers of Commerce, to use the municipal actions as a model for broader parts of local communities.
The Contractor shall conduct a study of the most appropriate locations for siting alternative fuel infrastructure to best leverage geographic, institutional, financial and environmental resources. The study shall guide the Contractor’s development of an Alternative Fuel Vehicle and Infrastructure Toolkit for Local Governments. The toolkit shall contain best practices related, but not limited, to: ordinances, analytical tools, financing opportunities, codes, and standards.

**Task 3.1 Establish Study Steering Committee**
Deliverable: Roster of completed Committee
Deliverable Due Date: May 1, 2007

**Task 3.2 Develop Detailed Scope of Work**
Deliverable: Scope of work outlining process and results of study. The scope shall clearly lay out the research, tools, analysis, schedule and other appropriate details that SANDAG shall undertake to carry out the study.
Deliverable Due Date: Aug. 1, 2007

**Task 3.3 Draft Study for Steering Committee Review**
Deliverable: Draft Study and Steering Committee Comments. The draft study shall include, but not be limited to, an analysis of alternative fuels and vehicles, infrastructure issues, regional, state and national fuel supply, model infrastructure siting analysis criteria, financing models and other details deemed appropriate by the Contractor.
Deliverable Due Date: Nov. 1, 2007

**Task 3.4 Steering Committee Comments on Draft Study**
Deliverable: Steering Committee Comments. The draft study shall include, but not be limited to, an analysis of alternative fuels and vehicles, infrastructure issues, regional, state and national fuel supply, model siting analysis criteria, financing models and other details deemed appropriate by the Contractor.
Deliverable Due Date: January 1, 2008

**Task 3.5 Public Workshop On Draft Study**
Deliverable: Transcript from workshop
Deliverable Due Date: Mar. 1, 2008

Contractor shall coordinate all aspects of the workshop including without limitation: advertising/publicity, preparation of agenda, enrolling attendees, securing meeting space, preparation of materials/handouts, and facilitation at the workshop. Workshop expenses shall be funded from the other direct costs category in the budget in Exhibit B.

**Task 3.6 Prepare Final Study**
Deliverable: Final study. The final study shall include, but not be limited to, an analysis of alternative fuels and vehicles, infrastructure issues, regional, state and national fuel supply, model infrastructure siting analysis criteria, financing models and other details deemed appropriate by the Contractor.
Deliverable Due Date: June 30, 2008
Task 3.7  Toolkit Release
Deliverable: Final toolkit sent to SANDAG members. The toolkit shall contain, but not be limited to, best practices on ordinances, analytical tools, research needs financing opportunities, codes, standards and other components deemed appropriate by the Contractor for local governments to use when developing an alternative fuels plan.
Deliverable Due Date: July 31, 2008

Task 3.8  Outreach and Dissemination
Deliverable: Plan for outreach to transfer lessons learned. The plan will include, but not be limited to, what outreach activities will be undertaken in the areas of media, conferences, trade journals and other methods of outreach and dissemination.
Deliverable Due Date: Oct. 31, 2008

Contractor shall implement the outreach plan after approval by the Contract Manager.

Task 4  Final Project Report

Task 4.1 Draft Final Report
Deliverable: Draft Final Report on contract findings. The report shall contain, but not be limited to, status of deliverables and schedule, findings to date, challenges to project completion and other details deemed appropriate by the Contractor.
Deliverable Due Date: December 1, 2008

Task 4.2 Final Report
Deliverable: Final Report on contract findings. The report shall contain, but not be limited to, status of deliverables and schedule, findings, lessons learned and other details deemed appropriate by the Contractor.
Deliverable Due Date: April 1, 2009
April 12, 2007

Hon. Thomas Smisek

Dear Mayor Smisek:

SUBJECT: Locally Addressing Climate Change by Signing the U.S. Mayors Climate Protection Agreement

We are writing to invite you to join us in making a commitment on climate change by signing the U.S. Mayors Climate Protection Agreement. Seattle Mayor, Greg Nickels, launched this initiative to advance the goals of the Kyoto Protocol through leadership and action by at least 141 American cities.

Mayor Nickels, along with a growing number of other U.S. mayors, have made a commitment to locally doing their part by signing the U.S. Mayors Climate Protection Agreement. The cities of Chula Vista, Del Mar, La Mesa, San Diego, and Solana Beach are all signatories. Under this agreement, participating cities commit to take the following three actions:

1. Strive to meet or beat the Kyoto Protocol targets in their own communities, through actions ranging from anti-sprawl land-use policies, to urban forest restoration projects, to public information campaigns;
2. Urge their state governments, and the federal government, to enact policies and programs to meet or beat the greenhouse gas (GHG) emission reduction target suggested for the U.S. in the Kyoto Protocol - 7 percent reduction from 1990 levels by 2012; and
3. Urge the U.S. Congress to pass the bipartisan GHG reduction legislation, which would establish a national emission trading system.

Climate disruption is a serious threat to the environmental and economic health of our communities. Many cities, in this country and abroad, already have strong local policies and programs in place to reduce global warming pollution, but more action is needed at the local, state, and federal levels to meet the challenge. We encourage you to sign this agreement and further enable the San Diego region to do its part to address climate change.
If you have any questions, please feel free to contact one of us. Or, you may contact SANDAG staff, Susan Freedman, at sfr@sandag.org with any questions and next steps.

Sincerely,

Hon. Steve Castaneda  
Councilmember, Chula Vista

Hon. Art Madrid  
Mayor, La Mesa

Hon. Donna Frye  
Councilmember, San Diego

Attachment: U.S. Mayors Climate Protection Agreement and Signatory Page