

March 2, 2006

Brisbane City Council
Brisbane Planning Commission
Baylands Specific Plan
Environmental Impact Report

Mayor, Council Members, and Commissioners;

I am here to propose that the City of Brisbane use currently available legal and financial resources to integrate the development of wind and solar electricity generation into the Baylands Specific Plan, as well as into Brisbane's General Plan.

Local Power's proposal is based on both our experience as primary designer of San Francisco's solar and wind development plan¹, and also on work performed by students in an engineering class I recently taught at San Francisco State University, in which my students focused on the Baylands as a potential site for renewable energy development.

In our study, which is being completed and will be submitted in the near future, we concluded that the developer's current Specific Plan could safely and aesthetically integrate three columns of wind turbines generating 281 Megawatts of generation capacity in areas not claimed in the Specific Plan, in addition to as much as 25 Megawatts of building integrated solar photovoltaics on rooftop space specified in the Specific Plan. According to our study, this could be done with no negative visual impact. We arrived at the following conclusions:

- the wind conditions at the site are adequate for both commercially viable wind generation;
- the solar conditions are very good for solar power production;

¹ In addition to our work in San Francisco, Local Power is also helping design the Sacramento Municipal Utility District's new solar program, and is designing a major facility as consultant the Environmental Health Coalition in Southern California.

- the wind facilities could be safe, quiet, and aesthetically integrated into wetlands and walking path, and could provide an anchor for an ecopark;
- the wind/solar farm would be ideally located on the power grid, making it extremely competitive;
- the facility could be developed with little risk to Brisbane;
- the facility would be sufficiently large to achieve a massive greenhouse gas reduction for the community, making it a national leader;
- the proposed windmills would be targeted on areas of land not yet set aside for buildings that may too toxic for conventional uses such as residential and or business development, while enhancing rather than detracting from the commercial viability of the development;
- on-site power facilities would approach 300 Megawatts of power that could either provide energy independence for Brisbane residents and businesses under Community Choice Aggregation (CCA);
- as a uniquely central urban location with commercial wind potential, a Baylands Green power could be profitably sold in long-term contracts to other CCAs in the Bay Area such as San Francisco, Marin, Oakland, Berkeley, and several others now seeking renewable energy supplies for their communities;
- these substantial solar and wind resources could also provide power and a visible “billboard” for an alternative transportation retail development such as a green auto dealership, provide a truly unique “look” for the site to distinguish it from boilerplate “Big Box” developments that litter the Bay Area, and thus enhancing the uniqueness and commercial success of the overall development.

In short, the potential for wind and solar development on the Baylands should be considered both within the Baylands Specific Plan and the General Plan. We believe that a “Baylands Green” may provide an appropriate alternative or adjunct to the developer’s Plan, and submit the attached information on how to structure such an option for your consideration. This includes the following information:

- Community Choice Aggregation
- Municipal Financing
- Information about the speaker.

Thanks for your consideration,

Paul Fenn
Executive Director
Local Power

Baylands Green? Community Choice Aggregation in Brisbane

Community Choice is key to Brisbane's ability to develop a renewable energy facility at the Baylands - either directly or indirectly. Directly, Brisbane could provide for the power needs of its own residents, businesses and public agencies, guaranteeing power sales from a renewable energy facility integrated into the Specific Plan – delivering fixed prices and energy independence to the local economy. Indirectly, Brisbane could build a facility to sell power to San Francisco, which is itself now implementing Community Choice to buy power.. Either approach would enhance the uniqueness and sustainability of the Plan and deliver both profits to the city and significant local economic development - all at very low risk.

Community Choice is an authority granted by California law (AB 117, Migden) that allows cities and counties to take charge of their own energy future. Under Community Choice, local governments can serve as a virtual "electricity buyer's cooperative" for local residents, businesses and government agencies. Unlike ordinary cooperatives, however, the day-to-day management for securing electricity supplies is managed by a qualified and experienced third party, while the local government is placed in the role of strategic planner.



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The government entity, called a Community Choice Aggregator (CCA), contracts with existing licensed suppliers called "Electric Service Providers" (ESPs). These suppliers are used to providing reliable and cost-competitive electricity for large businesses and government agencies. About 12 percent of California's electricity is currently purchased from Electric Service Providers.

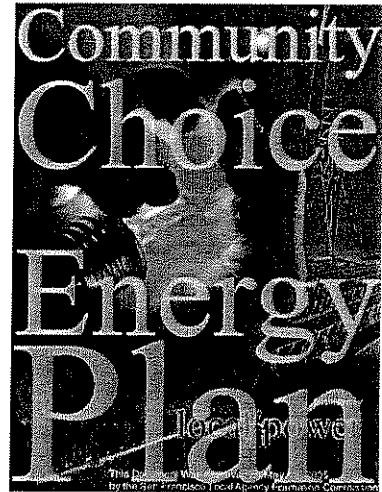


For more information, contact:

Paul Fenn
Executive Director
Local Power
4281 Piedmont Avenue
Oakland, CA 94611
510 451 1727
naulfenn@local.org

Community Choice enables local governments to have a voice over a level of policy that would otherwise be closed to them, and make decisions that take into account the best interest of their own particular local region. Such policy decisions can include:

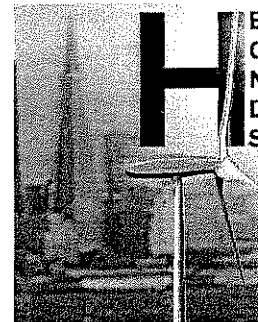
- **Strategies for energy security and supply.** This allows communities gradually to lower their reliance on undependable and depleting resources;
- **Replace a cost-based power monopoly with competitive, fixed rates.** Whereas PG&E can change its rates twice a year and has been bailed out repeatedly in the past decade, ESPs commit to structured rates that are more predictable;
- **Energy portfolios that manage price and risk.** Diversification of energy sources, with a mix of renewable supplies, is protection from energy price shocks;
- **Financing and ownership of local energy resources.** Low-interest bonds that finance clean, efficient electric generation yield significant long-term cost savings;
- **Development of local energy efficiency programs.** Increasing energy efficiency lowers energy costs, and is a proven, effective strategy for economic growth;
- **Implementing environmental goals.** Community Choice is a tool for local governments to change their "ecological footprint" on a larger scale than is possible under conventional policy options.



The technical steps required to become a CCA are fairly simple. CCAs are responsible to declare themselves a CCA, create an implementation plan, formulate a competitive bidding document or Request for Proposals (RFP), submit information to the California Public Utilities Commission, choose a provider and sign a contract. On the political level, local governments should encourage public input and, were Brisbane to choose this option in conjunction with other neighboring jurisdictions or San Mateo County, agreement from the city councils and mayors of participating cities in the form of a Joint Powers Agency (JPA). Based on our experience in other states, we recommend a JPA that is accountable to local government participants, with each municipality holding a seat, with each representative appointed by his/her city council or mayor.

Running a CCA can be simple or complex, according to preference for level of involvement. The CCA can take a "hands off" approach and allow the service provider to take care of the details of managing energy supply and executing the terms of the contract, or the CCA can participate in ongoing decisions, programs, and management. The second strategy is appropriate for CCAs that want to pave the way toward forming a

municipal utility – with more control, but also more risk assumed by the public entity. In most cases, Local Power recommends that CCAs transfer risk and responsibility to the Electric Service Provider, and pay a minimal premium that is essentially insurance for the local government jurisdiction.

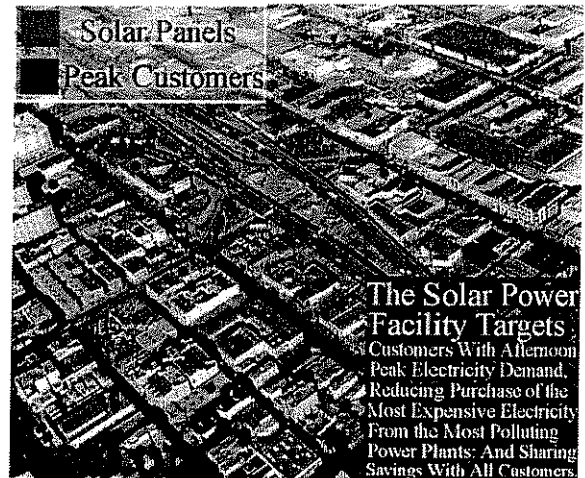


From the customer's point of view, Community Choice is a seamless continuation of their current electric service. Prior to commencement of the change to a CCA, all customers would be sent an enclosure in their PG&E bill explaining that PG&E will hand over responsibility for their electricity supply to a new provider in sixty days. The customer will be informed in this manner for four consecutive months of their right to "opt out" and remain with PG&E if this is their preference. If the customer goes with the CCA, then PG&E would continue to do billing, read meters, handle customer service, as well as own and operate the wires.

Under CCA, the new service provider (the ESP) will enter into power contracts with merchant generators, and also contract with developers to design, build, operate and maintain power generation facilities owned by the CCA and/or participating customers in the CCA's jurisdiction. All this would be in accordance with the contract with the CCA, and the requirement that Brisbane has the electricity to meet its needs. Under law, a bond must be posted (or insurance demonstrated) sufficient to cover the full cost of a return to PG&E should it ever fail to meet its obligations. Local Power recommends that the CCA require its ESP to provide this bond/insurance, so that both ratepayer and participating local governments are shielded from risks.

Community Choice opens a door to opportunities impossible for other electricity customers. Due to the sheer size of cities and counties, their collective buying power makes it feasible to demand actual planning and construction of CCA-owned energy infrastructure, tailored to their own needs, resources and preferences. Low interest tax-free revenue bonds (H Bonds), and avoiding the cost of 11% to 15% annual profits for utility and generator companies, can significantly improve the economics of capital intensive projects. Since the CCA is a secure and built in long-term market for their own power plant, financing and construction is much easier than it would be for independent power producers (or even the utility companies).

The CCA's financial advantages can, in fact, improve the economics of almost any energy project. But they particularly favor projects that are capital- rather than fuel-intensive, such as wind, geothermal, tidal and wave power, and other (non-fuel-based) renewables. As demand-side rather than supply-side entities, CCAs also favor cost-saving energy applications that are frequently neglected or pushed aside by utility companies, such as cogeneration and energy efficiency improvements.



The savings, and assured energy supply, benefit the customers in a CCA, and such self-ownership is the strongest tool for managing future electric rates. Locally controlled, publicly owned infrastructure is the main reason why Municipal Utilities, such as SMUD, have achieved rates that are 10% to 30% lower than PG&E, SDG&E, and SCE. Community Choice allows cities and counties to participate in some of the benefits of a municipal utility, without having to assume the risks and cost burdens of forming an actual utility company.

While a CCA is not an instant fix for high electric rates, it does allow for an off-ramp from the many problems faced by California's electric utilities: rising natural gas prices, fuel supply risks, aging power plants, and a number of regulatory entanglements. Navigant Consulting ran eight scenarios for over a dozen California municipalities' rate risk under CCA. All showed savings over a twenty-year period. These range from a worst case of 1% savings to a best case of 14% savings. It is noteworthy that the higher savings potential is contingent upon PG&E's cost of electric generation escalating by 3% per year, while the worst case assumes only 1% per year cost increase. Historically, PG&E's rates increased an average of 4.1% per year between 1980 and 2006.

Community Choice opens a door to saving money while implementing cleaner energy policies. Community Choice is the only tool that allows local governments to help decide upon their community's energy future, and the most powerful tool for managing energy risk and pollution.

Titles

- 1996-2006 Executive Director, Local Power
- 2005-6 Adjunct Faculty, San Francisco State University Department of Engineering (Fall Quarter ENG 220)
- 2004- Co-chair, Sierra Club California Energy Committee
- 2006 Chair, San Francisco Community Choice Aggregation Citizen's Advisory Task Force
- 2004 Faculty, Law Seminars International
- 2003- Member, Renewable Energy and Energy Efficiency Partnership (U.K. Foreign Office)
- 1993-5 Legislative Director, Massachusetts Senate Joint Committee on Energy.

Education

- Master of Arts (AM), Social Sciences Division, University of Chicago, 1992, Fellowship
- Dean's Fellow, New School for Social Research PhD Phil. Candidate, New York, 1989 (transf.)
- Bachelor of Arts (BA) History, Bates College, Maine, Highest Honors 1988
- Muller Prize - Best History Department Thesis, Bates College, Maine, 1988
- College Preparatory School, Oakland, 1984

Law, Regulatory and Policy Experience

- 2005 – Author, Community Choice Implementation Plan, San Francisco Local Agency Formation Commission – ref. Ross Mirkarimi, Chairman 415 554 7630
- 2004- Consultant, Sacramento Municipal Utility District (SMUD) Photovoltaics Performance Based Incentives Program Design - ref. Bruce Vincent, SMUD Senior Project Manager (916) 372 5397
- Author, 2004 San Francisco "Energy Independence" Ordinance (Ammiano) - ref: Tom Ammiano
- Intervenor representing ratepayers, 2003-2005 in California Public Utilities Commission proceeding on Community Choice Aggregation, R.03-10-003 - ref: Administrative Law Judge Kim Malcolm (415) 703-2822
- Intervenor Representative, 2003-4, Ratepayers for Affordable Clean Energy (R.A.C.E.), in California Public Utilities Commission proceedings on California gas utility procurement and Liquefied Natural Gas (R.04-01-025) - ref: Bill Powers, Border Power Plant Working Group (619) 295 2072
- Author, 2002 California Community Choice law (AB117, Migden) - ref: California Senator Carole Migden, (415) 557-3000
- Co-author of the nation's original CCA law in Massachusetts (filed 1995 – ref. Senator Mark Montigny (617) 722-1440
- Advisor in drafting of similar laws in Ohio (1999) - ref Harvey Wasserman (614) 621 7955; and New Jersey (2003) - ref. Ratepayer Advocate Blossom Peretz (973) 648 7111
- Author, 2001 San Francisco Solar "H Bond" Authority (City Charter revenue bond authority, Section 9.108.7, Ammiano) - ref: Supervisor Tom Ammiano(415) 554 5144
- Expert Witness for Public Citizen, April 2004, Nuclear Regulatory Commission Proceeding: "The Hazards of Natural Gas at Nuclear Energy Facilities," Application of Louisiana Energy Services to Build a National Uranium Enrichment Facility in New Mexico - ref: Joe Malherek, Public Citizen (202) 454-5109
- Intervenor Representative, 2003 preparing all filings for R.A.C.E., in California Public Utilities Commission proceedings on electric procurement (R.01-10-024) and natural gas-fired generation – ref Bill Powers
- Intervenor and expert witness to Womens' Energy Matters 2003-present in California Public Utilities Commission proceedings on Energy Efficiency programs (R.01-08-028) - ref: Barbara George, Women's Energy Matters (415) 915 6215

System Integration Experience

- Radio Frequency Plan Auditor for a national GSM 1800 ("2.5G") Network, Lucent Technologies, 2000 - ref: John Cutler, Voicestream Engineering 415 812 3858
- Regulatory Affairs and Permitting Site Acquisition Engineer, Voicestream, 1999 - ref: John Cutler
- Data and Mapping Specialist, Motorola ECID Europe, 1997 - ref: John Cutler
- Site Acquisition and Regulatory Specialist, Western Wireless, 1993-6 - ref: John Cutler

Testimony

- 1998-2006 San Francisco Board of Supervisors and San Francisco Local Agency Formation Commission
- 1998-2006 California Public Utilities Commission
- 2004 U.S. Nuclear Regulatory Commission
- 1999-2006 California State Senate and State Assembly
- 1993-5 Massachusetts Department of Public Utilities and Division of Energy Resources
- 1996- Marin County Board of Supervisors, Oakland City Council, Berkeley City Council, Southern California Cities Joint Powers Consortium, Chula Vista City Council, and others.

Guest Lecturer/Speaker

- 2006 Speaker, Ratepayers for Affordable Clean Energy (RACE), Sierra Club National HQ S.F.
- 2006 Speaker, Health Medicine Forum, Teleosis, "Healthy Planet Healthy People," Pleasant Hill
- 2005 Guest Speaker, League of Women Voters, "Keeping the Lights On," San Francisco
- 2005 Guest Speaker, Environmental Forum of Marin, "Fossil Fuels and Climate Change," Novato
- 2005 Speaker, California Attorney General's Office, Project California, Oakland
- 2005 Speaker, Ecology Center, "Future of Energy - With Loretta Lynch," Berkeley
- 2004 Featured Guest Speaker "Boiling Point: An Evening With Ross Gelbspan," Mill Valley
- 2004 Panelist, Law Seminars International, "New Direction for CA Energy Markets," San Francisco
- 2004 Panelist, U.S. Rep. Dennis Kucinich, "Bay Area Town Hall Meeting," San Francisco
- 2003 Speaker, British Foreign and Commonwealth Office, U.S. Consultative Meeting, Washington DC
- 2003 Featured Guest Speaker, Sustainable Fairfax, "Creating Marin's Energy Future Now, San Rafael
- 2003 Panelist, California Planning & Conservation League, "Annual Event," Sacramento
- 2002 Lecturer, Energy Resources Group, UC Berkeley, "Community Choice and H Bonds," Berkeley
- 2002 Lecturer, Sonoma State University, San Francisco's H Bond Model, Santa Rosa
- 2002 Speaker, San Francisco Public Utilities Commission Solar Industry Workshop, San Francisco
- 2001 Lecturer, Pomona College/Harvey Mudd College, The California Energy Crisis, Pomona
- 2001 Guest Speaker, California Office of Ratepayer Advocate, "The Need for Community Choice"
- 1999 Guest Speaker, California Office of Ratepayer Advocate, "California's Failing Electricity Market"

Some Media Appearances

- "The Buzz in San Francisco is for Green Energy," *Sierra Club Yodeler*, January-February, 2006
- "Solar Horizon: Energy Proposal Heads for a Key Vote," *San Francisco Bay Guardian*, Dec. 14, 2005
- "A New Day for CCA," *San Francisco Bay Guardian*, August 16, 2005
- "Tiptoeing Toward Public Power," *San Francisco Bay Guardian*, June 15, 2005
- "We Have the Power: The Bay Area Can Lead the Nation Towards a Clean Energy Future (Cover Story with Multiple Stories on CCA)," *Sierra Club Yodeler*, May-June, 2005
- "Co-op Power," *San Francisco Bay Guardian*, May 4, 2005
- "City Could Buy, Sell Energy by '07," *San Francisco Examiner*, April 18, 2005
- "Island Utility Inspires Public Power Push," *Easy Bay Business Times*, Oct 4, 2004
- "Renewable Energy Boom in San Francisco," *Solar Access*, Feb 20, 2004
- "San Francisco Leaders Declare Energy Independence" *Progressive Newswire*, Feb 18, 2004
- "Purchasing Pools May Get Rolling" *Power Marketers*, Jan 28, 2004
- "PUC OKs New Utility Guidelines," *Contra Costa Times*, Jan 23, 2004
- "Community Choice Public Power Debated," *San Francisco Examiner*, Feb 18, 2004
- "San Francisco eyes electricity purchase plan," *Forbes Magazine*, May 20, 2004
- "Bill would require city to buy cleaner energy," *San Francisco Chronicle*, May 17, 2004
- "Green Cities," *Mother Jones*, Aug 2, 2001
- "Solar Bonds, 50 Megawatt Plan Announced in S.F.," *Fox News* (National TV), May 17, 2001
- "A Foggy Idea of Solar Power in San Francisco," *Los Angeles Times*, May 17, 2001
- "California's Deregulation Disaster," by Harvey Wasserman, *The Nation*, Jan 21, 2001
- "Advocate Aims to Paint Local Power Green," *Hills Newspapers*, Feb 11, 2000
- Multiple appearances on KPFA FM, 1997-2005

Some Published Writings

- "360: San Francisco's \$ Billion Solar Public Works," *arcCA*, The American Institute of Architects, Issue 5.4, January 2006;
- "The Day After Tomorrow: California Climate Crisis Looms With Maneuvers to Make Golden State Power Grid Dependent on Imported Liquefied Natural Gas (LNG)," *Local Power News*, May, 2004;
- "California Hybrids Sell Out Emission Free Vehicles," *The Free Press*, Aug. 29, 2003;
- "Community Choice Law Signed by Governor," *Ecobyte*, November 2002;
- "Natural Gas - the Next Bailout Scandal?" *Local Power News*, October, 2002;
- "We can close Hunters Point and Portrero and replace them with green energy now," *San Francisco Bay View*, May 29, 200;
- "PG&E Is Already Gone" *San Francisco Bay Guardian*, October, 2001;
- "Let San Francisco Control its Energy Future," *San Jose Mercury News*, October 31, 2001;
- "Nuclear Power Turns Green in Deregulated Markets," *The Workbook*, Fall 1999.