

1 [Term Sheet Endorsement - Pacific Gas and Electric Company ZA-1 Embarcadero-Potrero  
2 230kV Transmission Project]

3 **Resolution endorsing the Pacific Gas and Electric Company (PG&E) ZA-1**  
4 **Embarcadero-Potrero 230kV Transmission Project Revised Term Sheet among the Port**  
5 **Commission, Office of Economic Workforce and Development, and PG&E.**

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7 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the San  
8 Francisco Charter Section B3.581 empower the San Francisco Port Commission with the  
9 power and duty to use, conduct, operate, maintain, manage, regulate and control the lands  
10 within Port Commission jurisdiction; and

11 WHEREAS, Pacific Gas & Electric ("PG&E") proposes to construct a new, single  
12 circuit, 230 kV transmission line between its Embarcadero Substation and its Potrero  
13 Substation (the "Project"), along onshore and submerged land in the San Francisco Port  
14 Commission's ("Port") jurisdiction generally within the area bounded by Pier 28 ½ and portions  
15 of the shoreline at the foot of 23rd Street, to increase reliability of electric service to downtown  
16 San Francisco and provide operational flexibility, as further described in the Port staff's  
17 memorandum to the Port Commission dated September 6, 2013, on file with the Clerk of the  
18 Board of Supervisors in File No. 131163, which is hereby declared to be a part of this  
19 resolution as if set forth fully herein; and

20 WHEREAS, The Project connects the 115 and 230kV transmission systems within the  
21 City as endorsed by the Board of Supervisors in Ordinance 94-09, which directed an update  
22 to the City's Electricity Resource Plan; and

23 WHEREAS, The California Independent System Operator has determined that the  
24 Project is needed to address transmission system reliability in its 2011-12 Transmission  
25 System Plan, adopted in March 2012, and incorporated by reference herein

1 [http://www.caiso.com/Documents/Decision\\_2011-12TransmissionPlan-Plan-MAR2012.pdf](http://www.caiso.com/Documents/Decision_2011-12TransmissionPlan-Plan-MAR2012.pdf));

2 and

3 WHEREAS, At its August 14, 2012 meeting, the Port Commission directed Port staff to  
4 negotiate a term sheet for use of Port lands for the Project; and

5 WHEREAS, At its November 13, 2012 meeting, the Port Commission approved  
6 Resolution 12-90, endorsing the ZA-1 Embarcadero-Potrero 230kV Transmission Project  
7 Term Sheet (“Original Term Sheet”) between the Port and PG&E; and

8 WHEREAS, Port staff and City staff have negotiated revised terms to the Original Term  
9 Sheet, and the Port Commission, at its September 10, 2013 meeting, approved Resolution  
10 13-34 endorsing revisions to the Original Term Sheet (the “Revised Term Sheet”) and directed  
11 Port staff to present the Revised Term Sheet to the Board of Supervisors for endorsement,  
12 which resolution is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_,  
13 which is hereby declared to be a part of this resolution as if set forth fully herein; and

14 WHEREAS, The Revised Term Sheet contains an option by the City, through the Office  
15 of Economic Workforce and Development (“OEWD”), to purchase from PG&E (“Hoedown  
16 Yard Purchase & Sale”), the real property commonly known as the “Hoedown Yard” (Block  
17 4110 (Lot 008A) and Block 4120 (Lot 002)), which option is freely transferrable and  
18 assignable by the City to another party; and

19 WHEREAS, The Hoedown Yard Purchase & Sale will facilitate the broader  
20 redevelopment of the entire neighborhood, including the Pier 70 Waterfront Site, a 28-acre  
21 site immediately west of the Hoedown Yard, and is anticipated to generate net proceeds to  
22 facilitate the Potrero Terrace and Annex HOPE VI project; and

23 WHEREAS, The Revised Term Sheet provides the City with the option to request that  
24 PG&E build a screen around the existing Potrero 115kV Substation, or to rebuild that  
25 substation in a new, enclosed facility (either, the “Potrero Substation Screen”), which will also

1 facilitate the broader redevelopment of the entire neighborhood, including the Pier 70  
2 Waterfront Site; and

3 WHEREAS, Because PG&E is a regulated utility, the Project and the Hoedown Yard  
4 Purchase & Sale are subject to the review and approval of the California Public Utilities  
5 Commission (“CPUC”); and

6 WHEREAS, The parties acknowledge that the Revised Term Sheet is not itself a  
7 binding agreement that commits the Port, the City, OEWD, or PG&E to proceed with the  
8 approval or implementation of the Project or the Hoedown Yard Purchase & Sale, as  
9 applicable, and that the Project and the Hoedown Yard Purchase & Sale, as applicable, will  
10 be subject to public review in accordance with the processes of the Port Commission, other  
11 City departments and offices, the CPUC, and other government agencies with approval rights  
12 over the Project and the Hoedown Yard Purchase & Sale, as applicable, before any  
13 entitlements and other regulatory approvals required for the Project or the Hoedown Yard  
14 Purchase & Sale, as applicable, will be considered; now, therefore, be it

15 RESOLVED, That the Board of Supervisors hereby endorses the Revised Term Sheet;  
16 and, be it

17 FURTHER RESOLVED, That endorsement of the Revised Term Sheet does not  
18 commit the Port Commission or the City to approve final transaction documents or  
19 implementation of the Project or the Hoedown Yard Purchase & Sale, as applicable, or grant  
20 any entitlements to PG&E, nor does endorsing the Revised Term Sheet foreclose the  
21 possibility of considering alternatives to the proposal, mitigation measures or deciding not to  
22 grant entitlement or approve or implement the Project or the Hoedown Yard Purchase & Sale,  
23 as applicable, after conducting appropriate environmental review under CEQA, and while the  
24 Revised Term Sheet identifies certain essential terms of a proposed transaction with the Port  
25

1 and the City, it does not necessarily set forth all of the material terms and conditions of any  
2 final transaction documents; and, be it

3           FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary  
4 actions committing the Port to implement the Project or the City or OEWD to implement the  
5 Hoedown Yard Purchase & Sale, and the provisions of the Revised Term Sheet are not  
6 intended and will not become contractually binding on the Port and the City and OEWD unless  
7 and until the relevant bodies have reviewed and considered environmental documentation  
8 prepared in compliance with the CEQA for the Project and the Hoedown Yard Purchase &  
9 Sale, as applicable, and the Port Commission, and as applicable, the Board of Supervisors  
10 and the Mayor, have approved final transaction documents for the Project and the Hoedown  
11 Yard Purchase & Sale, as applicable.

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