

## **PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

RESOLUTION NO. 15-0041

WHEREAS, The City and County of San Francisco (the "City") and the United States Department of the Navy ("Navy") executed the Base Caretaker Cooperative Agreement on March 12, 1997, for the management and operation of Treasure Island and Yerba Buena Island ("TI/YBI"), and in November 1998, the San Francisco Board of Supervisors adopted Resolution No. 938-98 authorizing Treasure Island Development Authority ("TIDA") to enter into the Cooperative Agreement with the Navy, which has been amended from time to time (the "Cooperative Agreement"), and to assume responsibility for certain caretaker duties at TI/YBI including the operation, maintenance and repair of the Navy's utility systems; and

WHEREAS, The Cooperative Agreement includes various Functional Annexes that describe in detail the caretaker duties for which TIDA is responsible under the Cooperative Agreement, among which Functional Annex 6 - Utilities Services describes the operation and maintenance of the utility systems and the delivery of utilities to the occupants and users of TI/YBI; and

WHEREAS, The San Francisco Public Utilities Commission ("SFPUC") since 1997 has performed TIDA's responsibilities under Functional Annex 6 - Utilities Services, including, without limitation, the operation and maintenance of the utility systems and the delivery of utilities services to TI/YBI; and

WHEREAS, The SFPUC purchases low- cost Federal National Defense Act ("NDA") power from the U.S Department of Energy's Western Area Power Administration ("WAPA") to provide electric service to Treasure Island and Yerba Buena Island ("TI/YBI"); and

WHEREAS, The WAPA power is delivered to the Davis Substation, an electric transmission facility owned and operated by the Port of Oakland, where power is metered and transformed for use at TI/YBI; and

WHEREAS, The proposed interconnection agreement ("IA") replaces the 1998 IA with the Port of Oakland that was approved by SFPUC Resolution No. 98-0242 on September 29, 1998; and

WHEREAS, The 1998 IA provides the Port a one-year notice termination right and the Port represents that one third of its costs of operating the Davis Substation substantially exceed San Francisco's fixed charge under the 1998 IA; and

WHEREAS, The proposed IA provides for the continued use and sharing of at least one-third of the capacity of the Davis Substation and a point of delivery for the low-cost WAPA power for a period of 20-years and annual charge of \$125,000 with an annual escalation based on

the San Francisco Area Consumer Price Index, and the payment of \$567,792 over four years for uncollected operation and maintenance charges by the Port of Oakland; now, therefore be it

RESOLVED, This Commission hereby finds that adoption of this resolution will establish electric service rates and charges for one or more of the following purposes: meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or materials; meeting financial reserve needs and requirements; or obtaining funds for capital projects necessary to maintain service within existing service areas; and, based on the information considered in determining the cost of service and in establishing the proposed new schedule of rates, fees and charges for the cost of service, as concurred with by the Environmental Review Officer on January 15, 2015, adoption of this resolution is statutorily exempt from environmental review requirements in accordance with California Public Resource Code Section 21080(b)(8) and California Environmental Quality Act Guideline 15273(a); and be it

FURTHER RESOLVED, That the SFPUC hereby authorizes the General Manager of the SFPUC to execute, together with TIDA, an interconnection agreement with the Port of Oakland for the use of its Davis electric transmission substation in Oakland, California substantially in the form on file with the Commission Secretary, upon approval of the agreement by the Board of Supervisors; and be it

FURTHER RESOLVED, That the SFPUC hereby authorizes the General Manager of the SFPUC to enter into any additions, amendments or other modifications to the interconnection agreement with the Port of Oakland that do not material increase the obligations or liabilities of the City, that do not material reduce the rights of the City, and that are acceptable to the City Attorney.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of February 10, 2015.*

  
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Secretary, Public Utilities Commission