

File No. 210336

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 5, 2021

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | SFPUC Resolution No. 21-0049 |
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Completed by: Linda Wong

Date April 27, 2021

Completed by: Linda Wong

Date _____

1 [Contract Amendment - Department of Energy Western Area Power Administration - Delivery
2 of Low-Cost Power - Not to Exceed \$27,691,541]

3 **Resolution approving Amendment No. 1 to the contract between the City and County of**
4 **San Francisco and the United States, through the Department of Energy Western Area**
5 **Power Administration, for delivery of low-cost power to Treasure Island and Yerba**
6 **Buena Island, extending the term by 30 years for a total term of January 1, 2005,**
7 **through December 31, 2054, and increasing the contract amount by \$7,691,541 for a**
8 **total not to exceed amount of \$27,691,541 to commence upon Board approval.**

9
10 WHEREAS, The City is the local reuse authority for Naval Station Treasure Island
11 under the Federal Base Closure and Realignment Act (BRAC), and as a result is entitled to
12 purchase low-cost electricity from the federal government; and

13 WHEREAS, The City has an existing power purchase agreement with the Department
14 of Energy Western Area Power Administration (WAPA) that provides Federal electricity to
15 Treasure Island (TI) and Yerba Buena Island (YBI) from January 1, 2005, through December
16 31, 2024, with a not-to-exceed amount of \$20,000,000 through an allocation of base resource
17 energy; this agreement was approved by the San Francisco Public Utilities Commission
18 (SFPUC) via Resolution No. 00-254 on November 14, 2000, and by the Board of Supervisors
19 on January 22, 2001, via Resolution No. 0056-01, File No. 002191; and

20 WHEREAS, WAPA is in the process of soliciting and securing additional Federal
21 electricity via power purchase agreements to supply existing customers, including TI and YBI,
22 and requires a commitment from its customers via BR Contract 20-SNR-02377 to extend the
23 delivery term through December 31, 2054; and

24 WHEREAS, WAPA has presented the City with Amendment No. 1 to the BR Contract
25 20-SNR-02377 which will extend the term of the agreement by 30 years past the termination

1 date of the December 31, 2024, to December 31, 2054, and increases the total not to exceed
2 amount to \$27,691,541; and

3 WHEREAS, The WAPA base resource contract allows the City to purchase energy at a
4 lower cost that it would be available from other sources such as Pacific Gas & Electric
5 (PG&E); and

6 WHEREAS, The costs under this contract will be recovered through the electric utility
7 rates at TI & YBI, and will be included in the annual budgets for the SFPUC's Power
8 Enterprise; and

9 WHEREAS, The City may cancel the agreement at any time with 90 days' notice to
10 WAPA; and

11 WHEREAS, The SFPUC approved this amendment at a public meeting on March 23,
12 2021, in Resolution No. 21-0049, a copy of which is on file with the Clerk of the Board of
13 Supervisors in File No. 210336; now, therefore, be it

14 RESOLVED, That the Board of Supervisors authorizes the General Manager of the
15 SFPUC to execute the amendment to the contract for base resource serve with WAPA; and,
16 be it

17 FURTHER RESOLVED, That within 30 days of the contracts being fully executed, the
18 General Manager of the SFPUC shall provide the amended contract to the Clerk of the Board
19 for inclusion into the official file.

Item 5 File 21-0336	Department: Public Utilities Commission (PUC)
EXECUTIVE SUMMARY	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve Amendment No. 1 to the contract between San Francisco Public Utilities Commission (SFPUC) and the Department of Energy Western Area Power Administration (WAPA), for delivery of low-cost power to Treasure Island and Yerba Buena Island, extending the term by 30 years through December 2054, and increasing the not-to-exceed amount by \$7,691,541, for a total amount not to exceed \$27,691,541. <p>Key Points</p> <ul style="list-style-type: none"> • SFPUC is entitled to purchase low-cost electricity for Treasure Island and Yerba Buena Island from the federal government under the Federal Base Closure and Realignment Act. In January 2001, the Board of Supervisors approved a base resource electricity purchase contract between SFPUC and WAPA for a term of 20 years, from January 2005 through December 2024, and an amount not to exceed \$20,000,000. • WAPA is currently soliciting and securing electricity purchase agreements to supply its existing customers, including Treasure Island and Yerba Buena Island, and requires a commitment from its base resource customers. The proposed Amendment No. 1 would extend the contract term 30 years through December 2054. SFPUC also has a supplemental electricity purchase contract with WAPA, which it plans to also extend through December 2054. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed Amendment No.1 would increase the not-to-exceed amount of the contract by \$7,691,541, from \$20,000,000 to \$27,691,541. SFPUC estimates annual expenditures of \$233,077, with a 10 percent buffer. The contract is funded by utility rates set by the Treasure Island Development Authority (TIDA), which invoices its residential and commercial customers. • Total average annual expenditures for Treasure Island and Yerba Buena Island, including the base contract and the supplemental electricity purchase contract, are approximately \$1,344,004. Over the 30-year term of the contract extension, and assuming a 30-year extension of the supplemental electricity purchase contract, total estimated expenditures are approximately \$44,352,129, including a 10 percent buffer to account for future WAPA rate increases. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

The San Francisco Public Utilities Commission (SFPUC) is entitled to purchase low-cost electricity for Treasure Island and Yerba Buena Island from the federal government under the Federal Base Closure and Realignment Act. In January 2001, the Board of Supervisors approved a base resource¹ electricity purchase contract between SFPUC and the Department of Energy Western Area Power Administration (WAPA)² for a term of 20 years, from January 2005 through December 2024, and an amount not to exceed \$20,000,000 (File 00-2191).

Subsequently, the Board of Supervisors approved a supplemental electricity purchase contract between SFPUC and WAPA for a term of five years and nine months from January 2005 through September 2010 and an amount not to exceed \$3,320,000 (File 04-1351)³. The supplemental electricity purchase contract provided for WAPA to provide (a) Scheduling Coordinator Services⁴ and (b) electricity to supplement the electricity provided through the base contract. The supplemental electricity purchase contract has been amended three times, with the term extended through December 2024 and the not-to-exceed amount increased to \$28,370,000 (Files 07-1458, 11-1096, and 18-0356).

WAPA is currently soliciting and securing electricity purchase agreements to supply its existing customers, including Treasure Island and Yerba Buena Island, and requires a commitment from its base resource customers. In March 2021, the SFPUC Commission approved Amendment No. 1 to the base resource contract with WAPA, extending the term 30 years through December 2054 and increasing the not-to-exceed amount by \$7,691,541, for a total not to exceed \$27,691,541.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 1 to the base resource electricity purchase contract between SFPUC and WAPA, extending the term by 30 years through December

¹ Base Resource is energy derived from the Central Valley Water Project or from the Washoe Project, both of which are federal water agencies.

² The Western Area Power Administration is a federal agency that sells energy from the Central Valley Water Project, a federal water agency.

³ The contract required Board of Supervisors approval because it waived (a) Administrative Code Section 21.35, which requires that every contract include a statement regarding liability of claimants for submitting false claims to the City; and (b) Administrative Code Section 21.19, which states that every contract include a statement regarding guaranteed maximum costs.

⁴ The California Independent System Operator (CAISO), which is a nonprofit organization responsible for the flow of electricity across the long-distance and, high-voltage power line, requires electricity companies to have a scheduling coordinator to bid or self-schedule resources, and handle the settlement process (reconciling purchase of electricity by suppliers from producers to sale of energy to customers).

2054 and increasing the not-to-exceed amount by \$7,691,541, for a total not to exceed \$27,691,541. Other terms of the contract would not change.

According to Mr. Ramon Abueg, SFPUC Deputy Assistant General Manager, SFPUC intends to also extend the supplemental electricity purchase contract through December 2054. The energy source for the base resource load is hydroelectric power, subject to availability. Supplemental electricity is purchased through the California Independent System Operator (CAISO) and the source is unspecified, but is reported annually.

FISCAL IMPACT

The proposed Amendment No. 1 would increase the not-to-exceed amount of the contract by \$7,691,541 from \$20,000,000 to \$27,691,541. SFPUC only pays for the electricity it purchases. According to Mr. Abueg, actual and projected contract expenditures through 2024 are approximately \$19,903,932. The increase of \$7,691,541 is based on average annual expenditures of \$233,077 over the past six years, extrapolated over a 30-year term, as well as a 10 percent buffer, as shown in Table 1 below.

Table 1: Estimated Contract Expenditures over Extension Term

Average Annual Expenditures (2015-2020)	\$233,077
Years	30
30-Year Estimated Expenditures	\$6,992,310
10% Buffer	699,231
Total Not-to-Exceed Increase	\$7,691,541

According to Mr. Abueg, total average annual expenditures for Treasure Island and Yerba Buena Island, including the supplemental electricity purchase contract, are approximately \$1,344,004. Over the 30-year term of the contract extension, total estimated expenditures are approximately \$44,352,129, including a 10 percent buffer to account for future WAPA rate increases. WAPA rate adjustments are regulated by the U.S. Department of Energy.

The contract is funded by utility rates set by the Treasure Island Development Authority (TIDA), which invoices its residential and commercial customers. Treasure Island customers are not individually metered, but receive a uniform utility fee that bundles water, electricity, and natural gas, averaged across the occupied residential and commercial inventory. According to Mr. Abueg, the electrical rate charged to TIDA customers is approximately \$0.15 per kWh, which is approximately 40 percent lower than the PG&E retail rate.

RECOMMENDATION

Approve the proposed resolution.

Contract 20-SNR-02377

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

<u>Section</u>	<u>Table of Contents</u>	<u>Page</u>
1.	Preamble	1
2.	Explanatory Recitals.....	1
3.	Agreement.....	3
4.	Effective Date and Term of Contract.....	3
5.	Definition of Terms	3
6.	Base Resource Estimates and Availability Forecast	8
7.	Electric Service Furnished by WAPA	9
8.	Delivery Arrangements.....	11
9.	Scheduling Procedures, Business Practices and Protocols	11
10.	Exchange Program.....	13
11.	Independent System Operator or Regional Transmission Organization	14
12.	WAPA Rates	15
13.	Integrated Resource Plan	16
14.	Adjustment of Base Resource Percentage	16
15.	Metering and Power Measurement Responsibilities	17
16.	Changes in Organizational Status	19
17.	Protocols, Business Practices and Procedures	20
18.	Enforceability	21
19.	General Power Contract Provisions	21
20.	Exhibits Made Part of Contract.....	21
21.	Execution by Counterparts.....	22
22.	Electronic Signatures	22

Signature Clause
Resolution/Certificate

General Power Contract Provisions

- Exhibit A – Base Resource Percentage and Point(s) of Delivery
- Exhibit B – Exchange Program
- Exhibit C – Regulation and Reserves
- Exhibit D – Rate Schedule

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UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

1. **PREAMBLE:** This Contract is made this _____ day of _____, 202____, pursuant to the Acts of Congress approved June 17, 1902, (32 Stat. 388); August 26, 1937, (50 Stat. 844); August 4, 1939, (53 Stat. 1187); and August 4, 1977, (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between the UNITED STATES OF AMERICA (United States), acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called WAPA, represented by the officer executing this Contract, or a duly appointed successor, hereinafter called the Contracting Officer; and CITY AND COUNTY OF SAN FRANCISCO, HETCH HETCHY WATER AND POWER, a municipal corporation, hereinafter called the Contractor or CCSF, its successors and assigns; each sometimes hereinafter individually called the Party, and both sometimes hereinafter collectively called the Parties.

2. **EXPLANATORY RECITALS:**

2.1 WAPA markets the surplus generation from, and operates a high-voltage transmission system as a part of, the Central Valley Project (CVP).

///

1 2.2 WAPA and the U.S. Department of the Interior, Bureau of Reclamation
2 (Reclamation), have agreed to work together to efficiently serve Project Use and
3 Preference Customer loads.
4

5 2.3 On August 15, 2017, WAPA's final 2025 Power Marketing Plan (Marketing
6 Plan) was published in the Federal Register (82 FR 38675). The Marketing Plan
7 sets forth how WAPA's Sierra Nevada Region will market the power generated
8 from the CVP and Washoe Project.
9

10 2.4 The Marketing Plan provides that starting on January 1, 2025, WAPA will
11 provide 98 percent of available CVP power to its existing Customers. Existing
12 Customers will have the right to extend 98 percent of their current Base
13 Resource percentage as provided in the Marketing Plan and under the terms and
14 conditions of this Contract.
15

16 2.5 CCSF desires to purchase and WAPA is willing to provide a percentage of
17 the Base Resource consistent with the Marketing Plan and the terms and
18 conditions of this Contract.
19

20 2.6 Under the Marketing Plan, WAPA requires that its Customers schedule
21 power in accordance with applicable operating requirements, including those of
22 the balancing authority area operator and WAPA's sub-balancing authority area
23 requirements.
24

25 2.7 WAPA markets power to Federal Preference Customers at the lowest
26 possible rates consistent with sound business principles pursuant to Section 1.1
27 of Delegation Order 00-037.00B.
28

///

1 3. **AGREEMENT:**

2 The Parties agree to the terms and conditions set forth herein.

3
4 4. **EFFECTIVE DATE AND TERM OF CONTRACT:**

5 4.1 This Contract shall become effective on the date of execution and shall
6 remain in effect until midnight of December 31, 2054, subject to prior termination
7 as otherwise provided for herein.

8
9 4.2 CCSF may reduce its Base Resource percentage or terminate this
10 Contract for any reason through June 30, 2024.

11
12 4.3 The date of initial service under this Contract is January 1, 2025.

13
14 5. **DEFINITION OF TERMS:**

15 As used herein, the following terms whether singular or plural, or used with or without
16 initial capitalization, shall have the following meanings:

17 5.1 "Ancillary Services" means those services that are necessary to support
18 the transmission of capacity and energy from resources to loads while
19 maintaining reliable operation of the transmission system in accordance with
20 Good Utility Practice.

21
22 5.2 "BANC" means the Balancing Authority of Northern California or its
23 successor.

24
25 5.3 "Base Resource" means CVP and Washoe Project power (capacity and
26 energy) output determined by WAPA to be available for Customers, including the
27 Environmental Attributes, only after meeting the requirements of Project Use and

28 ///

1 First Preference Customers, and any adjustments for maintenance, reserves,
2 system losses, and certain ancillary services.

3
4 5.4 “Base Resource Operating Capability” means that portion of the Maximum
5 Operating Capability that WAPA determines to be available to Customers in any
6 hour.

7
8 5.5 “CAISO” means the California Independent System Operator or its
9 successor.

10
11 5.6 “Capacity” means the electrical capability of a generator, transformer,
12 transmission circuit or other equipment.

13
14 5.7 “Central Valley Project (CVP)” means the multipurpose Federal water
15 development project extending from the Cascade Range in northern California to
16 the plains along the Kern River, south of the City of Bakersfield.

17
18 5.8 “Custom Product” means a combination of products and services which
19 may be made available by WAPA per Customer request.

20
21 5.9 “Customer” means an entity with a contract and receiving electric service
22 from WAPA’s Sierra Nevada Region.

23
24 5.10 “Energy” means capacity measured in terms of the work it is capable of
25 doing over a period of time; electric energy is usually measured in kilowatthours
26 or megawatthours.

27 ///

28 ///

1 5.11 “Environmental Attributes” means any and all credits, benefits, emissions
2 reductions, offsets, and allowances, howsoever entitled, attributable to the Base
3 Resource, and its avoided emission of pollutants.

4
5 5.12 “FERC” means the Federal Energy Regulatory Commission or its
6 successor.

7
8 5.13 “First Preference Customer” means a Preference Customer within a
9 county of origin (Trinity, Calaveras, and Tuolumne) as specified under the Trinity
10 River Division Act (69 Stat. 719) and the New Melones Project provisions of the
11 Flood Control Act of 1962 (76 Stat. 1173, 1191-1192).

12
13 5.14 “Full Load Service Customer” means a Customer that will have its entire
14 load at its delivery point(s) met by WAPA, and its Portfolio Manager functions for
15 those delivery point(s) performed by WAPA.

16
17 5.15 “Marketing Plan” means WAPA’s final 2025 Power Marketing Plan for the
18 Sierra Nevada Region.

19
20 5.16 “Maximum Operating Capability” means the maximum electrical capability
21 from CVP generation available to produce energy, capacity and/or provide
22 ancillary services in any one or more hours.

23
24 5.17 “Minimum Base Resource” means the amount of Base Resource energy
25 generated each hour as a result of CVP minimum water releases.

26
27 5.18 “NERC” means the North American Electric Reliability Corporation or its
28 successor.

1 5.19 "Operating Reserves" means the combination of spinning and non-
2 spinning reserves required to meet WECC, NERC, and operating requirements,
3 including those of the balancing authority area or WAPA's sub-balancing
4 authority area.

5
6 5.20 "Portfolio Manager" means an entity responsible for determining balanced
7 hourly load and resource schedules for a Customer.

8
9 5.21 "Power" means capacity and energy.

10
11 5.22 "Preference" means the requirements of Reclamation Law that provide for
12 preference in the sale of Federal power be given to certain entities, such as
13 governments (state, Federal and Native American), municipalities and other
14 public corporations or agencies, and cooperatives and other nonprofit
15 organizations financed in whole or in part by loans made pursuant to the Rural
16 Electrification Act of 1936 (See, e.g., Reclamation Project Act of 1939, Section
17 9(c), 43 USC 485h(c)).

18
19 5.23 "Primary Marketing Area" means the area generally encompassing
20 northern and central California, extending from the Cascade Range to the
21 Tehachapi Mountains and west-central Nevada.

22
23 5.24 "Project Use" means power as defined by Reclamation Law and/or used to
24 operate CVP and Washoe Project facilities.

25
26 5.25 "Rate" means the monetary charge or the formula for computing such a
27 charge for any electric service provided by WAPA, including but not limited to
28 charges for capacity (or demand), energy, or transmission service; however, it

1 does not include leasing fees, service facility charges, or other types of facility
2 use charges. A Rate will be set forth in a Rate Schedule or in a contract.

3
4 5.26 "Rate Adjustment" means a change in an existing Rate or Rates, or the
5 establishment of a Rate or Rates for a new service. It does not include a change
6 in Rate Schedule provisions or in contract terms, other than changes in the price
7 per unit of service, nor does it include changes in the monetary charge pursuant
8 to a formula stated in a Rate Schedule or a contract.

9
10 5.27 "Rate Adjustment Procedures" means those procedures for Rate
11 Adjustments developed by WAPA, Department of Energy (DOE) or FERC which
12 include DOE Order 00-037.00B, DOE Order RA 6120-2, 10 CFR 903, and
13 18 CFR 300, as may be amended.

14
15 5.28 "Rate Effective Date" means the first date of the billing period to which a
16 Rate Schedule or Rate Schedule extension applies. WAPA will provide notice to
17 the Customers of the Rate Effective Date.

18
19 5.29 "Rate Schedule" means a document identified such as a "Rate Schedule,"
20 "Schedule of Rates," or "Schedule Rate" which designates the Rate or Rates
21 applicable to a class of service specified therein and may contain other terms
22 and conditions relating to the service. On the effective date of this Contract,
23 18 CFR 300.1(b)(6) provides FERC may not approve a WAPA Rate Schedule for
24 a period that exceeds five (5) years. The Rate Schedule shall include the Rate
25 Effective Date and the effective period of the Rate Schedule.

26 ///

27 ///

28 ///

1 5.30 "Regional Transmission Organization (RTO)" means an organization that
2 meets the minimum characteristics and performs the minimum functions
3 specified in FERC Order 2000, as that order may be amended or superseded.
4

5 5.31 "Regulation" means the service provided by generating units equipped
6 and operating with automatic generation control which will enable such units to
7 respond to direct control signals in an upward or downward direction to match, on
8 a real time basis, demand and resources, consistent with WECC, NERC, and the
9 balancing authority area operator's criteria.
10

11 5.32 "Scheduling Coordinator" means an entity that is responsible for providing
12 hourly load and resource schedules to the balancing authority area operator or
13 WAPA's sub-balancing authority area, in accordance with a FERC-approved tariff
14 or WAPA's procedures and practices.
15

16 5.33 "Variable Resource Customer" means a Customer that is responsible for
17 managing its own energy portfolio.
18

19 5.34 "Washoe Project" means the Federal water project located in the
20 Lahontan Basin in west-central Nevada and east-central California.
21

22 5.35 "WECC" means the Western Electricity Coordinating Council or its
23 successor.
24

25 6. **BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST:**

26 6.1 At the beginning of each water year, WAPA will post to WAPA's external
27 website a five-year forecast of Base Resource Operating Capability estimated to
28

///

1 be available, based on high, average, and low hydrological conditions. The
2 forecast will contain the following information:

3 6.1.1 Maximum Operating Capability of the CVP for each month;

4 6.1.2 Energy required for estimated Project Use loads, First Preference
5 Customers' loads, and ancillary service requirements.

6
7 6.2 Each month, WAPA will post to WAPA's external website a monthly Base
8 Resource forecast of Base Resource Operating Capability and energy estimated
9 to be available for each month on a rolling twelve-month basis, based on high,
10 average, and low hydrological conditions. The monthly forecast will contain the
11 following information:

12 6.2.1 Maximum Operating Capability of the CVP for each month;

13 6.2.2 Energy required for estimated Project Use loads, First Preference
14 Customers' loads, and ancillary service requirements.

15
16 6.3 WAPA shall make reasonable efforts, within its control, to ensure the
17 forecasted Base Resource will be available.

18
19 7. **ELECTRIC SERVICE FURNISHED BY WAPA:**

20 7.1 CCSF will be entitled to receive a percentage of the Base Resource as set
21 forth in Exhibit A.

22
23 7.2 The estimated amount of energy available to CCSF shall be determined
24 by multiplying its Base Resource percentage by the total amount of Base
25 Resource energy available during that period.

26
27 7.3 The minimum amount of energy CCSF will be required to schedule for
28 each hour shall be determined by multiplying its Base Resource percentage by

1 the Minimum Base Resource, unless otherwise agreed to by WAPA. However, if
2 CCSF does not have sufficient load to take its percentage of the Minimum Base
3 Resource, any excess energy shall be made available to WAPA for the
4 Exchange Program as described later in this Contract under Section 10 and
5 Exhibit B.

6
7 7.4 The maximum amount of energy CCSF may schedule in any hour shall be
8 determined by multiplying its Base Resource percentage by the Base Resource
9 Operating Capability. However, CCSF may schedule energy in excess of this
10 maximum, if approved by WAPA, to accommodate purchases or exchanges from
11 the Exchange Program.

12
13 7.5 CCSF will be entitled to the benefit of available regulation and operating
14 reserves from the CVP in proportion to its Base Resource percentage. The
15 method for calculating regulation and operating reserves is set forth in Exhibit C.

16
17 7.6 WAPA's obligation to provide CCSF's Base Resource is limited to the
18 actual CVP generation available on a real-time basis. WAPA shall have no
19 obligation to replace any Base Resource that is unavailable; for instance, Base
20 Resource that is unavailable due to scheduled maintenance, system
21 emergencies, forced outages, or other constraints. Any costs incurred by either
22 Party as a result of deviations between actual and scheduled Base Resource
23 energy shall be the responsibility of CCSF. WAPA will notify CCSF as soon as
24 reasonably practicable of any situation that will impact the availability of the Base
25 Resource, and will modify schedules accordingly, on a pro-rata basis.

26 ///

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1 7.7 Due to the variable nature of the Base Resource, WAPA may provide a
2 Custom Product upon a Customer's request. Any Custom Product will be the
3 subject of a separate contractual arrangement.
4

5 8. **DELIVERY ARRANGEMENTS:**

6 8.1 WAPA will make CCSF's Base Resource available at the generator bus or
7 such other delivery point(s) on the CVP transmission system as the Parties will
8 mutually agree, as specified in Exhibit A. WAPA reserves Network Integration
9 Transmission Service for the delivery of Base Resource on the CVP transmission
10 system under its Open Access Transmission Tariff (OATT). The rates and terms
11 of this service shall be in accordance with WAPA's then-current rate schedule
12 and OATT.
13

14 8.2 If requested by WAPA, CCSF must provide written notification to WAPA
15 by July 1, 2024, demonstrating that it has arranged for delivery of its Base
16 Resource energy to its load. Such notification shall include both transmission
17 and distribution level arrangements, as applicable. WAPA shall have no
18 obligation to make Base Resource available to CCSF if delivery arrangements
19 are not in effect. However, CCSF shall not be relieved of its obligation to pay its
20 percentage share of the Base Resource during the time in which delivery
21 arrangements are not in effect.
22

23 9. **SCHEDULING PROCEDURES, BUSINESS PRACTICES AND PROTOCOLS:**

24 9.1 All energy furnished by WAPA to CCSF will be provided on a scheduled
25 basis. CCSF agrees to abide by the scheduling procedures, business practices
26 and protocols of the applicable balancing authority area or WAPA's sub-
27 balancing authority area, as set forth on WAPA's website. The Parties recognize
28 that the scheduling procedures, business practices and protocols may require

1 modification from time-to-time to reflect updated operating procedures that may
2 become applicable to the Parties. In such event, WAPA will make such changes
3 in accordance with Section 17 of this Contract.

4
5 9.2 Designation of Scheduling Coordinator (SC): If CCSF is required to have
6 a Scheduling Coordinator; CCSF shall notify WAPA of its designated Scheduling
7 Coordinator not less than ninety (90) days prior to the date of initial service under
8 this Contract. In the event that CCSF's Scheduling Coordinator arrangement
9 changes, CCSF shall notify WAPA in writing, not less than thirty (30) days prior
10 to the change, unless a shorter notification period is agreed to by WAPA.

11
12 **9.3 If WAPA is CCSF's Portfolio Manager, as set forth in a separate**
13 **Custom Product Contract, all scheduling activities and responsibilities will**
14 **be performed by WAPA on behalf of CCSF.** At such time as WAPA is no
15 longer CCSF's Portfolio Manager, then CCSF will be responsible for performance
16 of its duties under this Section 9.

17
18 9.4 WAPA will provide Customers with the opportunity to comment on
19 WAPA's maintenance and operations plans. WAPA will facilitate Customer
20 meetings with the Bureau of Reclamation regarding cost and operation planning.

21
22 9.5 In the event that CCSF does not abide by the protocols, business
23 practices and procedures and WAPA incurs costs as a result, CCSF is
24 responsible for and shall pay such costs.

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1 10. **EXCHANGE PROGRAM:**

2 10.1 WAPA will establish and manage an Exchange Program to allow all
3 Customers to fully and efficiently use their Base Resource percentage. The
4 Exchange Program is a mechanism to:

5 10.1.1 Make available to WAPA, for provision to other Customers, any
6 Base Resource energy a Customer cannot use on a pre-scheduled basis
7 due to insufficient load; and

8 10.1.2 Help mitigate the costs incurred by a Customer for the power it is
9 obligated to pay for, but may not be able to use.

10
11 10.2 Under the Exchange Program, all Base Resource energy in excess of
12 CCSF's load will be retained by WAPA and offered by WAPA for sale to other
13 Customers. CCSF may purchase energy from the Exchange Program. While
14 WAPA's retention of excess Base Resource is mandatory, purchasing from the
15 Exchange Program is voluntary.

16
17 10.3 The Exchange Program procedures are set forth in Exhibit B. WAPA may
18 change the program and procedures of the Exchange Program in accordance
19 with Section 17 of this Contract.

20
21 10.4 WAPA will also offer a seasonal Exchange Program. Under the seasonal
22 Exchange Program, CCSF may elect to make available to WAPA that portion of
23 its Base Resource percentage that it is unable to use due to insufficient load.
24 CCSF, through WAPA, will be able to exchange its unusable Base Resource
25 percentage with other Customers. Any Customer may submit a request to
26 WAPA to exchange or purchase energy through the seasonal Exchange
27 Program. Details of a seasonal exchange will be developed with the Customer
28 upon request by that Customer.

1 10.5 Exchanges of the Base Resource between CCSF and others outside of
2 the WAPA-managed Exchange Programs, or other WAPA-managed programs,
3 are prohibited.
4

5 **11. INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION**

6 **ORGANIZATION:**

7 11.1 WAPA is a sub-balancing authority area within BANC. WAPA operates in
8 conformance with its sub-balancing authority area and BANC's balancing
9 authority area protocols, business practices and procedures. In the event of
10 changes to any protocols, business practices and procedures, WAPA may make
11 any changes necessary to this Contract to conform to the operating and
12 scheduling protocols, business practices and procedures in accordance with
13 Section 17 of this Contract.
14

15 11.2 The Parties understand that, in the future, WAPA may also change its
16 operating configuration such as by: (1) joining an independent system operator or
17 RTO or (2) participating in future markets such as energy imbalance markets; or
18 (3) making system configurations to meet future operating requirements. In such
19 an event, if WAPA is required to conform to the protocols, business practices or
20 procedures, WAPA shall make changes to this Contract to conform to the terms
21 and conditions required by such events in accordance with Section 17 of this
22 Contract.
23

24 11.3 In the event that: 1) WAPA incurs costs from the balancing authority area,
25 WAPA's sub-balancing authority area, CAISO, an RTO, or a different balancing
26 authority area for serving CCSF's load; or 2) CCSF does not abide by the
27 protocols business practices, or procedures of the balancing authority area, an
28 RTO, or other balancing authority area operator that are applicable to WAPA and

1 WAPA incurs costs as a result, CCSF agrees to pay all such costs attributable to
2 CCSF.

3
4 12. **WAPA RATES:**

5 12.1 The Base Resource will be provided on a take-or-pay basis. CCSF will be
6 obligated to pay its Base Resource percentage share in accordance with the
7 Rate Schedule attached hereto, whether or not it takes or uses its full Base
8 Resource percentage.

9
10 12.2 CCSF shall pay for the electric service furnished hereunder in accordance
11 with the Rates, charges, and conditions set forth in the CVP Schedule of Rates
12 applicable to the Base Resource, effective January 1, 2025, or any superseding
13 Rate Schedule.

14
15 12.3 Rates applicable under this Contract shall be subject to change by WAPA
16 in accordance with appropriate Rate Adjustment Procedures. If, at any time,
17 WAPA announces that it has received approval of a Rate Schedule, or extension
18 of an existing Rate Schedule applicable to this Contract, or if a Rate Adjustment
19 Procedure is amended, WAPA will promptly notify CCSF thereof.

20
21 12.4 CCSF, by providing written notice to WAPA within ninety (90) days after
22 the Rate Effective Date of a Rate Schedule or Rate Schedule extension
23 applicable to this Contract, may elect to reduce its Base Resource percentage or
24 terminate this Contract. CCSF shall designate a Base Resource percentage
25 reduction or termination effective date that will be effective on the last day of the
26 billing month not later than two (2) years after the Rate Effective Date. If the
27 termination effective date is after the Rate Effective Date, the new or extended
28 Rates shall apply for service taken by CCSF until the termination effective date.

1 Once CCSF provides notice to terminate or reduce its Base Resource
2 percentage, WAPA will begin the process to reallocate the Base Resource to
3 other Preference Customers. CCSF may not revoke its notice to terminate or
4 reduce its Base Resource unless WAPA provides written consent.

5
6 12.5 Rates shall become effective under this Contract on the Rate Effective
7 Date stated in a Rate notice.

8
9 13. **INTEGRATED RESOURCE PLAN:**

10 13.1 In accordance with the Energy Policy Act of 1992, CCSF is required to
11 meet the requirements of WAPA's Energy Planning and Management Program
12 (EPAMP). To fulfill the requirements of EPAMP, CCSF must develop and submit
13 an integrated resource plan or alternative report, as applicable. Specific EPAMP
14 requirements are set forth in the Federal Register at (64 FR 62604) and may be
15 found on WAPA's website. Failure to comply with WAPA's EPAMP requirements
16 may result in penalties as specified therein. CCSF understands that WAPA may
17 re-evaluate its EPAMP requirements and change them from time-to-time as
18 appropriate. Such changes will be subject to a public process and publication in
19 the Federal Register.

20
21 13.2 Should the EPAMP requirements be eliminated, CCSF shall have no
22 responsibilities under Section 13.1.

23
24 14. **ADJUSTMENT OF BASE RESOURCE PERCENTAGE:**

25 14.1 Prior to the date of initial service, WAPA may adjust CCSF's Base
26 Resource percentage, as set forth in Exhibit A herein, if WAPA determines that
27 CCSF's Base Resource percentage is greater than its actual usage, as specified
28 in the Marketing Plan.

1 14.2 After the date of initial service, WAPA may adjust CCSF's Base Resource
2 percentage under any of the following conditions:

3 14.2.1 CCSF sells energy associated with its Base Resource percentage
4 to another entity for resale by that entity;

5 14.2.2 CCSF uses the energy associated with its Base Resource
6 percentage to serve loads outside of the Sierra Nevada Region's Primary
7 Marketing Area;

8 14.2.3 CCSF's annual energy associated with its Base Resource
9 percentage, is ten percent or more than its actual annual energy usage.
10

11 14.3 If WAPA determines that CCSF has met any of the conditions in
12 Section 14.2 above, WAPA will take the following steps:

13 14.3.1 Notify CCSF of the nature of the concern;

14 14.3.2 Analyze CCSF's usage of the energy associated with its Base
15 Resource percentage and determine if an adjustment is necessary on a
16 case-by-case basis, with due consideration of any circumstance that may
17 have temporarily altered CCSF's energy usage;

18 14.3.3 If an adjustment is determined to be necessary, provide a 90-day
19 written notice of such adjustment; and

20 14.3.4 Reduce or rescind CCSF's Base Resource percentage
21 permanently on the effective date specified in the notice.
22

23 15. **METERING AND POWER MEASUREMENT RESPONSIBILITIES:**

24 CCSF shall be responsible for electric power metering equipment requirements and
25 power measurement data associated with the use of WAPA power under this Contract
26 as follows:

27 15.1 Unless previously installed and furnished by WAPA, CCSF shall furnish,
28 install, operate, maintain, and replace, meters and associated metering

1 equipment required for deliveries of WAPA power scheduled to each delivery
2 point on the WAPA grid, the CAISO-controlled grid, a utility distribution company
3 grid, or other electrical system, as may be applicable. Such meters shall comply
4 with the all applicable meter requirements. For instance, meters on:

5 15.1.1 WAPA's system must meet WAPA's meter requirements;

6 15.1.2 CAISO's system must meet CAISO's meter requirements; and/or

7 15.1.3 Pacific Gas and Electric Company's (PG&E) system must meet
8 PG&E's meter requirements.

9
10 15.2 CCSF shall measure power deliveries and provide certified settlement-
11 quality metering data to WAPA as requested. It is generally contemplated that
12 WAPA will require this data on a monthly basis.

13
14 15.3 If WAPA previously installed and furnished a meter to CCSF, WAPA shall
15 be allowed unrestricted, unescorted access to its revenue meter equipment.
16 CCSF shall provide a minimum of three (3) keys or the combination to CCSF's
17 existing locks. Alternatively, WAPA may provide a WAPA-owned padlock(s).
18 Access shall include all gates and/or doors required to access the metering
19 equipment.

20
21 15.4 Upon request by CCSF, to evidence receipt of the Environmental
22 Attributes, WAPA shall timely provide meter data or other mutually agreed upon
23 data to CCSF measuring the amount of CVP energy that is generated and
24 delivered to CCSF. Upon mutual agreement of Customers, WAPA and
25 Reclamation, such meters shall be modified or replaced to meet appropriate
26 standards or requirements to convey CVP Environmental Attributes to
27 Customers.

28 ///

1 16. **CHANGES IN ORGANIZATIONAL STATUS:**

2 16.1 If CCSF changes its organizational status or otherwise changes its
3 obligation to supply electric power to Preference loads, WAPA reserves the right
4 to adjust WAPA's power sales obligations under this Contract or to terminate this
5 Contract, as WAPA deems appropriate. Changes in organizational status
6 include but are not limited to:

7 16.1.1 Merging with another entity;

8 16.1.2 Acquiring or being acquired by another entity;

9 16.1.3 Creating a new entity from an existing one;

10 16.1.4 Joining or withdrawing from a member-based power supply
11 organization; or

12 16.1.5 Adding or losing members from its membership organization.

13
14 16.2 For the purposes of this Section 16, a member is any Preference entity
15 that is included in a membership, which has the responsibility of supplying power
16 to the end-use consumer or Customer. Memberships include but are not limited
17 to:

18 16.2.1 Municipality;

19 16.2.2 Cooperative;

20 16.2.3 Joint powers authority; or

21 16.2.4 Governmental agency.

22
23 16.3 For purposes of this Section 16, participation in a State promulgated direct
24 access program shall not be deemed to be a change in a Customer's
25 organizational status or its obligation to supply electric power to Preference
26 loads.

27 ///

28 ///

1 16.4 Prior to making an organizational change, CCSF may request an opinion
2 from WAPA as to whether CCSF's proposed organizational change will result in
3 an adjustment of CCSF's Base Resource percentage or termination under this
4 Section 16. CCSF shall provide WAPA with all relevant documents and
5 information regarding the proposed organizational change. Based on the
6 documents and information furnished, WAPA will provide CCSF with an opinion.
7

8 16.5 In addition to the above, if the change in organizational status results in a
9 proposed transfer of the Contract, or any portion thereof, Section 37 of the
10 General Power Contract Provisions (GPCP), "Transfer of Interest in Contract,"
11 generally requires the Customer to obtain prior written approval from WAPA's
12 Administrator. Organizational changes that typically propose transfer of the
13 Contract, or a portion of the Contract, and require prior written approval from
14 WAPA include but are not limited to:

15 16.5.1 Merging with another entity;

16 16.5.2 Acquiring or being acquired by another entity;

17 16.5.3 Joining an entity; and

18 16.5.4 Creating a new entity.
19

20 17. **PROTOCOLS, BUSINESS PRACTICES AND PROCEDURES:**

21 WAPA reserves the right to make changes to protocols, business practices and
22 procedures, as needed. Prior to making any changes, WAPA will provide notice to
23 CCSF and provide CCSF with an opportunity to comment on such changes. WAPA will
24 consider any comments made by CCSF before making any changes, and shall provide
25 a written response to the comments. After a final decision is made by WAPA, if CCSF
26 is not satisfied with the decision, CCSF shall have thirty (30) days from the date of
27 WAPA's final decision to appeal the change to WAPA's Administrator. WAPA will not
28 implement a change that has been appealed until a final decision by the Administrator.

1 Notwithstanding the provisions within this Section 17, CCSF shall retain its right to
2 pursue other legal remedies available to it.

3
4 18. **ENFORCEABILITY:**

5 It is not the intent of the Parties that this Contract confer any rights on third parties to
6 enforce the provisions of this Contract except as required by law or express provision in
7 this Contract. Except as provided in this Section, this Contract may be enforced, or
8 caused to be enforced, only by WAPA or CCSF, or their successors or assigns.

9
10 19. **GENERAL POWER CONTRACT PROVISIONS:**

11 The GPCP, effective September 1, 2007, attached hereto, are hereby made a part of
12 this Contract, the same as if they had been expressly set forth herein; Except
13 Section 11 shall not be applicable to this Contract. In the event of a conflict between
14 the GPCP and the provisions in the body of this Contract, the Contract shall control.
15 The usage of the term "Contractor" in the GPCP shall mean CCSF. The usage of the
16 term "firm" in Articles 17 and 18 of the GPCP shall be deemed to be replaced with the
17 words "Base Resource."

18
19 20. **EXHIBITS MADE PART OF CONTRACT:**

20 Exhibit A (Base Resource Percentage and Point(s) of Delivery), Exhibit B (Exchange
21 Program), Exhibit C (Regulation and Reserves), and Exhibit D (Rate Schedule) existing
22 under this Contract may vary during the term hereof. Each of said exhibits shall
23 become a part of this Contract during the term fixed by its provisions. Exhibits A, B, C,
24 and D are attached hereto, and each shall be in force and effect in accordance with its
25 terms until respectively superseded by a subsequent exhibit.

26 ///

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28 ///

1 21. **EXECUTION BY COUNTERPARTS:**

2 This Contract may be executed in any number of counterparts and, upon execution and
3 delivery by each Party, the executed and delivered counterparts together shall have the
4 same force and effect as an original instrument as if all Parties had signed the same
5 instrument. Any signature page of this Contract may be detached by any counterpart of
6 the Contract without impairing the legal effect of any signatures thereon, and may be
7 attached to another counterpart of this Contract identical in form hereto, by having
8 attached to it one or more signature pages.

9
10 22. **ELECTRONIC SIGNATURES:**

11 The Parties agree that this Contract may be executed by handwritten signature or
12 digitally signed using Adobe Sign or Adobe E-Signature. An electronic or digital
13 signature is the same as a handwritten signature and shall be considered valid and
14 acceptable.

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IN WITNESS WHEREOF, the Parties have caused this Contract to be executed the day and year first above written.

WESTERN AREA POWER ADMINISTRATION

By: _____
Name: Arun K. Sethi
Title: Vice President of Power Marketing
for Sierra Nevada Region
Address: 114 Parkshore Drive
Folsom, CA 95630-4710

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

Attest:

By: _____
Name: _____
Title: _____
Address: _____

By: _____
Name: _____
Title: _____

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER
Resolution/Certificate

EXHIBIT A

(Base Resource Percentage and Point(s) of Delivery)

1. This Exhibit A, to be effective under and as part of Contract 20-SNR-02377 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit A or termination of the Contract.
2. Pursuant to the Marketing Plan, CCSF's extended Base Resource percentage is 0.38933.
3. CCSF's Base Resource percentage may be adjusted by WAPA as specified in the Contract.
4. CCSF's Base Resource percentage will be adjusted effective January 1, 2040, in accordance with the Marketing Plan, to establish the 2040 Resource Pool for new power allocations.
5. The point(s) of delivery on the CVP transmission system for CCSF's Base Resource shall be either WAPA's Tracy 230-kV or Tracy 500-kV or Cottonwood 230-kV Substations, or as requested by CCSF and approved by WAPA.
6. All power deliveries provided under this Contract shall be adjusted for the applicable transformation and transmission losses on the 230-kV system. Additional transformation and/or transmission losses shall be applied to deliveries at other than the 230-kV level.
7. This Exhibit A shall be replaced by WAPA as necessary under the terms and conditions set forth in the Contract, and a signature is not required by either Party.

EXHIBIT B
(Exchange Program)

1. This Exhibit B, to be effective under and as a part of Contract 20-SNR-02377, (Contract) shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit B or termination of the Contract.
2. CCSF is in agreement with the procedures set forth herein.
3. If necessary, WAPA retains the right to make subsequent revisions to Exhibit B after consultation with its Customers. At such time as WAPA promulgates a revision of this Exhibit B, CCSF shall have the option of either accepting the new revision to this Exhibit B or opting out of making purchases from the Exchange Program. If WAPA does not receive notice from CCSF opting out of making purchases from the Exchange Program within 30 days of CCSF's receipt of a revised Exhibit B, CCSF may automatically continue to make purchases from the Exchange Program if already participating.
4. Exchange Program:
 - 4.1 WAPA has established separate Exchange Program for the Full Load Service Customer group and the Variable Resource Customer group. A Customer cannot be in both the Full Load Service Customer group and the Variable Resource Customer group at the same time.
 - 4.2 The Exchange Program will take place on a pre-scheduled basis.
 - 4.3 Base Resource power in excess of a Customer's load in any hour will be distributed by WAPA in the applicable Exchange Program group (Full Load Service or Variable Resource).
 - 4.4 A Customer may choose whether to make purchases from the Exchange Program for its group. Participation in making purchases from the Exchange Program requires a Customer to accept Exchange Program power if it has load in that hour. However, even if a Customer chooses not to participate in making purchases, if that Customer's Base Resource amount exceeds its load in any hour, the excess will go into the Exchange Program for that Customer's group for that hour, for use by participating Customers with load not met by Base Resource power in that hour. In other words, the retention of Base Resource in excess of a Customer's load is mandatory, while participation in making purchases from the Exchange Program is voluntary.

4.5 If a Customer chooses not to make purchases from the Exchange Program, a written notice to that effect must be submitted to WAPA by November 1, 2024. Thereafter, a Customer must submit a written notice to WAPA at least one (1) month prior to changing its participation status; Except if a Customer has elected to make purchases from the Exchange Program and subsequently changes its participation status, the Customer must wait a minimum of one (1) year to again participate in the Exchange Program. Participation status will change on the first day of the month following the required notice period or the minimum one (1) year waiting period.

4.6 A Customer must use its Base Resource power prior to using any other source to meet its load, unless agreed to by WAPA in writing. A Customer participating in the Exchange Program must use Exchange Program power prior to any other source to meet its load, unless agreed to by WAPA in writing.

4.7 Each participating Customer in each group will receive an equal share in megawatts of that group's Exchange Program power available for that hour, up to the Customer's unmet load in that hour.

4.8 Any Exchange Program power that is excess to a Customer's unmet load will go back to the Exchange Program for the group to which the Customer belongs, for that same hour. This power will be reallocated to participating Customers in that group on an equal basis until either that group's Exchange Program has no remaining power in that hour, or no participating Customers in that group have unmet load in that hour.

4.9 If there is power remaining in the Full Load Service Exchange Program or the Variable Resource Exchange Program in any hour, and none of the participating Customers in that group have unmet load in that hour, the remaining power will go to the other group's Exchange Program for that same hour.

4.10 If, in any hour, no participating Customers have unmet load but there is power remaining in either group's Exchange Program, that power may be offered for sale by WAPA unless the amount of power is de minimis.

4.11 Customers' power bills will be adjusted to reflect transactions into and out of the Exchange Program.

EXHIBIT C
(Regulation and Reserves)

1. This Exhibit C to be effective under and as a part of Contract 20-SNR-02377 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit C or termination of the Contract.
2. Definitions of Terms:
 - 2.1 Contingency Reserve: An additional amount of operating reserves sufficient to reduce Area Control Error (ACE) to zero in ten minutes following loss of generating capacity, which would result from the most severe single contingency. Contingency Reserves will consist of Spinning and Nonspinning Reserves.
 - 2.2 Frequency Response Reserves: Spinning Reserves which provide the required Frequency Response needed for the reliable operation of an interconnection. The energy is provided by the generator's governor's response to a frequency deviation from scheduled system frequency.
 - 2.3 Nonspinning Reserve: That operating reserve not connected to the system but capable of serving demand within ten minutes, or interruptible load that can be removed from the system within ten minutes.
 - 2.4 Spinning Reserve: Unloaded generation which is synchronized and ready to serve additional demand.
3. WAPA's Disposition of Contingency Reserves and Regulation:
 - 3.1 Contingency Reserves: WAPA will provide all Base Resource schedules with Contingency Reserves, including Spinning, Nonspinning, and Frequency Response Reserves. Contingency Reserves will be provided from CVP generation as available, or procured from other sources as necessary.
 - 3.2 Regulation: WAPA will not provide Regulation with Base Resource schedules. Any sales of Regulation by WAPA will be credited against the Power Revenue Requirement.

EXHIBIT D
(Rate Schedule)

1. This Exhibit D to be effective under and as a part of Contract 20-SNR-02377 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit D or termination of the Contract.
2. The CVP Schedule of Rates for Base Resource and First Preference Power (CV-F13) begins on page 2 of this Exhibit D.
3. This Exhibit D shall be replaced by WAPA as necessary under the terms and conditions set forth in the Rate Schedule, and a signature is not required by either Party.

Contract 00-SNR-00347

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH
CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH
CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

<u>Section</u>	<u>Table of Contents</u>	<u>Page</u>
1.	PREAMBLE.....	1
2.	EXPLANATORY RECITALS	2
3.	AGREEMENT.....	2
4.	TERMINATION OF AMENDMENT FOR RIGHT TO PURCHASE AFTER 2004..	2
5.	EFFECTIVE DATE AND TERM OF CONTRACT.....	3
6.	DEFINITION OF TERMS.....	3
7.	BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST	6
8.	ELECTRIC SERVICE FURNISHED BY WESTERN.....	8
9.	DELIVERY ARRANGEMENTS	10
10.	SCHEDULING PROCEDURES AND PROTOCOLS.....	11
11.	EXCHANGE PROGRAM.....	11
12.	INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION ORGANIZATION.....	12
13.	WESTERN RATES.....	13
14.	INTEGRATED RESOURCE PLAN.....	13
15.	ADJUSTMENT OF BASE RESOURCE PERCENTAGE	13
16.	2015 RESOURCE POOL	15
17.	METERING AND POWER MEASUREMENT RESPONSIBILITIES	15
18.	CHANGES IN ORGANIZATIONAL STATUS	15
19.	BUSINESS PROTOCOLS.....	17
20.	ENFORCEABILITY.....	18
21.	GENERAL POWER CONTRACT PROVISIONS.....	18
22.	APPENDIX MADE PART OF CONTRACT.....	18
23.	EXHIBITS MADE PART OF CONTRACT	18

SIGNATURE CLAUSE
RESOLUTION/CERTIFICATE

SCHEDULE OF RATES

GENERAL POWER CONTRACT PROVISIONS

EXHIBIT A – BASE RESOURCE PERCENTAGE AND POINT(S) OF DELIVERY

EXHIBIT B – EXCHANGE PROGRAM

EXHIBIT C – SCHEDULING PROCEDURES AND PROTOCOLS

EXHIBIT D – REGULATION AND RESERVES

APPENDIX A – GREEN BOOK

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UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH
CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

1. **PREAMBLE:** This Contract is made this 29th day of December, 2000, pursuant to the Acts of Congress approved June 17, 1902, (32 Stat. 388); August 26, 1937, (50 Stat. 844); August 4, 1939, (53 Stat. 1187); and August 4, 1977, (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between the UNITED STATES OF AMERICA (United States), acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called Western, represented by the officer executing this Contract, or a duly appointed successor, hereinafter called the Contracting Officer; and CITY AND COUNTY OF SAN FRANCISCO, HETCH HETCHY WATER AND POWER, a municipal corporation, hereinafter called the Contractor or CCSF, its successors and assigns; each sometimes hereinafter individually called the Party, and both sometimes hereinafter collectively called the Parties.

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1 2. **EXPLANATORY RECITALS:**

2 2.1 Western markets the surplus generation from, and operates a high-voltage
3 transmission system as a part of, the Central Valley Project (CVP).

4
5 2.2 Western and the U.S. Department of the Interior, Bureau of Reclamation
6 (Reclamation), have agreed to work together to efficiently serve Project Use and
7 preference loads.

8
9 2.3 On June 25, 1999, Western's final 2004 Power Marketing Plan (Marketing
10 Plan) was published in the Federal Register (64 FR 34417). The Marketing Plan
11 sets forth how Western's Sierra Nevada Region will market the power generated
12 from the CVP and Washoe Project.

13
14 2.4 Western has an existing purchase power contract to supplement CVP and
15 Washoe Project generation.

16
17 2.5 Western is willing to provide and CCSF desires to purchase a percentage
18 of the Base Resource consistent with the Marketing Plan.

19
20 2.6 Under the Marketing Plan, Western requires that all Western power be
21 scheduled in accordance with the applicable control area operator requirements.

22
23 3. **AGREEMENT:**

24 The Parties agree to the terms and conditions set forth herein.

25
26 4. **TERMINATION OF AMENDMENT FOR RIGHT TO PURCHASE AFTER 2004:**

27 Amendment 1 to Contract 98-SNR-00091, between CCSF and Western shall terminate
28 upon the effective date of this Contract.

1 5. EFFECTIVE DATE AND TERM OF CONTRACT:

2 5.1 This Contract shall become effective on the date of execution and shall
3 remain in effect until midnight of December 31, 2024, subject to prior termination
4 as otherwise provided for herein.

5
6 5.2 The date of initial service under this Contract is January 1, 2005.
7

8 6. DEFINITION OF TERMS:

9 As used herein, the following terms whether singular or plural, or used with or without
10 initial capitalization, shall have the following meanings:

11 6.1 "Base Resource" means CVP and Washoe Project power output and any
12 purchases made under the Enron Contract, as determined by Western to be
13 available for marketing, after (1) meeting the requirements of Project Use and
14 First Preference Customers, and (2) any other adjustments required for
15 maintenance, regulation, reserves, transformation losses, and ancillary services.
16

17 6.2 "Base Resource Operating Capability" means that portion of the Maximum
18 Operating Capability that Western determines to be available to Customers in
19 any hour.
20

21 6.3 "Capacity" means the instantaneous electrical capability of a generator,
22 transformer, transmission circuit, or other equipment.
23

24 6.4 "Central Valley Project" means the multipurpose Federal water and power
25 project extending from the Cascade Range in northern California to the plains
26 along the Kern River, south of the City of Bakersfield.

27 ///

28 ///

1 6.5 "Custom Product" means a combination of products and services,
2 excluding provisions for load growth, which may be made available by Western
3 per Customer request, using the Customer's Base Resource and supplemental
4 purchases made by Western.

5
6 6.6 "Customer" means an entity that is qualified under Reclamation law to
7 receive Western Power and has a Base Resource Contract with Western.

8
9 6.7 "Enron Contract" means Contract 87-SAO-30002, as amended, which
10 provides for Western to purchase power from Enron Power Marketing, Inc., to
11 supplement CVP and Washoe Project generation. The Enron Contract
12 terminates December 31, 2014.

13
14 6.8 "Energy" means the actual electrical output of a generator over a specified
15 period of time; electric energy is usually measured in kilowatthours or
16 megawatthours.

17
18 6.9 "First Preference Customer" means a Customer wholly located in Trinity,
19 Calaveras, or Tuolumne Counties, California, as specified under the Trinity River
20 Division Act (69 Stat. 719) and the New Melones provisions of the Flood Control
21 Act of 1962 (76 Stat. 1173, 1191-1192).

22
23 6.10 "FERC" means the Federal Energy Regulatory Commission or its
24 successor.

25
26 6.11 "Hourly Base Resource Schedule" means that portion of the Base
27 Resource Operating Capability that Western declares as the final scheduled
28 Base Resource energy for CCSF for each hour of the operating day.

1 6.12 "ISO" means the California Independent System Operator or its
2 successor.

3
4 6.13 "NERC" means the North American Electric Reliability Council or its
5 successor.

6
7 6.14 "Marketing Plan" means Western's final 2004 Power Marketing Plan for
8 the Sierra Nevada Region.

9
10 6.15 "Maximum Operating Capability" means the maximum electrical capability
11 from CVP generation and the Enron Contract available to produce energy and/or
12 provide ancillary services in any one or more hours.

13
14 6.16 "Minimum Base Resource" means the amount of Base Resource energy
15 generated each hour as a result of CVP minimum water release plus purchases
16 under the Enron Contract.

17
18 6.17 "Operating Reserves" means the combination of spinning and non-
19 spinning reserves required to meet WSCC, NERC, and the control area
20 operator's requirements for reliable operation of the power system.

21
22 6.18 "Primary Marketing Area" means the area which generally encompasses
23 northern and central California extending from the Cascade Range to the
24 Tehachapi Mountains, and west-central Nevada.

25
26 6.19 "Power" means electric capacity and energy.

27 ///

28 ///

1 6.20 "Project Use" means the power used to operate CVP or Washoe Project
2 facilities in accordance with authorized purposes and pursuant to Reclamation
3 law.

4
5 6.21 "RTO" means regional transmission organization, which is an organization
6 that meets the minimum characteristics and performs the minimum functions
7 specified in FERC Order 2000, as that order may be amended or superseded.

8
9 6.22 "Regulation" means the service provided by generating units equipped
10 and operating with automatic generation control which will enable such units to
11 respond to direct control signals in an upward or downward direction to match, on
12 a real time basis, demand and resources, consistent with WSCC, NERC, and the
13 control area operator's criteria.

14
15 6.23 "Scheduling Coordinator" means an entity that is responsible for providing
16 hourly load and resource schedules to the control area operator, in accordance
17 with a FERC-approved tariff.

18
19 6.24 "Washoe Project" means the Federal water project located in the
20 Lahontan Basin in west-central Nevada and east-central California, as described
21 in the Marketing Plan.

22
23 6.25 "WSCC" means the Western Systems Coordinating Council or its
24 successor.

25
26 7. **BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST:**

27 7.1 Appendix A describes the availability of the Base Resource in terms of
28 estimated energy and capacity production. Appendix A should be used for long-

1 term planning purposes only. It should not be considered representative of
2 actual operating conditions.

3
4 7.2 Beginning in 2004, on or before April 30th of each year, Western will
5 provide to CCSF a forecast of the availability of the Base Resource for the
6 applicable twelve-month period. The forecast will provide the following
7 information concerning the Base Resource:

8 7.2.1 A declaration of the anticipated water year type;

9
10 7.2.2 Estimates of Base Resource Operating Capability and energy, for
11 the period April 1st through September 30th of the current year, given the
12 Enron Contract, actual reservoir levels, snow pack, and estimated runoff
13 as of April 1st;

14
15 7.2.3 Estimates of the Base Resource Operating Capability and energy,
16 for the period October 1st of the current year through March 31st of the
17 following year, based on historic weather patterns, projected weather
18 patterns, and existing conditions;

19
20 7.2.4 Maximum Operating Capability of the CVP for each month;

21
22 7.2.5 Purchases under the Enron Contract and generation from the CVP
23 and Washoe Project for each month;

24
25 7.2.6 Energy required for estimated Project Use loads, First Preference
26 Customers' loads, and any ancillary service requirements for each month.
27 The forecast will also include the estimated amount of Base Resource
28 energy not available due to scheduled maintenance.

1 7.3 By the end of each month, Western will provide to CCSF a monthly Base
2 Resource forecast that will contain the amounts of Base Resource Operating
3 Capability and energy estimated to be available for each month on a rolling
4 twelve-month basis, based on 90, 50, and 10 percent exceedence levels. The
5 monthly forecast will contain the following information:

6 7.3.1 Maximum Operating Capability of the CVP for each month;

7
8 7.3.2 Energy required for estimated Project Use loads, First Preference
9 Customers' loads, and any ancillary service requirements. The forecast
10 will also include the estimated amount of Base Resource energy not
11 available due to scheduled maintenance.

12
13 7.4 By Friday of each week, Western will provide to CCSF a weekly Base
14 Resource forecast that will contain estimated amounts of Base Resource
15 Operating Capability and energy to be available for the next week based on the
16 Enron Contact and anticipated CVP operations. The weekly forecast will set
17 forth the energy required for estimated Project Use loads, First Preference
18 Customers' loads, and any ancillary services requirements. The forecast will
19 also include the estimated amount of Base Resource energy not available due to
20 scheduled maintenance.

21
22 7.5 Western shall make all reasonable efforts within its control to ensure that
23 the forecasted Base Resource will be available.

24
25 8. **ELECTRIC SERVICE FURNISHED BY WESTERN:**

26 8.1 CCSF will be entitled to receive a percentage of the Base Resource as set
27 forth in Exhibit A, attached hereto and made a part hereof.

28 ///

1 8.2 The estimated amount of energy available to CCSF during any given time
2 period shall be determined by multiplying its Base Resource percentage by the
3 total amount of Base Resource energy available during that period.
4

5 8.3 The minimum amount of energy CCSF will be required to schedule for
6 each hour shall be determined by multiplying its Base Resource percentage by
7 the Minimum Base Resource, unless otherwise agreed to by Western. However,
8 if CCSF does not have sufficient load to take its percentage of the Minimum Base
9 Resource, any excess energy shall be made available to Western for the hourly
10 exchange program as described later in this Contract under Section 11 and
11 Exhibit B.
12

13 8.4 The maximum amount of energy CCSF may schedule in any hour shall be
14 determined by multiplying its Base Resource percentage by the Base Resource
15 Operating Capability. However, CCSF may schedule energy in excess of this
16 maximum, if approved by Western, to accommodate purchases or exchanges
17 from the seasonal or hourly exchange program.
18

19 8.5 CCSF will be entitled to the benefit of available regulation and operating
20 reserves from the CVP in proportion to its Base Resource percentage. The
21 method in which the benefits of regulation and operating reserves will be
22 provided will be determined prior to the date of initial service and set forth in
23 Exhibit D attached hereto.
24

25 8.6 Western's obligation to provide CCSF's Base Resource is limited to the
26 actual CVP generation and imports under the Enron Contract available on a real-
27 time basis. Western shall have no obligation to replace any Base Resource that
28 is unavailable due to scheduled maintenance, system emergencies, forced

1 outages, or other constraints. Any costs incurred by either Party as a result of
2 deviations between actual and scheduled Base Resource energy shall be the
3 responsibility of CCSF. Western will notify CCSF as soon as reasonably
4 practicable of any situation that will impact the availability of the Base Resource,
5 and will modify schedules accordingly, on a pro-rata basis.
6

7 8.7 Due to the variable nature of the Base Resource, Western may provide a
8 Custom Product upon Customer request. Any Custom Product will be the
9 subject of a separate contractual arrangement.
10

11 9. **DELIVERY ARRANGEMENTS:**

12 9.1 Western will make CCSF's Base Resource available at the generator bus
13 or such other point(s) as the Parties may mutually agree, as specified in Exhibit
14 A. If requested by CCSF, Western will deliver that portion of CCSF's Base
15 Resource energy from CVP generation that is directly connected to Western-
16 owned transmission facilities, to CCSF's facilities that are directly connected to
17 Western-owned transmission facilities. The rates and terms of this service shall
18 be in accordance with Western's then-current open access transmission tariff.
19

20 9.2 CCSF must provide written notification to Western by July 1, 2004,
21 demonstrating that it has arranged for delivery of its Base Resource energy to its
22 load. Such notification shall include both transmission and distribution level
23 arrangements, as applicable. Western shall have no obligation to make Base
24 Resource available to CCSF if delivery arrangements are not in effect. However,
25 CCSF shall not be relieved of its obligation to pay its percentage share of the
26 Base Resource during the time in which delivery arrangements are not in effect.

27 ///

28 ///

1 10. **SCHEDULING PROCEDURES AND PROTOCOLS:**

2 10.1 All energy furnished by Western to CCSF will be provided on a scheduled
3 basis. CCSF agrees to abide by the FERC-approved scheduling procedures and
4 protocols, as set forth in Exhibit C herein. The Parties recognize that the
5 scheduling procedures and protocols may require modification from time-to-time
6 to reflect updated operating procedures that may become applicable to the
7 Parties. In such event, the Parties shall mutually agree to make the appropriate
8 modifications to Exhibit C.

9
10 10.2 In the event that CCSF does not abide by the protocols and procedures
11 made effective by FERC and applicable to Western, and Western incurs costs as
12 a result, CCSF agrees to pay all such costs.

13
14 11. **EXCHANGE PROGRAM:**

15 11.1 Western will establish and manage an exchange program to allow all
16 Customers to fully and efficiently use their Base Resource percentage. The
17 exchange program is a mechanism to:

18 11.1.1 Make available to Western, for provision to other Customers, any
19 Base Resource energy a Customer cannot use on a pre-scheduled basis
20 due to insufficient load;

21
22 11.1.2 Help mitigate the costs incurred by a Customer for the power it is
23 obligated to pay for, but may not be able to use.

24
25 11.2 The exchange program will consist of a seasonal exchange program and
26 an hourly exchange program.

27 11.2.1 Under the seasonal exchange program, CCSF may elect to make
28 available to Western that portion of its Base Resource percentage that it is

1 unable to use due to insufficient load. CCSF, through Western, will be
2 able to exchange its unusable Base Resource percentage with other
3 Customers. Any Customer may submit a request to Western to exchange
4 or purchase energy through the seasonal exchange program.

5
6 11.2.2 Under the hourly exchange program, all Base Resource energy in
7 excess of a Customer's load will be retained by Western and offered by
8 Western for sale to other Customers. Any Customer may submit a
9 request to Western to purchase energy that is made available to the
10 hourly exchange program.

11
12 11.3 The exchange program procedures are set forth in Exhibit B, attached
13 hereto, and such procedures shall apply to all Customers that participate in the
14 exchange program.

15
16 11.4 Exchanges of the Base Resource between CCSF and others, outside of
17 the Western-managed exchange program, or other Western-managed program,
18 is prohibited.

19
20 12. **INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION**

21 **ORGANIZATION:**

22 The Parties understand that Western may join the ISO or an RTO. In the event
23 Western either joins or is required to conform to the protocols of an ISO or RTO, the
24 Parties shall mutually agree to make any protocol changes to Exhibit C to this Contract
25 to conform to the terms and conditions required by an ISO or RTO and made effective
26 by FERC. In the event that CCSF does not abide by the protocols made effective by
27 FERC and applicable to Western, and Western incurs costs as a result, CCSF agrees to
28 pay all such costs.

1 13. **WESTERN RATES:**

2 13.1 The Base Resource will be provided on a take-or-pay basis. CCSF will be
3 obligated to pay its Base Resource percentage share of Western's costs,
4 whether or not it uses its full Base Resource percentage.

5
6 13.2 CCSF shall pay for the electric service furnished hereunder in accordance
7 with the rates, charges, and conditions set forth in the CVP schedule of rates
8 applicable to the Base Resource, effective January 1, 2005, or any superseding
9 rate schedule.

10
11 14. **INTEGRATED RESOURCE PLAN:**

12 In accordance with the Energy Policy Act of 1992, CCSF is required to meet the
13 requirements of Western's Energy Planning and Management Program (EPAMP). To
14 fulfill the requirements of EPAMP, CCSF must develop and submit an integrated
15 resource plan or alternative report, as applicable. Specific EPAMP requirements are set
16 forth in the Federal Register at (64 FR 62604) and may be found on Western's website.
17 Failure to comply with Western's EPAMP requirements may result in penalties as
18 specified therein. CCSF understands that Western may re-evaluate its EPAMP
19 requirements and change them from time-to-time as appropriate. Such changes will be
20 subject to a public process and publication in the Federal Register.

21
22 15. **ADJUSTMENT OF BASE RESOURCE PERCENTAGE:**

23 15.1 Prior to the date of initial service, Western may adjust CCSF's Base
24 Resource percentage, as set forth in Exhibit A herein, if Western determines that
25 CCSF's extension contract rate of delivery is greater than its actual usage, as
26 specified in the Marketing Plan.

27 ///

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1 15.2 After the date of initial service, Western may adjust CCSF's Base
2 Resource percentage under any of the following conditions:

3 15.2.1 CCSF sells energy associated with its Base Resource percentage
4 to another entity for resale by that entity;

5
6 15.2.2 CCSF uses the energy associated with its Base Resource
7 percentage to serve loads outside of the Sierra Nevada Region's Primary
8 Marketing Area;

9
10 15.2.3 CCSF's annual energy associated with its Base Resource
11 percentage, is ten percent greater than its actual annual energy usage.
12

13 15.3 If Western determines that CCSF has met any of the conditions in
14 Section 15.2 above, Western will take the following steps:

15 15.3.1 Notify CCSF of the nature of the concern;

16
17 15.3.2 Analyze CCSF's usage of the energy associated with its Base
18 Resource percentage and determine if an adjustment is necessary on a
19 case-by-case basis, with due consideration of any circumstance that may
20 have temporarily altered CCSF's energy usage;

21
22 15.3.3 Provide a 90-day written notice of any adjustment, if an
23 adjustment is deemed necessary; and

24
25 15.3.4 Reduce or rescind CCSF's Base Resource percentage
26 permanently on the effective date specified in the notice.

27 ///

28 ///

1 16. **2015 RESOURCE POOL:**

2 Western will reduce CCSF's Base Resource percentage to establish the 2015 Resource
3 Pool. Western will recalculate the percentages for all Customers pursuant to the
4 Marketing Plan. The new Base Resource percentage will be set forth in a revised
5 Exhibit A, effective January 1, 2015.

6
7 17. **METERING AND POWER MEASUREMENT RESPONSIBILITIES:**

8 CCSF shall be responsible for electric power metering equipment requirements and
9 power measurement data associated with the use of Western power under this Contract
10 as follows:

11 17.1 Unless previously furnished and installed by Western, CCSF shall furnish,
12 install, operate, maintain, and replace, meters and associated metering
13 equipment as required by the appropriate jurisdictional authority for deliveries of
14 Western power scheduled to each delivery point on the Western grid, the ISO
15 controlled grid, a utility distribution company grid, or other electrical system as
16 may be applicable.

17
18 17.2 CCSF shall measure power deliveries and provide certified settlement
19 quality metering data to Western as requested. It is generally contemplated that
20 Western will require this data on a monthly basis.

21
22 18. **CHANGES IN ORGANIZATIONAL STATUS:**

23 18.1 If CCSF changes its organizational status or otherwise changes its
24 obligation to supply electric power to preference loads, Western reserves the
25 right to adjust Western's power sales obligations under this Contract, as Western
26 deems appropriate. Changes in organizational status include but are not limited
27 to:

28 18.1.1 Merging with another entity;

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18.1.2 Acquiring or being acquired by another entity;

18.1.3 Creating a new entity from an existing one;

18.1.4 Joining or withdrawing from a member-based power supply organization; or

18.1.5 Adding or losing members from its membership organization.

18.2 For the purposes of this Section 18, a member is any preference entity that is included in a membership, which has the responsibility of supplying power to the end-use consumer or customer. Memberships include but are not limited to:

18.2.1 Municipality;

18.2.2 Cooperative;

18.2.3 Joint powers authority; or

18.2.4 Governmental agency.

18.3 For purposes of this Section 18, participation in a State promulgated direct access program shall not be deemed to be a change in a Customer's organizational status or its obligation to supply electric power to preference loads.

///
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///

1 18.4 Prior to making an organizational change, CCSF may request an opinion
2 from Western as to whether CCSF's proposed organizational change will result in
3 an adjustment of CCSF's Base Resource percentage under this Section 18.
4 CCSF shall provide Western with all relevant documents and information
5 regarding the proposed organizational change. Based on the documents and
6 information furnished, Western will provide CCSF with an opinion.
7

8 18.5 In addition to the above, if the change in organizational status results in a
9 proposed transfer of the Contract, or any portion thereof, Section 37 of the
10 General Power Contract Provisions (GPCP), "Transfer of Interest in Contract,"
11 generally requires the Customer to obtain prior written approval from Western's
12 Administrator. Organizational changes that typically propose transfer of the
13 Contract, or a portion of the Contract, and require prior written approval from
14 Western include but are not limited to:

15 18.5.1 Merging with another entity;

16
17 18.5.2 Acquiring or being acquired by another entity;

18
19 18.5.3 Joining an entity; and

20
21 18.5.4 Creating a new entity.
22

23 19. **BUSINESS PROTOCOLS:**

24 Western reserves the right to make process or procedural improvements in the efficient
25 and effective administration of this Base Resource Contract as needed.

26 ///

27 ///

28 ///

1 **20. ENFORCEABILITY:**

2 It is not the intent of the Parties that this Contract confer any rights on third parties to
3 enforce the provisions of this Contract except as required by law or express provision in
4 this Contract. Except as provided in this Section, this Contract may be enforced, or
5 caused to be enforced, only by Western or CCSF, or their successors or assigns.
6

7 **21. GENERAL POWER CONTRACT PROVISIONS:**

8 The GPCP, effective July 10, 1998, attached hereto, are hereby made a part of this
9 Contract, the same as if they had been expressly set forth herein; Provided, That, in the
10 event of a conflict between the GPCP and the provisions in the body of this Contract,
11 the Contract shall control. The usage of the term "Contractor" in the GPCP shall mean
12 CCSF. The usage of the term "firm" in Articles 17 and 18 of the GPCP shall be deemed
13 to be replaced with the words "Base Resource."
14

15 **22. APPENDIX MADE PART OF CONTRACT:**

16 A description of the CVP and its estimated output under certain hydrological conditions
17 are provided in Appendix A attached hereto. The information provided in Appendix A is
18 for planning purposes only. Western may revise Appendix A to reflect operational
19 changes, as necessary. Western will notify CCSF of any revisions to Appendix A as
20 soon as practicable.
21

22 **23. EXHIBITS MADE PART OF CONTRACT:**

23 Exhibit A (Base Resource Percentage and Point(s) of Delivery), Exhibit B (Exchange
24 Program), Exhibit C (Scheduling Procedures and Protocols), and Exhibit D (Regulation
25 and Reserves) existing under this Contract may vary during the term hereof. Each of
26 said exhibits shall become a part of this Contract during the term fixed by its provisions.
27 Exhibits A, B, C, and D are attached hereto, and each shall be in force and effect in
28

///

1 accordance with its terms until respectively superseded by a subsequent exhibit, as
2 allowed by the terms of each exhibit.

3
4 **IN WITNESS WHEREOF**, the Parties have caused this Contract to be executed the day
5 and year first above written.

6
7 WESTERN AREA POWER ADMINISTRATION

8 By: Howard Hirschman

9 Title: Power Marketing Manager

10 Address: 114 Parkshore Drive

11 Folsom, CA 95630-4710

12
13 CITY AND COUNTY OF SAN FRANCISCO

14 HETCH HETCHY WATER AND POWER

15 (Attest) By: Laurie Park

16 Title: Acting General Manager

17 Address: 1155 Market St.

18 San Francisco, CA 94103

19
20
21 By: [Signature]
22 GM, SFPUC

21 Approved as to Form:

23 Louise H. Renne
24 City Attorney

25
26 By: [Signature]
27 Deputy City Attorney
28

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 00-0254

WHEREAS, The City is currently providing operations and maintenance services at Treasure Island and Yerba Buena Island ("TI/YBI") under a Cooperative Agreement with the Navy; and

WHEREAS, The City is the local reuse authority for TI/YBI under the Federal Base Closure and Realignment Act ("BRAC"); and

WHEREAS, The San Francisco Public Utilities Commission is providing the utilities portion of these operations and maintenance services to TI/YBI on behalf of the City; and

WHEREAS, The City has obtained an allocation of low cost Federal National Defense Authorization Act ("NDA Act") power to support economic development on TI/YBI; and

WHEREAS, The City's allocation of NDA Act for TI/YBI is contingent upon executing a power purchase agreement with the Western Area Power Administration ("WAPA"); and

WHEREAS, Funds for the purchase of power for TI/YBI are available in the TI/YBI Project budget; now, therefore, be it

RESOLVED, That the General Manager of the San Francisco Public Utilities Commission is hereby authorized to execute the Federal NDA Act power purchase agreement with WAPA for a period 20 years expiring December 31, 2024, and for a value not to exceed \$20 million.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of NOV 14 2000

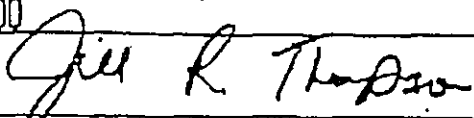

Secretary, Public Utilities Commission

EXHIBIT A

(Base Resource Percentage and Point(s) of Delivery)

1. This Exhibit A, to be effective under and as part of Contract 00-SNR-00347 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit A or termination of the Contract.
2. On the effective date of this Exhibit A, CCSF's percentage of the Base Resource is 0.17264%.
3. CCSF's Base Resource percentage may be adjusted by Western as specified in the Contract.
4. CCSF's Base Resource percentage will be adjusted effective January 1, 2015, in accordance with the Marketing Plan, to establish the 2015 Resource Pool for new power allocations.
5. The point(s) of delivery for CCSF's Base Resource shall be
_____.
6. This Exhibit A shall be replaced by Western as necessary in accordance with Sections 9, 15, 16, and 18 of the Contract.

EXHIBIT B
(Exchange Program)

1. This Exhibit B, to be effective under and as a part of Contract 00-SNR-00347, (Contract) shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit B or termination of the Contract.

2. The Parties acknowledge that the exchange program procedures will change between the date the Contract is executed and the date of initial service hereunder. The Parties agree to work together collaboratively to develop exchange program arrangements which will maximize the benefits of CVP.

3. Prior to the date of initial service, Western shall replace this Exhibit B with Exhibit B, Revision 1. At such time as Western promulgates Revision 1 to this Exhibit B, CCSF shall have a one-time option of (1) executing Revision 1 to this Exhibit B within the time specified in the transmittal letter, or (2) terminating the Contract upon 30-days advance written notice. In the event CCSF fails to take either action within the specified time frame, Exhibit B, Revision 1, shall be deemed to become effective.

4. Western shall make subsequent revisions to Exhibit B, after consultation with its Customers.

5. Western will manage an exchange program to allow for Customers to fully and efficiently use their Base Resource percentage energy. The program consists of the following two elements:

5.1 Seasonal exchange: a mechanism that allows a Customer with seasonal load variation to make that portion of its Base Resource percentage that it is unable to use due to insufficient load, available to the seasonal exchange program. In coordination with Western, CCSF will be able to exchange its unusable Base Resource percentage, through Western, with other Customers.

5.2 Hourly exchange: a mechanism that provides for Western to retain all Base Resource energy in excess of a Customer's load on an hourly basis.

6. General Principles:

6.1 Customers must take their percentage of the Base Resource.

6.2 If a Customer's total load in any hour, as established in its day ahead schedule, is less than its Hourly Base Resource Schedule, then the energy in excess of the schedule is made available to the Western exchange program.

- 6.3 Western shall establish an estimated pool energy "rate" for the purpose of pool transaction settlements.
- 6.4 Customers with total load greater than their Base Resource percentage in any hour may request pool energy from Western, if available.
- 6.5 Exchange program suppliers shall have first priority for purchases from the pool, during hours when they are not depositing energy, up to the amount of energy previously deposited.
- 6.6 Western will allocate pool energy to Customers that have requested pool energy.
- 6.7 Pool takers are obligated to pay at the pool energy "rate."
- 6.8 Pool providers are credited funds at the pool energy "rate."
- 6.9 Western takes all remaining pool energy not taken by Customers and provides it into the open market(s).
- 6.10 Revenues collected by Western from the open market(s) will first be credited to the pool providers up to the pool energy "rate."
- 6.11 Any remaining revenue will be used to offset Western's overall costs.

EXHIBIT C
(Scheduling Procedures and Protocols)

1. This Exhibit C, to be effective under and as a part of Contract 00-SNR-00347 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit C or termination of the Contract.
2. Both Parties recognize that these scheduling procedures and protocols may require modification from time-to-time. In such event, Western shall make the appropriate modifications to this Exhibit C as mutually agreed to by the Parties. For more information on changes to scheduling protocols and procedures, refer to Sections 10 and 12 of this Contract.
3. Designation of Scheduling Coordinator (SC): CCSF shall notify Western of its designated Scheduling Coordinator not less than 60 days prior to the date of initial service. In the event that CCSF's Scheduling Coordinator arrangement changes, CCSF shall notify Western in writing, not less than 30 days prior to the change, unless a shorter notification period is agreed to by Western.
4. Scheduling Procedures:
 - 4.1 Western will determine the Maximum Operating Capability, total generation, and ramping rates for the Base Resource.
 - 4.2 Not less than 24 hours prior to the active day, Western will notify CCSF of its share of the Base Resource Operating Capability, Minimum Base Resource and total energy available for that day. Based on these criteria, CCSF shall notify Western of its preferred schedule for that day. Western will use a compilation of all Customers' preferred schedules as a basis for determination of the optimal generation schedule. Western will then notify CCSF of its Hourly Base Resource Schedule for that day.
 - 4.3 For weekdays, CCSF shall provide Western with a copy of its day ahead load and resource schedule, including the information listed in Section 4.5 below, by 9:00 a.m. of the business day prior to the day the schedule will be implemented, or at least two (2) hours prior to the submission time required by the ISO or control area operator, whichever is earlier. For weekends and holidays, as defined by the WSCC, CCSF shall provide Western with its day-ahead schedule by 9:00 a.m. of the business day, at least two days prior to the day the schedule will be implemented, or at least two (2) hours prior to the submission time required by the ISO or control area operator, whichever is earlier. The day-ahead schedule shall include megawatt values for each hourly period of each day and a megawatt-hour total for each day. The day-ahead schedule amounts shall be to the nearest tenth of a megawatt, with the day-

ahead schedule of Western power not to exceed CCSF's percentage of the Base Resource Operating Capability for any hour, as it may be adjusted to accommodate exchanges or purchases under the Western exchange program.

4.4 In the event of curtailments or emergencies, Western shall notify CCSF as soon as practicable so it may adjust its schedule in a timely manner.

4.5 The following information shall be included in the day ahead schedule:

4.5.1 Western power by hour;

4.5.2 Other power by hour [If Western is CCSF's SC];

4.5.3 CCSF's forecasted system load by hour [If Western is CCSF's SC].

4.6 CCSF's unscheduled Western power in any hour is not available to CCSF as an operating reserve or to meet any ancillary service requirements of the ISO or the control area operator for CCSF's load.

4.7 Schedules shall be transmitted by a communication link established between Western and CCSF or as otherwise agreed to by the Parties. The communication link shall be provided and paid for by CCSF. The data format shall be acceptable to both Parties and shall be in conformance with established WSCC protocol in effect at the time.

5. Schedule Changes:

5.1 CCSF may not adjust its Western power schedule after the final hour ahead schedules have been accepted by the ISO or control area operator as applicable.

5.2 Daily schedules shall be confirmed by CCSF and Western's dispatchers at the end of the active day, at which time CCSF and Western's dispatchers will attempt to resolve any scheduling conflicts.

5.3 No after-the-fact schedule change by either Party shall be allowed.

EXHIBIT D
(Regulation and Reserves)

1. This Exhibit D to be effective under and as a part of Contract 00-SNR-00347 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit D or termination of the Contract.
2. The Parties acknowledge that the protocols and procedures of the ISO relating to regulation and operating reserves will change between the date the Contract is executed and the date of initial service hereunder. The Parties agree to work together collaboratively to develop arrangements which will maximize the benefits of operating reserves and regulation capabilities of the CVP. The method in which Western provides these services to CCSF may be physical, financial, or both.
3. Prior to the date of initial service, Western shall replace this Exhibit D with Exhibit D, Revision 1. At such time as Western promulgates Revision 1 to this Exhibit D, CCSF shall have a one-time option of (1) executing Revision 1 to this Exhibit D within the time specified in the transmittal letter, or (2) terminating the Contract upon 30-days advance written notice. In the event CCSF fails to take either action within the specified time frame, Exhibit D, Revision 1, shall be deemed to become effective.
4. Western shall make subsequent revisions to Exhibit D, after consultation with its Customers.

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

Page

I. APPLICABILITY.	
1. Applicability	2
II. DELIVERY OF SERVICE PROVISIONS.	
2. Character of Service	2
3. Use of Capacity or Energy in Excess of Contract Obligation	2
4. Continuity of Service	2
5. Multiple Points of Delivery	3
6. Metering	3
7. Existence of Transmission Service Contract	3
8. Conditions of Transmission Service	4
9. Multiple Points of Delivery Involving Direct and Transmitted Deliveries	4
10. Construction, Operation, and Maintenance of Contractor's Power System	4
III. RATES, BILLING, AND PAYMENT PROVISIONS.	
11. Change of Rates	5
12. Minimum Seasonal or Annual Capacity Charge	5
13. Billing and Payment	5
14. Nonpayment of Bills in Full When Due	6
15. Adjustments for Fractional Billing Period	6
16. Adjustments for Curtailments to Firm Service	6
IV. POWER SALES PROVISIONS.	
17. Resale of Firm Electric Service	7
18. Distribution Principles	7
19. Contract Subject to Colorado River Compact	7
V. FACILITIES PROVISIONS.	
20. Design Approval	7
21. Inspection and Acceptance	8
22. As-Built Drawings	8
23. Equipment Ownership Markers	8
24. Third-Party Use of Facilities	8
25. Changes to Western Control Facilities	8
26. Modification of Western Facilities	9
27. Transmission Rights	9
28. Construction and Safety Procedures	9-10
29. Environmental Compliance	10
30. Responsibility for Hazardous Materials	10
VI. OTHER PROVISIONS.	
31. Authorized Representatives of the Parties	10
32. Effect of Section Headings	10
33. Operating Guidelines and Procedures	10
34. Uncontrollable Forces	11
35. Liability	11
36. Cooperation of Contracting Parties	11
* 37. Transfer of Interest in the Contract	11-12
38. Waivers	12
39. Notices	12
40. Contingent Upon Appropriations	12
41. Covenant Against Contingent Fees	12
42. Contract Work Hours and Safety Standards	12
43. Equal Opportunity Employment Practices	13
44. Use of Convict Labor	13

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

I. APPLICABILITY.

1. Applicability.

1.1. These General Power Contract Provisions shall be a part of the contract to which they are attached. These provisions set forth general conditions applicable to the contract. Specific terms set forth in the contract have precedence over any provision herein.

1.2. If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 42, 43, and 44 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. Metering.

6.1. The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or by the Contractor. The Contractor shall ensure that metering equipment furnished and maintained by the Contractor or another power supplier, as provided in the contract, meets the metering standards of Western if such metering equipment will be used for billing or other accounting purposes by Western.

6.2. Meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the interested parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless another test interval is agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by either party hereto, a supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance. Meters found with broken seals shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3. Except as otherwise provided in Provision 6.4 hereof, should any meter that is needed by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during such period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4. If acceptable inspections and tests of a meter needed by Western for billing or other accounting purposes disclose an error exceeding two percent (2%), then correction based upon the inaccuracy found shall be made of the records of services furnished during the period that such inaccuracy has existed as determined by Western; Provided, That if such period of inaccuracy cannot be determined, correction shall be made for the period beginning with the monthly billing period immediately preceding the billing period during which the test was made.

6.5. Any correction in billing resulting from correction in meter records shall normally be made in the next monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties hereto arising out of inaccuracy of metering equipment.

7. Existence of Transmission Service Contract.

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. Conditions of Transmission Service.

8.1. When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2. Unless otherwise provided in the contract or attached rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

8.3. Western will endeavor to inform the Contractor from time to time of any changes contemplated on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor's system because of changes or conditions on the system over which the service is supplied shall not be a charge against or a liability of Western.

8.4. If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5. If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. Multiple Points of Delivery Involving Direct and Indirect Deliveries.

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. Construction, Operation, and Maintenance of Contractor's Power System.

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.

13. Billing and Payment.

13.1. Western will issue bills to the Contractor for service furnished during the preceding month within ten (10) days after the end of the billing period.

13.2. If Western is unable to issue a timely monthly bill, it may elect to render an estimated bill for that month to be followed by the final bill. Such estimated bill shall be subject to the same payment provisions as a final bill.

13.3. Payments are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western; Provided, That payments received by mail will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4. Whenever the parties agree, payments due Western by the Contractor may be offset against payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1. Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars (\$25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2. Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.

15. Adjustments for Fractional Billing Period.

For a fractional part of a billing period at the beginning or end of electric service, at the beginning or end of irrigation pumping service each year, a fractional billing period under a new rate schedule, and for fractional periods due to withdrawals of electric services, the demand or capacity charge and minimum charges shall each be proportionately adjusted in the ratio that the number of hours that electric service is available to the Contractor in such fractional billing period bears to the total number of hours in the billing period involved.

16. Adjustments for Curtailments to Firm Service.

16.1. Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of 1 hour or longer in duration each. Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills In Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2. The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3. The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of 1 hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.

17. Resale of Firm Electric Service (Wholesale Sales for Resale).

The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.

18. Distribution Principles.

The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, (45 Stat. 1057) and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.

21. Inspection and Acceptance.

Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1. The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2. If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. Third-Party Use of Facilities.

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. Construction and Safety Procedures.

28.1. The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply with all applicable safety laws and building and construction codes, including the provisions of Western's current "Power Systems Safety Manual," "Construction, Safety, and Health Standards," and "Power System Clearance Procedures" in effect upon the signing of the contract; Except, That, in lieu of the safety program required herein, the Contractor may provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2. The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3. At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4. Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5. In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, and removed subject to compliance with laws, executive orders, and regulations applicable to that party, including the National Environmental Policy Act of 1969, as amended, 36 CFR 800, and the Archeological Resources Protection Act of 1979.

30. Responsibility for Hazardous Materials.

When either party owns equipment containing hazardous material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to hazardous materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act (15 U.S.C. 2601 *et seq.*), the Solid Waste Disposal Act and the Resource Conservation Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 *et seq.*), and the regulations implementing these laws, as they may be amended, and any other existing or subsequent applicable Federal or state laws and regulations. Each party shall label its equipment containing hazardous material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.

35.1. The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractors', its employees', agents, or subcontractors', construction, operation, maintenance, or replacement activities under the contract.

35.2. The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended.

36. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in Contract.

37.1. No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the written approval of the Administrator of Western; Provided, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided

further. That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

* 37.2. Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

38. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

39. Notices.

Any notice, demand, or request required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, postage prepaid, or prepaid telegram addressed to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice.

40. Contingent Upon Appropriations.

Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States obligations under the contract. In case such appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

42. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C.A. §329 (1986), is subject to the provisions of the Act, 40 U.S.C.A. §§327-333 (1986), and to regulations promulgated by the Secretary of Labor pursuant to the Act.

43. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the contract.

44. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. 4082 (c)(2) and Executive Order 11755, December 29, 1973.



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 Market St., 4th Floor, San Francisco, CA 94103 • Tel. (415) 554-0725 • Fax (415) 554-0796



November 21, 2000

Willie L. Brown, Jr.
Mayor

E. Dennis Normandy
President
Victor G. Makras
Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

John P. Mullane, Jr.
General Manager

Ms. Gloria Young
Clerk of the Board
Board of Supervisors
City Hall, Room 244
One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Ms. Young:

Enclosed is a proposed Board of Supervisors resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute the Federal NDA Act Power Purchase Agreement with WAPA for a period of 20 years expiring on December 31, 2024, and for a value not to exceed \$20 million.

The City presently has an agreement to purchase low cost federal power for Treasure Island and Yerba Buena Island that expires on December 31, 2004. Approval of this Agreement will enable the City to continue to purchase low cost federal power for Treasure Island and Yerba Buena Island for an additional 20 years.

In accordance with San Francisco Administrative Code Article IV, § 6.61, the Public Utilities Commission respectfully requests the Board of Supervisors' approval of the Federal NDA Act Power Purchase Agreement with WAPA. A copy of the PUC Resolution 00-0254 of November 14, 2000 is attached hereto and made a part hereof.

Please contact Laurie Park at 415-554-3222 if there are any questions.

Very truly yours,

John P. Mullane, Jr.
General Manager

Attachments

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[Power Purchase Contract]

APPROVING THE FEDERAL NDA ACT POWER PURCHASE AGREEMENT WITH WAPA.

WHEREAS, The City is currently providing operations and maintenance services at Treasure Island and Yerba Buena Island ("TI/YBI") under a Cooperative Agreement with the Navy; and,

WHEREAS, The City is the local reuse authority for TI/YBI under the Federal Base Closure and Realignment Act ("BRAC"); and,

WHEREAS, The San Francisco Public Utilities Commission is providing the utilities portion of these operations and maintenance services to TI/YBI on behalf of the City; and,

WHEREAS, The City has obtained an allocation of low cost Federal National Defense Authorization Act ("NDA Act") power to support economic development on TI/YBI; and,

WHEREAS, The City's allocation of NDA Act for TI/YBI is contingent upon executing a power purchase agreement with the Western Area Power Administration ("WAPA"); and,

WHEREAS, Funds for the purchase of power for TI/YBI are available in the TI/YBI Project budget; now, therefore, be it

RESOLVED, That this Board of Supervisors hereby authorize the General Manager of the San Francisco Public Utilities Commission to execute the Federal NDA Act Power Purchase Agreement with WAPA for a period of 20 years expiring on December 31, 2024, and for a value not to exceed \$20 million.

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 00-0254

WHEREAS, The City is currently providing operations and maintenance services at Treasure Island and Yerba Buena Island ("TI/YBI") under a Cooperative Agreement with the Navy; and

WHEREAS, The City is the local reuse authority for TI/YBI under the Federal Base Closure and Realignment Act ("BRAC"); and

WHEREAS, The San Francisco Public Utilities Commission is providing the utilities portion of these operations and maintenance services to TI/YBI on behalf of the City; and

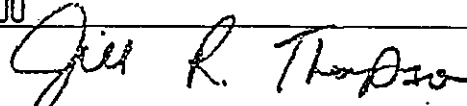
WHEREAS, The City has obtained an allocation of low cost Federal National Defense Authorization Act ("NDA Act") power to support economic development on TI/YBI; and

WHEREAS, The City's allocation of NDA Act for TI/YBI is contingent upon executing a power purchase agreement with the Western Area Power Administration ("WAPA"); and

WHEREAS, Funds for the purchase of power for TI/YBI are available in the TI/YBI Project budget; now, therefore, be it

RESOLVED, That the General Manager of the San Francisco Public Utilities Commission is hereby authorized to execute the Federal NDA Act power purchase agreement with WAPA for a period 20 years expiring December 31, 2024, and for a value not to exceed \$20 million.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of NOV 14 2000



Secretary, Public Utilities Commission

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO.: 21-0049

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) purchases electricity and related services from the federal government, through the Western Area Power Administration (WAPA) in support of providing electric service to Treasure Island and Yerba Buena Island (TI/YBI); and

WHEREAS, Pursuant to SFPUC Resolution No. 00-0254, approved on November 14, 2000, and Board of Supervisor's Resolution No. 0056-01, File 002191 approved on January 22, 2001, the City and County of San Francisco (the City) has previously executed a Base Resource (BR) contract with the WAPA for electric service to TI/YBI effective January 1, 2005, for a period of 20 years or until December 31, 2024, and for an amount not-to-exceed \$20,000,000; and

WHEREAS, Amendment No. 1 to the BR contract would extend the term by 30 years and increase the contract by an amount not-to-exceed \$7,691,541, for a total contract amount not-to-exceed \$27,691,541, and for a total contract duration of 50 years, or until December 31, 2054; and

WHEREAS, The BR contract allows the City to continue providing federal power for all the electric power needs at TI/YBI; and

WHEREAS, The cost of the extended BR contract will be recovered through the electric utility rates at TI/YBI and paid for by the SFPUC's Power Enterprise; now, therefore, be it

RESOLVED, That this Commission authorizes the General Manager to execute Amendment No.1, increasing contract amount with WAPA by \$7,691,541 and extending the term for an additional of 30 years, for a total not-to-exceed amount of \$27,691,541, and a total agreement duration of 50 years, expiring on December 31, 2054, and to seek Board of Supervisors approval pursuant to Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of March 23, 2021.



Secretary, Public Utilities Commission



TO: Angela Calvillo, Clerk of the Board

FROM: Edith Castorena, Policy and Government Affairs

DATE: March 25, 2021

SUBJECT: Amendment to WAPA and CCSF Contract extending the term to 2054 and increasing the contract amount to \$57,526,420.

Please see attached a proposed resolution approving Amendment No. 1 to the contract between the City and County of San Francisco and the United States, through the Department of Energy Western Area Power Administration, for delivery of low-cost power to Treasure Island and Yerba Buena Island, extending the term to 2054 and increasing the contract amount to \$57,526,420.

The following is a list of accompanying documents:

1. WAPA Resolution (Word Doc Version)
2. WAPA & CCSF Contract
3. Draft Amendment WAPA Contract
4. SFPUC Resolution 21-0049

Please contact John Scarpulla at (415) 934-5782 or jscarpulla@sfgwater.org if you need any additional information on these items.

London N. Breed
Mayor

Sophie Maxwell
President

Anson Moran
Vice President

Tim Paulson
Commissioner

Ed Harrington
Commissioner

Michael Carlin
Acting
General Manager



From: [Castorena, Edith](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Scarpulla, John \(PUC\)](#)
Subject: SFPUC - [Approving Transmission Facilities Agreement - Public Utilities Commission]
Date: Thursday, March 25, 2021 11:10:53 AM
Attachments: [1. WAPA Resolution.docx](#)
[2. WAPA Contract 00-SNR-00347 for Electric Service Base Resource.pdf](#)
[3. DRAFT AMENDMENT WAPA Contract.pdf](#)
[4. Reso 21-0049 Approve Base Resource Contract WAPA \(1\).PDF](#)
[5. WAPA Cover Letter.docx](#)

Hi BOS Legislative Team,

Attached is the proposed legislation concerning “approving Amendment No. 1 to the contract between the City and County of San Francisco and the United States, through the Department of Energy Western Area Power Administration, for delivery of low-cost power to Treasure Island and Yerba Buena Island, extending the term to 2054 and increasing the contract amount to \$57,526,420.”

The electronic attachments are listed below:

1. WAPA Resolution (Word Doc Version)
2. WAPA & CCSF Contract
3. Draft Amendment WAPA Contract
4. SFPUC Resolution 21-0049
5. Cover Letter

Staff Contact: [John Scarpulla, Policy & Government Affairs Local Manager] [415-509-3070]

Thank you,

Edith Castorena

Policy & Government Affairs

San Francisco Public Utilities Commission

ecastorena@sfwater.org