

1 [Utility Distribution Company Operations Agreement - California Independent System
Operator Corporation - Corridor Transmission Distribution]

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3 **Resolution authorizing the Public Utilities Commission (PUC) to enter into the Utility**
4 **Distribution Company Operations Agreement between the PUC and the California**
5 **Independent System Operator Corporation (CAISO) to establish the rights and**
6 **obligations of the PUC with regard to the interconnection of the Bay Corridor**
7 **Transmission Distribution project, Davidson Substation, within the CAISO controlled**
8 **electric grid for an indefinite term with no cost to the City pursuant to Charter,**
9 **Section 9.118, to commence following Board of Supervisors approval; and to authorize**
10 **the General Manager of the PUC to enter into amendments or modifications to the**
11 **agreement that do not materially increase the obligations or liabilities to the City and**
12 **are necessary to effectuate the purposes of the agreement or this Resolution.**

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14 WHEREAS, To continue to serve the existing and future customers with large power
15 needs, the Public Utilities Commission (PUC) is constructing the Bay Corridor Transmission
16 and Distribution Project (BCTD); and

17 WHEREAS, The BCTD consists of a high-voltage electric transmission line,
18 transmission substation, and related electric facilities in the southeast area of the City; and

19 WHEREAS, The BCTD will enable the PUC to connect new customers in the southeast
20 corridor without the need to interconnect with Pacific Gas and Electric (PG&E), thereby
21 avoiding disputes, delays, and high costs associated with PG&E's distribution service; and

22 WHEREAS, The BCTD will allow the PUC to deliver 100 percent greenhouse gas free
23 energy from Hetch Hetchy to customers; and

1 WHEREAS, As part of the BCTD, the PUC is constructing a new 230 kilovolt (kV)
2 interconnection from PG&E’s 230 kV Potrero Switchyard to a new PUC 230 kV substation
3 (“Davidson Substation”); and

4 WHEREAS, On April 20, 2021, the Board of Supervisors (Board) in Ordinance No. 58-
5 21 approved the Transmission Facilities Agreement with PG&E to interconnect City-owned
6 transmission facilities to the electric grid; and

7 WHEREAS, The BCTD Davidson Substation is connected to the electric grid controlled
8 by the California Independent System Operator Corporation (CAISO); to provide service to its
9 electric customers from the Davidson Substation, the PUC must transmit electric energy
10 through the transmission system controlled by the CAISO; and

11 WHEREAS, In order for PUC to interconnect the Davidson Substation to the CAISO
12 grid the PUC must enter into a Utility Distribution Company Operations Agreement (UDCOA)
13 with the CAISO; a copy of the UDCOA is on file with the Clerk of the Board in File
14 No. 220182; and

15 WHEREAS, The purpose of the UDCOA is to establish the rights and obligations of the
16 PUC and the CAISO with respect to the PUC’s interconnection with the CAISO controlled grid;
17 and

18 WHEREAS, The UDCOA is a CAISO form agreement that has an indefinite term,
19 which means the UDCOA will remain in full force and effect until terminated by either of the
20 parties; and

21 WHEREAS, An indefinite term is in the best interests of the City, because the PUC will
22 need the UDCOA for as long as it is operating the BCTD and the Davidson Substation; and

23 WHEREAS, The PUC will not incur any costs to the CAISO under the UDCOA; and

24 WHEREAS, In PUC Resolution No. 22-0042 dated February 22, 2022, the PUC
25 Commission approved the UDCOA and authorized the General Manager of the PUC to

1 execute the agreement on behalf of the PUC; a copy of Resolution No. 22-0042 is on file with
2 the Clerk of the Board in File No. 220182; and

3 WHEREAS, Section 9.118 of the Charter requires approval by the Board for contracts
4 in excess of ten years; now, therefore, be it

5 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of
6 the San Francisco Public Utilities Commission to execute the Utility Distribution Company
7 Operations Agreement between the San Francisco Public Utilities Commission and the
8 California Independent System Operator Corporation for an indefinite term at no cost to the
9 City; and

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
11 Manager of the PUC to enter into any amendments or modifications to the Utility Distribution
12 Company Operations Agreement that the General Manager determines, in consultation with
13 the City Attorney, are in the best interest of the City, do not materially increase the obligations
14 or liabilities of the City, are necessary or advisable to effectuate the purposes of the
15 agreement, and are in compliance with all applicable laws; and, be it

16 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
17 executed by all parties the Public Utilities Commission shall provide the final agreement to the
18 Clerk of the Board for inclusion into the official file.

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