

File No. 241059

Committee Item No. 13

Board Item No. 26

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date November 20, 2024

Board of Supervisors Meeting

Date December 3, 2024

Cmte Board

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

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Completed by: Brent Jalipa

Date November 14, 2024

Completed by: Brent Jalipa

Date November 22, 2024

1 [Greenhouse Gas Energy Sale - Pacific Gas and Electric Company - CleanPowerSF
2 Greenhouse Gas-Free Energy Supplies - Not to Exceed \$8,955,000]

3 **Resolution approving a Greenhouse Gas-Free Contract for CleanPowerSF with the**
4 **Pacific Gas and Electric Company to acquire the renewable electricity supplies needed**
5 **to meet and maintain the City and County of San Francisco’s clean energy targets, in**
6 **an amount not to exceed \$8,955,000 with a term of one year from January 1, 2025,**
7 **through December 31, 2025, with binding arbitration.**

8
9 WHEREAS, California Public Utilities Code, Section 366.2, allows public agencies to
10 aggregate the electrical load of interested electricity customers within their jurisdictional
11 boundaries; and

12 WHEREAS, Pursuant to this law, the City and County of San Francisco (City)
13 established a Community Choice Aggregation (CCA) program known as CleanPowerSF to
14 provide electric power to residents and businesses located within its jurisdiction; and

15 WHEREAS, On May 18, 2004, by Ordinance No. 86-04, this Board of Supervisors
16 established a CCA program and implemented CleanPowerSF, through the work of the San
17 Francisco Public Utilities Commission (SFPUC), allowing the City to increase the scale and
18 cost-effectiveness of renewable energy, conservation, and energy efficiency in San Francisco,
19 and to increase local control over electricity prices and resources; and

20 WHEREAS, Currently, CleanPowerSF is providing clean energy to more than 380,000
21 active customer accounts within San Francisco with an annual energy requirement of
22 approximately 3,000 gigawatt-hours; and

23 WHEREAS, Chapter 9, Section 902, of the City’s Environmental Code outlines
24 emissions reduction targets for San Francisco, along with the sustainability goals needed to
25

1 meet them and among the sustainability goals is a target to supply 100% renewable electricity
2 by 2025 and 100% renewable energy by 2040; and

3 WHEREAS, On July 31, 2024, the SFPUC submitted a bid into Pacific Gas and Electric
4 Company (PG&E)'s Greenhouse Gas-Free (GHG-Free) Energy Sale – Solicitation to
5 purchase GHG-Free Energy from hydroelectric resources for CleanPowerSF for 2025
6 delivery; and

7 WHEREAS, On August 6, 2024, PG&E notified the SFPUC that its bid to purchase
8 2025 GHG-Free Energy was accepted; and

9 WHEREAS, The proposed GHG-Free Energy Contract (2025 GHE-Free Energy
10 Contract) will provide greenhouse gas-free energy to CleanPowerSF from hydroelectric
11 resources from January 1, 2025, through December 31, 2025 and will be funded entirely by
12 CleanPowerSF customer revenues; and

13 WHEREAS, The proposed 2025 GHG-Free Energy Contract requires a waiver of
14 certain City contract-related requirements, and the General Manager has waived such
15 requirements pursuant to the waiver authority of the San Francisco Administrative Code,
16 Section 21.43; and

17 WHEREAS, San Francisco Administrative Code, Section 21.43, delegates authority to
18 the General Manager to enter into agreements with binding arbitration provisions with
19 Investor-owned Utilities (IOUs), including PG&E, but not for contracts of this specific product
20 type; and

21 WHEREAS, The proposed 2025 GHG-Free Energy Contract requires binding
22 arbitration, and therefore requires approval from this Board of Supervisors; and

23 WHEREAS, PG&E's solicitation required CleanPowerSF to sign the contract before
24 receiving approval from the Board of Supervisors; and

25

1 WHEREAS, On September 11, 2024, the General Manager signed the 2025 GHG-Free
2 Energy Contract, subject to Board of Supervisors approval. This agreement is on file with the
3 Clerk of the Board of Supervisors, in File No. [NUMBER]; and

4 WHEREAS, The contract contains a condition precedent providing that it will not be
5 effective until it is approved by the Board of Supervisors and if it is not approved by this
6 Board, there is no liability to the City; and

7 WHEREAS, On October 22, 2024, by Resolution No. 24-0215, the SFPUC approved
8 the 2025 GHG-Free Energy Contract in an amount not to exceed \$8,955,000 with a term of
9 one year, and with binding arbitration, and authorized the General Manager to seek Board of
10 Supervisors approval for such contract; now, therefore, be it

11 RESOLVED, That this Board of Supervisors hereby approves a Greenhouse Gas-Free
12 Contract for CleanPowerSF with the Pacific Gas and Electric Company to acquire the
13 renewable electricity supplies needed to meet and maintain the City’s clean energy targets, in
14 an amount not to exceed \$8,955,000 with a term of one year, from January 1, 2025, through
15 December 31, 2025, with binding arbitration.

Item 13 File 24-1059	Department: Public Utilities Commission
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution approves a Greenhouse Gas-Free (GHG-Free) Energy Contract between the City, acting through the San Francisco Public Utilities Commission (SFPUC) for CleanPowerSF, and Pacific Gas and Electric Company (PG&E) to acquire renewable electricity needed to meet and maintain the City's clean energy targets. The contract amount is not to exceed \$8,955,000, with a term of one year from January 1, 2025, through December 31, 2025, including binding arbitration.

Key Points

- CleanPowerSF is a not-for-profit program administered by the SFPUC that supplies renewable energy to over 380,000 customer accounts in San Francisco, aiming to meet the City's goal of supplying 100 percent renewable electricity by 2025.
- To meet ongoing renewable energy needs, the SFPUC submitted a bid to PG&E on July 31, 2024, to purchase GHG-free energy sourced from hydroelectric resources for delivery in 2025. PG&E accepted the bid on August 6, 2024.
- Administrative Code Section 21.43 delegates authority to the SFPUC General Manager to approve contracts with binding arbitration with California Investor-owned Utilities (IOUs), including PG&E, for certain products but not for the proposed contract product type. The contract includes binding arbitration provisions outside the SFPUC General Manager's delegated authority, thus requiring approval from the Board of Supervisors.
- The SFPUC General Manager has waived certain City contract requirements (e.g., prevailing wage, local business enterprise participation) pursuant to Administrative Code Section 21.43.

Fiscal Impact

- The total cost of the contract is not to exceed \$8,955,000 for the one-year term, funded entirely by CleanPowerSF customer revenues.
- The price was determined through a competitive bidding process, with the SFPUC proposing a price based on market indices equivalent to GHG-free energy market prices at that time.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

Administrative Code Section 21.43 delegates authority to the San Francisco Public Utilities Commission (SFPUC) General Manager to approve contracts with binding arbitration provisions for Resource Adequacy and/or Renewable Portfolio Standard (RPS) products from California Investor-owned Utilities (IOUs), including PG&E. Contracts with binding arbitration provisions with IOUs for other product types require Board of Supervisors’ approval.

BACKGROUND

CleanPowerSF Program

California Public Utilities Code Section 366.2 allows public agencies to bundle the electrical needs of electricity customers within their jurisdiction through Community Choice Aggregation (CCA) programs. On May 18, 2004, pursuant to this law, the City established CleanPowerSF, a not-for-profit organization administered by the San Francisco Public Utilities Commission (SFPUC), that began purchasing and supplying electricity to customers using renewable energy sources like solar, wind, and hydropower on May 1st, 2016.

The program aims to reduce the carbon footprint of electricity use by increasing the scale and cost-effectiveness of renewable energy while giving consumers more control over the sources of their energy mix. Additionally, it helps the City comply with Chapter 9, Section 902, of the City's Environmental Code which outlines emissions reduction targets for San Francisco, including a sustainability goal to supply 100 percent renewable electricity by 2025 and 100 percent renewable energy by 2040.

CleanPowerSF currently provides clean energy to more than 380,000 active customer accounts within San Francisco, with an annual energy requirement of approximately 3,000 gigawatt-hours. To meet and maintain the emission reduction target with these estimated energy needs, CleanPowerSF needs to conduct on-going procurement of renewable energy supplies.

Procurement

On July 31, 2024, the SFPUC submitted a bid into Pacific Gas and Electric Company’s (PG&E's) greenhouse gas-free (GHG-free) Energy Sale Solicitation to purchase GHG-free energy for CleanPowerSF for delivery in 2025. On August 6, 2024, PG&E notified the SFPUC that its bid was accepted.

In September 2024, the SFPUC General Manager signed the GHG-free energy contract with PG&E, subject to Board of Supervisors' approval.¹ On October 22, 2024, by Resolution No. 24-0215, the SFPUC approved the contract and authorized the General Manager to seek Board of Supervisors' approval.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a Greenhouse Gas-Free (GHG-Free) Energy Contract between the City, acting through the SFPUC (for CleanPowerSF), and PG&E to acquire renewable electricity needed to meet and maintain the City's clean energy targets. The contract is for an amount not to exceed \$8,955,000, with a term of one year from January 1, 2025, through December 31, 2025, with binding arbitration.

Scope of Work

Under the contract, PG&E will supply CleanPowerSF with GHG-free energy sourced from hydroelectric resources. The sale is governed by the June 2018 Master Power Purchase and Sale Agreement with PG&E (Master Agreement).

Binding Arbitration

The proposed contract includes binding arbitration. Under binding arbitration, a dispute between two parties is decided by a neutral arbitrator rather than in court before a judge or jury, and parties signing a binding arbitration agreement forfeit their rights to go to court or appeal an arbitrator's decision. Binding arbitration is a standard provision in form contracts with investor-owned utilities.

Administrative Code Section 21.43 delegates authority to the SFPUC General Manager to approve contracts with binding arbitration with California Investor-owned Utilities (IOUs) for certain products but not for the proposed contract product type. Since the proposed contract requires binding arbitration provisions outside the General Manager's delegated authority, it requires approval from the Board of Supervisors.

Separately, File 24-1070 is an ordinance pending Board of Supervisors' approval that would expand the type of contracts with binding arbitration that the General Manager could approve without Board of Supervisors' approval. If File 24-1070 is approved, contracts similar to the proposed agreement will not require Board of Supervisors' approval in the future.

¹ PG&E's solicitation required CleanPowerSF to sign the contract before receiving Board of Supervisors' approval. The contract states that it will not be effective until approved by the Board of Supervisors, and if not approved, the City bears no liability.

Waiver of Certain Contract Requirements

The proposed contract does not include certain City contract-related requirements. The General Manager of the SFPUC has waived these requirements pursuant to the waiver authority under San Francisco Administrative Code Section 21.43. The typical City requirements that are not included in the contract include: prevailing wage, local business enterprise participation, non-discrimination, insurance, limitations on contributions to City officers and elected officials, health care accountability, competitive bidding requirements, among others.

Reporting

Under the terms of the contract, PG&E is required to provide CleanPowerSF with non-binding estimates of the energy to be delivered, along with monthly invoices detailing the actual energy supplied. Additionally, PG&E will provide a final report summarizing the energy delivered from each resource within the resource pool.

FISCAL IMPACT

The total cost of the contract is not-to-exceed \$8,955,000 for the one-year term. The contract will be funded entirely by CleanPowerSF customer revenues. The price of the contract was determined through a competitive bidding process. SFPUC staff proposed a price based on market indices at the time SFPUC made the bid. The unit cost bid into the solicitation was equivalent to the GHG-free market prices at that time.

CleanPowerSF will pay PG&E the GHG-Free Energy Premium for the actual quantity of GHG-free energy delivered and billed monthly.

RECOMMENDATION

Approve the proposed resolution.

**MASTER POWER PURCHASE AND SALE AGREEMENT
GREENHOUSE GAS-FREE (“GHG-FREE”) ENERGY SALE CONFIRMATION
LETTER
BETWEEN
CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS SAN
FRANCISCO PUBLIC UTILITIES COMMISSION, CLEANPOWERSF (“PARTY A”)
AND
PACIFIC GAS AND ELECTRIC COMPANY (“PARTY B”)**

This confirmation letter (“Confirmation”) confirms the Transaction between Party A, as Buyer, and Party B, as Seller, which becomes effective on the date it is fully executed by both Parties and approved by the San Francisco Board of Supervisors pursuant to Section 8.1 (the “Confirmation Effective Date”), in which Seller agrees to provide to Buyer the Product, as such term is defined in this Confirmation. This Transaction is governed by the Master Power Purchase and Sale Agreement between the Parties, effective as of June 13, 2018, together with the Cover Sheet, the Collateral Annex and Paragraph 10 to the Collateral Annex, and any other annexes thereto (collectively, as amended, restated, supplemented, or otherwise modified from time to time, the “Master Agreement”). The Master Agreement and this Confirmation are collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation, have the meanings specified for such terms in the Master Agreement or the Tariff (defined below), as applicable. Section references herein are to this Confirmation unless otherwise noted.

**ARTICLE 1
PRODUCT AND CONTRACT QUANTITY**

1.1 Product. The “Product” shall mean Buyer’s exclusive right (a) to the GHG-Free Energy, and (b) to account for or report to a Governmental Entity the Contract Quantity of the GHG-Free Energy. GHG-Free Energy shall mean the Energy generated from Seller’s Resources in the Resource Pools. The list of Resources in the Resource Pools is in Appendix B.

1.2 Changes to Resource Pools. Seller has no obligation to retain Resources that are within the Resource Pools. Seller may remove a Resource from the Resource Pools for the following reasons: (i) if the power purchase agreement corresponding to the Resource has expired or is terminated, (ii) if the Resource is no longer in Seller’s portfolio for some other reason, or (iii) if the Resource is owned by Seller, but ceases operation for Seller. Seller shall retain the sole and absolute discretion to enforce or terminate its power purchase agreements for Resources during the Confirmation Delivery Period. Buyer shall not have any right to or discretion to request changes to the Resource Pool or the Resource(s) during the Confirmation Delivery Period.

1.3 Contract Quantity.

1.3.1 The “Contract Quantity” shall equal the quantity, as measured in megawatt-hours (MWh), of GHG-Free Energy to be delivered to Buyer for each Contract Year during the Confirmation Delivery Period. The actual quantity of Product delivered to the Delivery Point may be less than Contract Quantity for any Contract Year, whether as the result of actual deliveries of Product from the Resource Pools or as otherwise provided under Section 1.2 of this Confirmation. The Contract Quantity and Contract Price for each Contract Year of the Confirmation Delivery Period pursuant to this Confirmation are set forth in the table below:

Contract Year	Contract Quantity (MWh)	GHG-Free Energy Price (\$/MWh)	GHG-Free Energy Premium (\$/MWh)	GHG-Free Energy Premium Amount (\$)
2025	██████████	Index Price	██████████	██████████████████

1.3.2 Buyer may, by indicating in the table below, make a one-time election to receive an additional amount of GHG-Free Energy at the Contract Price during the Confirmation Delivery Period, to be delivered after fulfillment of the Contract Quantity for a Contract Year (“Incremental Contract Quantity”). The Incremental Contract Quantity shall be calculated as the product of (a) Buyer’s Portfolio Share, which percentage shall be specified in the table below, multiplied by (b) the total GHG-Free Energy generated by the Resources during a Contract Year net of the Contract Quantity and third-party sales. The Incremental Contract Quantity for any Contract Year may equal zero.

Contract Year	(Optional) Portfolio Share (%)	(Optional) Maximum Incremental Contract Quantity (MWh)
2025	N/A	N/A

ARTICLE 2
DELIVERY

2.1 Delivery. Throughout the Confirmation Delivery Period, Seller shall deliver, and Buyer shall receive the Product in accordance with the Confirmation. Seller will act as Scheduling Coordinator to deliver the Product in each hour to the CAISO at the Delivery Point. Title to the Product shall be deemed to pass from Seller to Buyer at the Delivery Point.

2.2 Delivery Point. The Delivery Point is and shall mean where Seller shall deliver to, and Buyer shall take possession of, the Product, which shall be NP 15.

2.3 Delivery Period. The “Confirmation Delivery Period” shall commence on the start date set forth in the table below (“Confirmation Delivery Start Date”) and shall end on the earlier of (a) the conclusion of the hour ending 2400 (PPT) of the date set forth in the table below (“Confirmation Delivery End Date”), and (b) that date upon which the amount of Product delivered by Seller satisfies the total amount of Product as designated in 1.3.1 and 1.3.2.

Confirmation Delivery Start Date	Confirmation Delivery End Date
01/01/2025	12/31/2025

The “Annual Delivery Period” shall commence on the start date set forth in the table below (“Annual Delivery Start Date”) and shall end on the earlier of (a) the conclusion of the hour ending 2400 (PPT) of the date set forth in the table below (“Annual Delivery End Date”), and (b) that date upon which the amount of Product delivered by Seller satisfies the Contract Quantity and Incremental Contract Quantity, as applicable, for each Contract Year, as designated in 1.3.1 and 1.3.2.

Contract Year	Annual Delivery Start Date	Annual Delivery End Date
2025	01/01/2025	12/31/2025

If the San Francisco Board of Supervisors has not approved the Transaction by December 31, 2024, the Confirmation Delivery Start Date and Annual Delivery Start Date shall be adjusted to the first calendar day following Seller’s receipt of Buyer’s Notice of such approval. Seller will provide Notice of such adjusted dates to Buyer. This adjustment shall not affect the Contract Quantity.

ARTICLE 3
REPORTING REQUIREMENTS

3.1 Monthly Estimate. In the month following each Calculation Period (as such term is defined in Section 5.1), Seller shall provide to Buyer a non-binding estimate of the Product delivered to Buyer for such Calculation Period as determined per Section 5.2 (“Monthly Estimate”), along with a monthly invoice consistent with Section 5.3.

3.2 Final Report. Seller shall provide to Buyer the Contract Quantity and Incremental Contract Quantity, as applicable, with the monthly generation of the Resources from the Resource Pool in a final report following the Annual Delivery Period (the “Final Report”). The Final Report will include the Product delivered from Seller to Buyer from each Resource from the Resource Pool. Seller will provide Buyer with the

Final Report by May 1st of the year following the year of the applicable Calculation Periods.

3.3 Seller has the sole right and discretion to revise a Monthly Estimate at any time prior to issuance of the Final Report. Any revisions to a Monthly Estimate will be reflected in subsequent Monthly Estimates or prior to the issuance of the Final Report.

3.4 Seller shall notify the California Energy Commission (CEC) pursuant to the then-current CEC regulations of the sale of the Contract Quantity and Incremental Contract Quantity, as applicable, of GHG-Free Energy for purposes of Power Content Label (PCL) reporting. Seller will report as a “sale” in its Power Source Disclosure Report the Contract Quantity and Incremental Contract Quantity, as applicable, from the Resources. Buyer may report as a “purchase” in its Power Source Disclosure Report the Contract Quantity and Incremental Contract Quantity from the Resources.

ARTICLE 4 **DAMAGES**

4.1 If Seller fails to deliver to Buyer the Contract Quantity of Product for any Contract Year during the Confirmation Delivery Period in accordance with Section 2.1, Seller shall not be liable for damages pursuant to Section 4.1 of the Master Agreement.

4.2 If this Confirmation is terminated prior to the end of the Confirmation Delivery Period, and if Buyer has paid for a portion of the Contract Quantity in accordance with Section 5.3, Seller shall provide to Buyer a Final Report in accordance with Section 3.2, which shall contain the prorated amount of GHG-Free Energy reflecting such payment, subject to Section 5.4.

ARTICLE 5 **COMPENSATION**

5.1 Calculation Period. The “Calculation Period” shall be each calendar month or portion thereof during the Confirmation Delivery Period that Product was delivered to the Delivery Point pursuant to this Confirmation.

5.2 Monthly Cash Settlement Amount. Buyer shall pay Seller the Monthly Cash Settlement Amount, in arrears, for each Calculation Period. The “Monthly Cash Settlement Amount” for a particular Calculation Period shall be equal to the sum of (a) plus (b) minus (c), where:

- (a) equals the sum, over all hours of the Calculation Period, of the Index Price multiplied by the quantity of Product delivered to the Delivery Point during that hour; and

- (b) equals the sum, over all hours of the Calculation Period, of the applicable GHG-Free Energy Premium multiplied by the quantity of Product delivered to the Delivery Point during that hour; and
- (c) equals the sum, over all hours of the Calculation Period, of the Index Price multiplied by the quantity of Product delivered to the Delivery Point during that hour.

5.3 Payment. Notwithstanding anything to the contrary in Article Six of the Master Agreement, Buyer shall pay Seller the Monthly Cash Settlement Amount on or before the later of (a) the twentieth (20th) day of the month in which the Buyer receives from Seller an invoice for the Calculation Period to which the Monthly Cash Settlement Amount pertains, or (b) within ten (10) days following receipt of an invoice issued by Seller for the Calculation Period or, if such day is not a Business Day, then on the next Business Day. For any sums due to Seller as the result of a revision to the final Monthly Estimate, Buyer shall pay Seller within ten (10) days following receipt of an invoice issued by Seller for such sums or, if such day is not a Business Day, then on the next Business Day.

5.4 Revisions. In accordance with Section 3.3, Seller may revise a Monthly Estimate at any time prior to issuance of the Final Report. Any revisions to a Monthly Estimate will be reflected in subsequent Monthly Estimates or prior to the issuance of the Final Report and invoiced pursuant to Section 5.3.

ARTICLE 6

CREDIT REQUIREMENTS

6.1 Party A Collateral Requirements

6.1.1 Section 8.2 of the Master Agreement, entitled “Party B Credit Protection”, and all corresponding provisions to Section 8.2 of the Master Agreement do not apply to this Confirmation.

6.2 Party B Collateral Requirements

6.2.1 Section 8.1 of the Master Agreement, entitled “Party A Credit Protection”, and all corresponding provisions to Section 8.1 of the Master Agreement do not apply to this Confirmation.

ARTICLE 7

SELLER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS

7.1 Seller represents and warrants the following:

7.1.1 that it has the contractual rights to sell all rights, title, and interest in the Product to be delivered hereunder;

7.1.2 it has not sold the Product required to be delivered hereunder, or any attribute thereof, to any other person or entity;

7.1.3 it will not substitute or purchase any Product from any generating resource other than from the Resources in the Resource Pool for delivery hereunder; and

7.1.4 it will not include the Product in any of its own Power Content Label (PCL) reporting except to allow it to provide the Product to Buyer consistent with Section 3.4.

7.1.5 it will provide all reasonable information to Buyer necessary for Buyer to timely comply with periodic compliance reporting requirements as set forth herein and as otherwise required by applicable law with respect to this Product, including documents that Buyer is required to maintain or provide to the California Air Resources Board (CARB) in accordance with Assembly Bill (AB) 32. Seller shall maintain adequate records to reasonably assist Buyer in meeting any reporting, verification, transfer, registration, or retirement requirements of a Governmental Authority associated with the Confirmation.

7.2 Seller makes no representation, warranty or covenant with respect to the following:

7.2.1 Characterization, qualities, presence, or non-presence of any greenhouse gas (GHG) emissions of the Resources in the Resource Pool, including whether Resources in the Resource Pool emit GHGs, the type of GHGs, the carbon intensity of the Resources or Resource Pool or anything related to the environmental attributes of the Resources within the Resource Pool.

7.2.2 The ability of Buyer to use the Product for any compliance, regulatory, or reporting purpose.

ARTICLE 8 - GENERAL

8.1 Condition Precedent. Notwithstanding Section 2.1 of the Master Agreement, this Confirmation shall not be effective, and the Delivery Period shall not commence, until it has been approved by the San Francisco Board of Supervisors. Buyer will submit the Transaction for approval by the San Francisco Board of Supervisors following the date the Confirmation is fully executed by both Parties. Buyer will provide Notice of such approval to Seller within 3 business days of such approval. If the San Francisco Board of Supervisors has not approved the Transaction by February 28, 2025, Seller may terminate the Transaction by giving written notice to Buyer. If the San Francisco Board of Supervisors fails to approve the Transaction, or if Seller terminates the Transaction pursuant to this Section 8.1, it shall not be an Event of Default of Buyer and Buyer shall not owe Seller a Termination Payment.

[Signatures on following page.]

ACKNOWLEDGED AND AGREED TO:

Buyer, or Party A:
CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS SAN FRANCISCO PUBLIC UTILITIES COMMISSION, CLEANPOWERSF

Seller, or Party B:
PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

DocuSigned by:
Sign: Dennis Herrera
0619F304C40A4DA...

Sign: Mark Muranishi

Print: Dennis J. Herrera

Print: Mark Muranishi

Title: General Manager

Title: Director, Structured Energy Transactions

Date: 09/11/2024 | 3:48:08 PM PDT

Date: 9/12/2024

Approved as to form:

DAVID CHIU
City Attorney

DocuSigned by:
By: Sushil Jacob
13D93367DB8F477...
Deputy City Attorney

APPENDIX A

DEFINED TERMS

Any capitalized terms used in this Confirmation but not otherwise defined below shall have the meaning ascribed to such term in the Master Agreement:

“Annual Delivery End Date” has the meaning set forth in Article 2.3.

“Annual Delivery Period” has the meaning set forth in Article 2.3.

“Annual Delivery Start Date” has the meaning set forth in Article 2.3.

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Product, or the terms of the Agreement.

“Buyer” means Party A.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“CEC” means the California Energy Commission.

“CPUC” means the California Public Utilities Commission.

“Calculation Period” means the calendar month or portion thereof during the Confirmation Delivery Period that Product was delivered to the Delivery Point pursuant to this Confirmation.

“California RPS” or “California Renewables Portfolio Standard” means the California renewables portfolio standard, as set forth in Cal. Pub. Util. Code §§ 399.11 et seq. and Cal. Pub. Res. Code §§ 25740-25751, and as administered by the CEC as set forth in the CEC RPS Eligibility Guidebook (9th Ed.), as may be subsequently modified by the CEC, and the California Public Utilities Commission (“CPUC”) as set forth in CPUC Decision (“D”) 08-08-028, D.08-04-009, D.11-01-025, D.11-12-020, D.11-12-052, D.12-06-038 and D.14-12-023, and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

“Confirmation Delivery End Date” has the meaning set forth in Article 2.3.

“Confirmation Delivery Period” has the meaning set forth in Article 2.3.

“Confirmation Delivery Start Date” has the meaning set forth in Article 2.3.

“Contract Price” means the sum of the GHG-Free Energy Price and GHG-Free Energy Premium, measured in \$/MWh, for each MWh of Product delivered to Buyer during the Confirmation Delivery Period.

“Contract Quantity” has the meaning set forth in Article 1.3.1.

“Contract Year” means the calendar year of the Annual Delivery Period

“Delivery Point” has the meaning set forth in Article 2.2.

“Energy” means electrical energy, measured in MWh.

“FERC” means the Federal Energy Regulatory Commission.

“GHG-Free Energy” means the Energy generated from Resources from the Resource Pool. GHG-Free Energy does not include any California RPS-eligible Energy generated from any Resource in the Resource Pool, nor does it include any California RPS-eligible attributes or any other current or future attributes associated with the Product.

“GHG-Free Energy Price” means the Index Price, measured in \$/MWh, for each MWh of Product.

“GHG-Free Energy Premium” means the incremental price to the GHG-Free Energy Price, measured in \$/MWh, for each MWh of Product, as defined in Appendix A.

“GHG-Free Energy Premium Amount” means the Contract Quantity multiplied by GHG-Free Energy Premium.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“Index Price” means the NP 15 Trading Hub price (as defined in the Tariff) measured in \$/MWh, for each MWh of Product, and associated with the Product to the Delivery Point for each applicable hour as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Large Hydroelectric” has the meaning set forth in Cal. Code Regs., Title 20, § 1391(k)

“MW” means megawatt.

“MWh” means megawatt-hour.

“Maximum Incremental Contract Quantity” means the optional maximum volume of GHG-Free Energy to be delivered under Article 1.3.2.

“Monthly Cash Settlement Amount” has the meaning set forth in Article 5.2.

“NP 15” means the transmission area north of Path 15.

“PG&E” means the Pacific Gas and Electric Company, its successors and assigns.

“Portfolio Share” means the percentage of the total GHG-Free Energy generated from the Resources during a Contract Year that is in excess of the Contract Quantity and third-party sales.

“Power Content Label” has the meaning set forth in Cal. Code Regs., Title 20, § 1393(a)(3).

“Power Source Disclosure Report” means the reporting requirements as required by the California Energy Commission and codified in Cal. Code Regs., Title 20, § 1391-1394.

“Product” has the meaning set forth in Section 1.1.

“Resource” means generation units contracted for through power purchase agreement by Seller or owned by Seller, as listed in the Resource Pools.

“Resource Pool” means aggregate of all Large Hydroelectric generation facilities that are Resources.

“Scheduling Coordinator (SC)” means an entity certified by the CAISO to perform the functions as described in the Tariff.

“Seller” means Party B.

“Tariff” means the FERC-approved California Independent System Operator Tariff, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as may be amended, supplemented or replaced from time to time.

APPENDIX B
LIST OF RESOURCES IN RESOURCE POOL

Resource Name	CAISO Resource ID	EIA IDs
Balch #1 PH	BALCHS_7_UNIT 1	217
Balch #2 PH	BALCHS_7_UNIT 2 BALCHS_7_UNIT 3	218
Belden	BELDEN_7_UNIT 1	219
Bucks Creek	BUCKCK_7_PL1X2	220
Butt Valley	BUTTVL_7_UNIT 1	221
Caribou 1	CARBOU_7_UNIT 1 CARBOU_7_PL2X3	222
Caribou 2	CARBOU_7_PL4X5	223
Cresta	CRESTA_7_PL1X2	231
Drum #1	DRUM_7_PL1X2 DRUM_7_PL3X4	235
Drum #2	DRUM_7_UNIT 5	236
Electra	ELECTR_7_PL1X3	239
Haas	HAASPH_7_PL1X2	240
James B Black	BLACK_7_UNIT 1 BLACK_7_UNIT 2	249
Kerckhoff #2 PH	KERKH2_7_UNIT 1	682
Kings River	KINGRV_7_UNIT 1	254
Pit 1	PIT1_7_UNIT 1 PIT1_7_UNIT 2	265
Pit 3	PIT3_7_PL1X3	266
Pit 4	PIT4_7_PL1X2	267
Pit 5	PIT5_7_PL1X2 PIT5_7_PL3X4	268
Pit 6	PIT6_7_UNIT 1 PIT6_7_UNIT 2	269
Pit 7	PIT7_7_UNIT 1 PIT7_7_UNIT 2	270
Poe	POEPH_7_UNIT 1 POEPH_7_UNIT 2	272
Rock Creek	RCKCRK_7_UNIT 1 RCKCRK_7_UNIT 2	275
Salt Springs	SALTSP_7_UNITS	279
Stanislaus	STANIS_7_UNIT 1	285
Tiger Creek	TIGRCK_7_UNITS	287
NID-Chicago Park	CHICPK_7_UNIT 1	412

APPENDIX C
NOTICE INFORMATION

Name: City and County of San Francisco,
acting by and through its San Francisco
Public Utilities Commission, CleanPowerSF

Name: Pacific Gas and Electric Company, a
California corporation

("Party A")
All Notices:

("Party B")
All Notices:

Mail Address:
Street: 525 Golden Gate Avenue
7th Floor
City: San Francisco State: CA Zip: 94102

Mail Address:
P.O. Box 28209
Oakland, CA 94612

Mail Address: (if different from above)

Mail Address:

Attn: Origination and Power Supply
Email: powerpurchasing@sfwater.org

Attn: Kelly Everidge,
Senior Director, Contract Management,
Settlements, and Reporting
Email: Kelly.Everidge@pge.com
Phone: (415) 517-6544

Invoices:
Attn: Power Invoices
Email: powerinvoices@sfwater.org;
Phone: (415) 554-3280

Scheduling:
Attn: Sunita Jones
Email: powerscheduler@sfwater.org;
skjones@sfwater.org
Phone: (415) 554-1575

Credit and Collections:
Attn: Edward Kwong
E-mail: EKwong@sfwater.org

Defaults:
Attn: Michael Hyams, Director
Phone: (415) 554-1590
Email: Mhyams@sfwater.org
Address: 525 Golden Gate Avenue,
7th Floor
San Francisco, CA 94102

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 24-0215

WHEREAS, The San Francisco Board of Supervisors established a Community Choice Aggregation (CCA) program in 2004 (Ordinance 86-04) and has implemented the program called CleanPowerSF, through the work of the San Francisco Public Utilities Commission (SFPUC) in consultation with the San Francisco Local Agency Formation Commission (Ordinances 146-07, and 232-09); and

WHEREAS, In April 2019, CleanPowerSF completed citywide enrollment of residential accounts, with an annual energy requirement of approximately 3,000 gigawatt-hours; and

WHEREAS, On July 15, 2024, Pacific Gas and Electric Company (“PG&E”) issued a Greenhouse Gas-Free (“GHG-Free”) Energy Sale - Solicitation, to solicit bids from participants to purchase GHG-Free Energy generated in 2024-2025; and

WHEREAS, On July 31, 2024 SFPUC staff submitted a bid into the PG&E GHG-Free Energy Sale – Solicitation to purchase GHG-Free Energy from hydroelectric resources for CleanPowerSF for 2025 delivery; and

WHEREAS, On August 6, 2024 PG&E notified SFPUC that its bid to purchase 2025 GHG-Free Energy was accepted and on August 8, 2024, SFPUC staff responded to PG&E accepting the awarded bid, as required by PG&E to continue in the process; and

WHEREAS, The proposed GHG-Free Energy contract with PG&E represents one of the best available opportunities to secure 2025 GHG-Free Energy supplies in support of CleanPowerSF’s City electricity procurement requirement to achieve and maintain 100% clean and renewable electricity supplies starting in 2025; and

WHEREAS, The proposed 2025 GHG-Free Energy Contract with PG&E requires that certain City contract-related requirements be waived, and the General Manager has waived such requirements pursuant to the waiver authority of the San Francisco Administrative Code 21.43; and

WHEREAS, San Francisco Administrative Code 21.43 delegates authority to the General Manager to enter into agreements with binding arbitration provisions with Investor-Owned Utilities (IOUs), including PG&E, but not for contracts of this specific product type; and

WHEREAS, The proposed 2025 GHG-Free Energy Contract requires binding arbitration, and therefore will require approval from the Board of Supervisors; and

WHEREAS, PG&E’s solicitation required CleanPowerSF to execute the 2025 GHG-Free Energy Contract before receiving approval from the Board of Supervisors; and

WHEREAS, The General Manager signed the 2025 GHG-Free Energy Contract on September 11, 2024, subject to the condition precedent that the contract will not be effective until it is approved by the Board of Supervisors; and

WHEREAS, This approval does not constitute a “project” under the California Environmental Quality Act Guidelines section 15378(a) because it will not result in direct or indirect physical changes in the environment; now, therefore be it

RESOLVED, That this Commission hereby approves the CleanPowerSF 2025 GHG-Free Energy Contract with binding arbitration; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager to seek Board of Supervisors approval of the 2025 GHG-Free Energy Contract, subject to binding arbitration, in an amount not to exceed \$8,955,000 and a contract duration of one year.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of October 22, 2024.



Director of Commission Affairs
San Francisco Public Utilities Commission



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
 Phone: 415.252.3100 . Fax: 415.252.3112
ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 241059

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4
 (S.F. Campaign and Governmental Conduct Code § 1.126(f)4)
 A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION	
TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD	
OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT	
NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT	
NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Julia Olguin	415-622-6413
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
PUC Power Enterprise	JOlguin@sflower.org

5. CONTRACTOR	
NAME OF CONTRACTOR PG&E	TELEPHONE NUMBER 1-800-743-5000
STREET ADDRESS (including City, State and Zip Code) 300 Lakeside Drive, Suite 210, Oakland, CA 94612	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 241059
DESCRIPTION OF AMOUNT OF CONTRACT \$8,955,000		
NATURE OF THE CONTRACT (Please describe) This contract is for CleanPowerSF to purchase Greenhouse Gas-Free hydroelectric energy from Pacific Gas and Electric Company for Calendar Year 2025 delivery. The total contract cost is not to exceed \$8,955,000.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Awada/P&G&E	Kaled	Other Principal Officer
2	Singh/P&G&E	Sumeet	COO
3	Poppe/P&G&E	Patricia	CEO
4			
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
---	---------------------------



FROM: Jeremy Spitz, Policy and Government Affairs

DATE: October 25, 2024

SUBJECT: [Greenhouse Gas Energy Sale - Pacific Gas and Electric Company - CleanPowerSF Greenhouse Gas-Free Energy Supplies - Not to Exceed \$8,955,000]

Please see attached a proposed Resolution approving a Greenhouse Gas-Free Contract for CleanPowerSF with the Pacific Gas and Electric Company to acquire the renewable electricity supplies needed to meet and maintain the City and County of San Francisco's clean energy targets, in an amount not to exceed \$8,955,000, with a term of one year, from January 1, 2025 through December 31, 2025, with binding arbitration.

The following is a list of accompanying documents:

- Proposed Resolution (Word Doc Version)
- Executed Agreement (PDF Version)
- Form 126 (PDF Version)
- SFPUC Resolution No.24-0215 (PDF Version)

Please contact Jeremy Spitz at jspitz@sfgwater.org if you need any additional information on these items.

London N. Breed
Mayor

Kate H. Stacy
Commissioner

Joshua Arce
Commissioner

Avni Jamdar
Commissioner

Steve Leveroni
Commissioner

Dennis J. Herrera
General Manager

