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City and County of San Francisco – Hetch Hetchy Power & CleanPowerSF Request for Offers 2021-2022 Resource Adequacy Supplies October 16, 2020

Background

The San Francisco Public Utilities Commission (SFPUC) - Power Enterprise is a department of the City and County of San Francisco (CCSF). The SFPUC operates Hetch Hetchy Power, a full-service retail utility, and CleanPowerSF, San Francisco’s Community Choice Aggregation Program, serving commercial and residential customers in the City and County of San Francisco. The SFPUC is a member of the WSPP under the name City and County of San Francisco (CCSF).

The SFPUC issues this Request for Offers (RFO) to purchase Resource Adequacy (RA) supplies delivered 2021-2022 for **two counterparties**: 1) Hetch Hetchy Power; and 2) CleanPowerSF.

The SFPUC is seeking the following Resource Adequacy products:

- System RA Capacity
 - North System
 - South System
- Local + Flexible RA Capacity
 - Bay Area
 - Humboldt
 - North Coast/North Bay
 - Sierra
 - Stockton
 - Fresno
 - Kern

Bids are requested in \$/kW-month as specified in the Bid Workbook – Exhibit A.

The SFPUC is willing to accept offers for simultaneous buy/sell transactions, in which prospective counterparties offer to sell Local and/or Flexible Resource Adequacy Products to the SFPUC, and simultaneously purchase System Resource Adequacy Products from the SFPUC.

Proposal Timing

RFO Issued	October 16, 2020
Bids Due	12:00 PM PDT, October 21, 2020
Notification of Award	October 21, 2020

Please submit bids to powerpurchasing@sfgwater.org by **12:00 PM PDT on Wednesday, October 21, 2020**. Bids will be evaluated on an ongoing basis and respondents are encouraged to submit bids early.

On or before October 21, the SFPUC will notify shortlisted sellers of their accepted offers to commence contract negotiations.

Enabling Agreement -- Required amendments to WSPP confirmation:

The SFPUC purchases energy under the WSPP agreement. The resulting transactions from this request shall be executed and confirmed using the WSPP confirmation. The SFPUC requires the following amendments to the confirmation for each counterparty:

Counterparty: Hetch Hetchy Power

- **Guaranteed Maximum Cost.**
 - **Controller Certification.** Buyer's obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of Buyer are not authorized to request, and Buyer is not required to reimburse Seller for, commodities or services beyond the agreed upon Transaction scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of Buyer are not authorized to offer or promise, nor is Buyer required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller for the City and County of San Francisco ("Controller") is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.
 - **Biannual Budget Process.** For each City biannual budget cycle during the term of this Confirmation, Buyer agrees it to take all necessary action to will include the maximum amount of its annual payment obligations under this Confirmation in its budget submitted to the City's Board of Supervisors for each year of that budget cycle.
- **Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Seller may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure in San Francisco (collectively, "Political Activity") in the performance of this Agreement. Seller agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Seller violates the provisions of this Section, Buyer may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Seller from bidding on or receiving any new City contract for a period of two years. The Controller will not consider Seller's use of profit as a violation of this Section.
- **Nondiscrimination Requirements.**
 - Seller shall comply with the provisions of Chapter 12B of the San Francisco Administrative Code. Seller shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a) and 12B.2(c)-(k) of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Seller is subject to the enforcement and penalty provisions in Chapters 12B and 12C.
 - Seller represents that it does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in the City of San Francisco, on real property owned by the City, or where work is being performed for the Buyer elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.
- **Compliance with Laws.** Each Party shall keep itself fully informed of all applicable federal, state, and local laws, ordinances, or regulations that in any manner affect the performance of this

Agreement, and must at all times comply with all such laws, ordinance, or regulations they may be amended from time to time.

- Section 24 of the WSPP Agreement is deleted and replaced with the following: “This WSPP Agreement and any Confirmation shall be governed by and construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflicts of law.”
- City Vendor Requirements. Notwithstanding any other provision of this Agreement, Buyer shall not be deemed to be in default of this Agreement and no Late Payment Penalty shall be assessed if an invoice under this Agreement cannot be processed by Buyer due to Seller’s failure to comply with all applicable City requirements for City contractors, including but not limited to certification of vendors under Chapter 12 of the San Francisco Administrative Code, payment of business license fees or taxes, insurance requirements, registration in the City’s vendor payment processing system, or any other current or future City requirement for vendor payment processing. Seller understands and acknowledges that vendor certifications may include annual renewals and additional certification requirements may apply to assignees or changes in ownership or control of Seller.

Counterparty: CleanPowerSF

- **Guaranteed Maximum Cost.**
 - **Controller Certification.** Buyer’s obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of Buyer are not authorized to request, and Buyer is not required to reimburse Seller for, commodities or services beyond the agreed upon Transaction scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of Buyer are not authorized to offer or promise, nor is Buyer required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller for the City and County of San Francisco (“Controller”) is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.
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- **Designated Fund.**
 - **Auto-Appropriating Designated Fund.** Buyer’s obligations under this Confirmation shall be paid from a SFPUC designated fund that will automatically appropriate CleanPowerSF revenues on an annual basis without further action and which shall be used solely for CleanPowerSF’s costs and expenses, including the Buyer’s obligations under this Confirmation. Buyer agrees to set CleanPowerSF’s rates and charges that are sufficient to maintain revenues necessary to pay all of Buyer’s payment obligations under its contracts for the purchase of energy or energy related products for CleanPowerSF. Buyer shall provide Seller with reasonable access to account balance information with respect to the CleanPowerSF designated fund at all times during the Delivery Period.
 - **Limited Obligations.** Buyer’s obligations under this Confirmation are special limited obligations of CleanPowerSF payable solely from the revenues of CleanPowerSF. The obligations are not a charge upon the revenues or general fund of the SFPUC or the City or upon any non-CleanPowerSF moneys or other property of the SFPUC or the City.
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How to Respond

- Preference will be given to entities that are a WSPP member or have an existing Master Agreement in place with either counterparty.
- Provide information summarizing your specific bid(s) by completing Exhibit A.
- Attach any additional information relevant to your bid.
- SFPUC Origination and Power Supply staff will respond with an email to confirm your bid has been received.
- **Responses and/or questions should be addressed to: powerpurchasing@sfgwater.org**

Post-Response Negotiations

SFPUC reserves the right to enter into discussions with respondent to gain clarity on its bid, or to suggest a partial amendment to the offer.

Disclaimer and Confidentiality



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SFPUC reserves the right, without qualification and in its sole discretion, to reject any or all offers, accept multiple bids, and to terminate this request for bid in whole or in part at any time. Without limiting the foregoing, SFPUC further reserves the right in its sole discretion, to decline to enter into any agreement with any counterparty for any reason.

It is not SFPUC's intent to publicly disclose individual respondent proprietary information obtained in response to this request. This request is intended to provide information for SFPUC to select a bid to purchase energy, it should NOT be construed as a commitment by SFPUC to enter into a contractual agreement, nor will SFPUC pay for information solicited.