

1 [Transmission Facilities Agreement - Pacific Gas and Electric Company - Electric Grid
2 Interconnection - \$21,165,000]

3 **Ordinance approving a Transmission Facilities Agreement with Pacific Gas and Electric**
4 **Company to interconnect City-owned transmission facilities to the electric grid for a**
5 **total cost of \$21,165,000 and a term of four years and three months commencing in**
6 **April 2021 and ending in June 2025, and waiving certain provisions of the**
7 **Administrative and Environment Codes.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Background and Findings.

17 (a) The Public Utilities Commission (PUC) is constructing the Bay Corridor
18 Transmission and Distribution project (BCTD) which consists of a high voltage electric
19 transmission line, transmission substation, and related electric facilities in the southeast area
20 of the City. The PUC will interconnect new customers in the southeast area directly to the
21 BCTD, thereby avoiding distribution level connections with Pacific Gas and Electric (PG&E)
22 for these customers and avoiding the significant disputes, delays, and high costs associated
23 with interconnecting and serving customers through PG&E's distribution system.

24 (b) The BCTD must be interconnected to PG&E's transmission system in order to
25 energize the BCTD and deliver Hetch Hetchy power to customers. The BCTD will be
connected at PG&E's Potrero Switchyard located at 1201 Illinois Street. In order to provide

1 service to BCTD, PG&E will design and construct upgrades to PG&E's switchgear at the
2 Potrero Switchyard and a line to the PUC's new substation located on Davidson Avenue
3 (Upgrades) and the PUC will pay PG&E \$18,600,000 for the cost of the Upgrades. In
4 addition, after construction and energization of the Upgrades, the PUC will pay PG&E a
5 monthly cost of ownership charge of \$57,000 for the 45 month term of the TFA to own,
6 operate, maintain, and repair the Upgrades for a total of \$2,565,000 in monthly charges for
7 the term of the TFA.

8 (c) The PUC and PG&E must execute a Transmission Facilities Agreement (TFA)
9 providing for the construction of the Upgrades. The draft TFA is on file with the Clerk of the
10 Board of Supervisors in File No. 210159 and is incorporated by reference as if fully set forth
11 herein. The Public Utilities Commission approved the TFA at its meeting on January 26, 2021
12 in Resolution No. 21-0010.

13 (d) The TFA is a form agreement that is part of PG&E's Transmission Owner Tariff
14 and is approved by the Federal Energy Regulatory Commission (FERC). Because the TFA is
15 a tariffed form agreement that must comply with FERC requirements, it is not possible to
16 include the City's standard contract terms and conditions in the TFA.

17 (e) The TFA will take effect upon approval by FERC and expire on June 30, 2025.
18 Upon expiration of the TFA, the PUC anticipates that it will enter into a second TFA with
19 PG&E for the continued operation, maintenance, and repair of the Upgrades.

20 (f) The City Attorney has approved the liability and idemnification language set forth in
21 sections 19 and 20 of the TFA.

22 (g) The PUC's Risk Manager has approved the insurance language set forth in the
23 TFA.

24 (h) The PUC's Bureau of Environmental Management determined that the construction
25 of the new Davidson Substation and connection to the PG&E Potrero Switchyard is

1 categorically exempt under CEQA Guidelines Section 15303 and on October 24, 2019 the
2 Planning Department concurred with this determination under case number 2019-
3 013330ENV.

4
5 Section 2. Authorization of the TFA. Pursuant to Charter Section 9.118, the Board of
6 Supervisors hereby authorizes the General Manager of the PUC to execute the TFA with
7 PG&E in an amount not to exceed \$21,165,000 for construction of the Upgrades and the
8 \$57,000 monthly charges, and to make modifications to the agreement so long as the General
9 Manager and City Attorney determine that the modifications do not materially decrease the
10 City's rights or increase its liabilities.

11
12 Section 3. Waivers of the Administrative Code and the Environment Code.

13 (a) The Board of Supervisors hereby waives the following Administrative and
14 Environment Code sections for the TFA and finds such waivers to be necessary and in the
15 public interest:

- 16 (1) Non-discrimination in contracts (Admin. Code Chapter 12B);
17 (2) Minimum compensation (Admin. Code Chapter 12P);
18 (3) Health care accountability (Admin. Code Chapter 12Q);
19 (4) Consideration of criminal history in hiring (Admin. Code Chapter 12T);
20 (5) Increased participation by small and micro local businesses in City
21 contracts (Admin. Code Chapter 14B);
22 (6) The competitive bidding requirement (Admin. Code Section 21.1);
23 (7) First source hiring requirements (Admin. Code Chapter 83);
24 (8) The tropical hardwood and virgin redwood ban (Environ. Code
25 Chapter 8); and

