

1 [Professional Services Agreement Amendment - APX Inc. - California Independent System
2 Operator Power Transmission Service Charges - Not to Exceed \$1,261,492,022]

3 **Resolution approving and authorizing the General Manager of the San Francisco Public**
4 **Utilities Commission to execute Amendment No. 3 to Contract No. PRO.0152, Power**
5 **Scheduling Coordination and Related Support Services, with APX Inc., to allow for the**
6 **processing of the California Independent System Operator power transmission service**
7 **charges, to increase the contract by \$365,749,222 for a total not to exceed contract**
8 **amount of \$1,261,492,022 and to extend the contract term for an additional three years**
9 **starting March 10, 2027, for a total term of May 31 2022, through May 25, 2030, pursuant**
10 **to Charter, Section 9.118.**

11
12 WHEREAS, In order for the San Francisco Public Utilities Commission (SFPUC) to
13 provide service to its electric customers, it must transmit electric energy through the
14 transmission system controlled by the California Independent System Operator (CAISO) and
15 conduct wholesale electricity transactions through the CAISO-operated wholesale market; and

16 WHEREAS, Only entities that have been certified as Scheduling Coordinators may
17 interact with the CAISO to schedule all power deliveries over the transmission system and to
18 process payments for electricity transactions; and

19 WHEREAS, The SFPUC is not a CAISO-certified Scheduling Coordinator and, without
20 contracting with a certified Scheduling Coordinator, the SFPUC will not be able to transport
21 power to its electric customers or engage in the CAISO wholesale markets; and

22 WHEREAS, It is necessary to procure the services of a qualified firm to provide
23 specialized services including, but not limited to: CAISO communications, settlements, dispute
24 resolution, invoice processing, Congestion Revenue Rights management services, and
25

1 processing all SFPUC payments to the CAISO for transmission and wholesale electricity
2 transaction payments, charges, costs, and fees; and

3 WHEREAS, On July 16, 2021, the SFPUC advertised a Request for Proposals for a
4 firm to assist the SFPUC with power scheduling coordination and scheduling agent services
5 for the SFPUC's participation in the markets of the CAISO, with services anticipated to begin
6 in April 2022 and end in March 2027, for a term of five years; and

7 WHEREAS, The SFPUC Power and Contract Monitoring Division (CMD) staff, upon
8 review of the proposal, determined that APX was a responsive and responsible firm based on
9 the established scoring criteria; and

10 WHEREAS, On March 8, 2022, by Resolution No. 079-22, this Board of Supervisors
11 authorized the General Manager of the SFPUC to execute Contract No. PRO.0152, Power
12 Scheduling Coordination Services and Related Support Service, with APX to assist with
13 power scheduling coordination services required for the SFPUC's participation in the CAISO
14 electricity market, for an amount not to exceed \$134,742,800 and with services anticipated to
15 begin in April 2022, and end on March 9, 2027, for a term of five years; and

16 WHEREAS, On January 6, 2023, the General Manager of the SFPUC executed the
17 First Amendment to the APX agreement to account for higher than expected wholesale
18 energy market prices in California due to trade disruptions, war, supply chain delays, extreme
19 weather changes and severe drought under the authority delegated by the Board in
20 Administrative Code, Section 21.43 for power purchases; and

21 WHEREAS, The First Amendment did not change the services of the contract, only the
22 amount for CAISO pass-through charges, increasing it by \$125,000,000 for a total contract
23 not to exceed amount of \$259,742,800; and

24 WHEREAS, On March 7, 2023, by Resolution No. 095-23, this Board of Supervisors
25 authorized the General Manager of the SFPUC to execute Amendment No. 2 to Contract No.

1 PRO.0152 with APX, increasing the contract by \$636,000,000 for a total not to exceed
2 contract amount of \$895,742,800, in order to continue payment of the CAISO power
3 transmission service charges due to continued energy market volatility; and

4 WHEREAS, The SFPUC is preparing to issue a new Request for Offers for power
5 scheduling coordination and scheduling agent services; and

6 WHEREAS, The SFPUC is enhancing its in-house resources to allow it to refine the
7 scope and technical requirements of the solicitation in the hope that it will result in a more
8 competitive and diverse bidder pool, improved proposal quality, so that the next contract will
9 deliver better value to the SFPUC; and

10 WHEREAS, The SFPUC is now seeking approval of Amendment No. 3 to increase the
11 contract by \$365,749,222 for a total not to exceed contract amount of \$1,261,492,022, in
12 order to continue payment of the CAISO power transmission service charges through APX to
13 provide continuity of service while the SFPUC strengthens internal capacity and expertise
14 ahead of issuing the new Request for Offers; and

15 WHEREAS, Funds for the Contract will be available at the time of execution from the
16 Hetch Hetchy Power Operating Budget, the CleanPowerSF Operating Budget, and the
17 CleanPowerSF Customer Fund; and

18 WHEREAS, Pursuant to Chapter 14B of the San Francisco Administrative Code, the
19 Contract Monitoring Division (CMD) Local Business Enterprise sub-consulting requirement
20 has been waived for this contract; and

21 WHEREAS, On July 22, 2025, by Resolution No. 25-0123, the SFPUC Commission
22 approved Amendment No. 3 to Contract No. PRO.0152, Power Scheduling Coordination and
23 Related Support Services, with APX Inc., to allow for the processing of the CAISO power
24 transmission service charges, to increase the contract by \$365,749,222, for an additional
25

1 three years, with a new term starting March 2022 through April 2030, pursuant to Section
2 9.118 of the Charter; now, therefore, be it

3 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of
4 the SFPUC to execute Amendment No. 3 to Contract No. PRO.0152, to increase the contract
5 by \$365,749,222 for a total not to exceed contract amount of \$1,261,492,022 and with a
6 duration of eight years, and to make amendments to the Agreement, as needed, that do not
7 materially increase the obligations or liabilities of the City or reduce the benefits of the City;
8 and, be it

9 FURTHER RESOLVED, That within thirty (30) days of the Amendment being fully
10 executed by all parties, the SFPUC shall provide the final agreement to the Clerk of the Board
11 for inclusion into the official file.