

1 [Professional Services Agreement - Archer Energy Solutions, LLC - PRO.0327, Hetch Hetchy  
2 Water and Power North American Electric Reliability Corporation Compliance and Audit  
3 Support - Not to Exceed \$11,600,000]

3

4 **Resolution approving and authorizing the General Manager of the San Francisco Public**  
5 **Utilities Commission to execute Contract No. PRO.0327, Hetch Hetchy Water and**  
6 **Power North American Electric Reliability Corporation Compliance and Audit Support**  
7 **to Archer Energy Solutions, LLC, to provide as-needed professional services to Hetch**  
8 **Hetchy Water and Power to meet North American Electric Reliability Corporation,**  
9 **Western Electricity Coordinating Council, California Independent System Operator, and**  
10 **California Public Utilities Commission regulatory requirements for an amount not to**  
11 **exceed \$11,600,000 and with a duration of five years, with an anticipated timeframe**  
12 **from May 2026 through May 2031, pursuant to Charter, Section 9.118.**

13

14 WHEREAS, Hetch Hetchy Water and Power (HHWP), a Division of the Water  
15 Enterprise of the San Francisco Public Utilities Commission (SFPUC), is an owner, operator,  
16 and user of the Bulk Electric System and, as such, is subject to compliance with the North  
17 American Electric Reliability Corporation (NERC) Reliability Standards that are implemented  
18 by the Western Electricity Coordinating Council (WECC); and

19 WHEREAS, HHWP has responsibilities under the NERC Operations and Planning  
20 Standards and the Critical Infrastructure Protection Standards; and

21 WHEREAS, HHWP has been responsible for operating the SFPUC's NERC  
22 Compliance Program for over 16 years; and

23 WHEREAS, There are currently over 56 Reliability Standards with 254 individual  
24 requirements pertaining to 1,862 devices that are applicable to HHWP, without the requested  
25

1 services, including processes, procedures, and documentation to demonstrate implementation  
2 of the requirements, HHWP will be unable to maintain compliance with NERC Standards; and

3 WHEREAS, Violation of these standards can have significant financial and reputational  
4 implications including penalties ranging from \$1,000 to \$1,545,000 per violation per day,  
5 expenditures on legal defense, development of costly mitigation plans, and impacts on the  
6 City and County of San Francisco's reputation within the industry and with the public; and

7 WHEREAS, It is necessary to procure professional services of qualified consultants to  
8 support HHWP in meeting NERC/WECC Reliability Standards, and related regulatory  
9 requirements of the California Independent System Operator (CAISO) and California Public  
10 Utilities Commission (CPUC); and

11 WHEREAS, On May 27, 2025, the SFPUC advertised a Request for Proposals (RFP)  
12 for HHWP's NERC/WECC Compliance Program; and

13 WHEREAS, SFPUC and Contract Monitoring Division (CMD) staff, upon review of the  
14 proposal scores, determined that Archer Energy Solutions, LLC (Archer) is the highest ranked  
15 firm based on the established scoring criteria; and

16 WHEREAS, The CMD waived the Local Business Enterprise subconsultant  
17 participation requirement for this contract; and

18 WHEREAS, Funds for Contract No. PRO.0327 will be available from current and future  
19 appropriations to Hetch Hetchy Water and Power Project 10025712 WECC/NERC  
20 Compliance; and

21 WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors' approval by  
22 Resolution of any contract extending longer than 10 years or costing the City \$10,000,000 or  
23 more; and

24 WHEREAS, On March 10, 2026, by Resolution No.26-0038, the SFPUC Commission  
25 authorized the General Manager of the SFPUC to execute Contract No. PRO.0327, HHWP

1 NERC Compliance and Audit Support, to Archer, to provide as-needed professional services  
2 to Hetch Hetchy Water and Power to meet the NERC/WECC, CAISO, and CPUC regulatory  
3 requirements for an amount not to exceed \$11,600,000 and with a duration of five years, and  
4 a term from May 2026 through May 2031, pursuant to Charter, Section 9.118; now, therefore,  
5 be it

6 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of  
7 the SFPUC to execute Contract No. PRO.0327, HHWP NERC Compliance and Audit Support,  
8 to Archer, for an amount not to exceed \$11,600,000 and with a duration of five years, with an  
9 anticipated timeframe from May 2026 through May 2031; and, be it

10 FURTHER RESOLVED, That this Board of Supervisors authorizes the General  
11 Manager to enter into any amendments or modifications to the contract that the General  
12 Manager determines, in consultation with the City Attorney, are in the best interest of the City,  
13 do not materially increase the obligations or liabilities of the City or materially diminish the  
14 benefits to the City, are necessary or advisable to effectuate the purposes and intent of this  
15 resolution, and are in compliance with all applicable laws, including the City Charter; and, be it

16 FURTHER RESOLVED, That within 30 days of the Agreement being fully executed by  
17 all parties, the SFPUC shall provide the signed revised contracts to the Clerk of the Board for  
18 inclusion in the official file.

19  
20  
21  
22  
23  
24  
25