

1 [Amendment Agreement - Retroactive - Calpine Energy Services, L.P. - Purchase of
2 Renewable Energy and Electricity-Related Products - Not to Exceed \$220,299,120 in
3 Purchases - Agreement - Purchase of Electricity-Related Products - Not to Exceed
4 \$59,400,000]

5 **Resolution retroactively authorizing CleanPowerSF to execute an amendment to an**
6 **agreement with Calpine Energy Services, L.P. for electricity-related products to**
7 **increase the cost by \$27,000,000 for a total of \$30,240,000 and to extend the term by**
8 **seven years for a term ending December 31, 2029; approving an amendment to an**
9 **agreement with Calpine for renewable energy to increase the cost by \$193,299,120 for a**
10 **total of \$242,370,666 and to extend the term by seven years for a term ending**
11 **December 31, 2029, for a total of \$220,299,120 not to exceed in purchases; and**
12 **approving an agreement with Calpine Energy Services, L.P. for electricity-related**
13 **products for \$59,400,000 with a term of January 1, 2024, through December 31, 2029.**

14 WHEREAS, State law allows cities and counties to develop community choice
15 aggregation (CCA) programs, through which local governments supply electricity to serve the
16 needs of participating customers within their jurisdictions while the existing utility continues to
17 provide services such as customer billing, transmission, and distribution; and

18 WHEREAS, In May 2016, the San Francisco Public Utilities Commission (PUC)
19 launched a CCA program called CleanPowerSF to provide San Francisco residents and
20 businesses the option to receive cleaner, more sustainable electricity at rates comparable to
21 those offered by Pacific Gas & Electric Company (PG&E); CleanPowerSF uses clean and
22 renewable energy purchased from various facilities, including energy from the City's municipal
23 utility, Hetch Hetchy Power; and

24 WHEREAS, State law requires load serving entities (LSEs) that provide electric service
25 to customers, such as CleanPowerSF and Hetch Hetchy Power, to own or procure certain

1 quantities of electricity-related products known as Resource Adequacy (RA) that is necessary
2 to meet regulatory requirements; the RA requirements are set annually and specify quantities
3 of different types of RA products in a number of different geographical areas that each LSE is
4 required to own or procure; and

5 WHEREAS, In July 2020, the CPUC provided each LSE, including CleanPowerSF, with
6 a preliminary notice of the volumes of RA the LSE is required to own or procure for each
7 month of 2021 and 2022, and on September 18, 2020, the CPUC provided final notice of the
8 actual volumes of each type of RA product that each LSE is required to procure by October
9 31, 2020, in order to meet its RA compliance obligations; and

10 WHEREAS, CleanPowerSF was required to purchase additional RA products in order
11 to meet the October 31, 2020, compliance deadline; and

12 WHEREAS, CleanPowerSF issued solicitations for RA supply on August 3, September
13 2, September 29, and October 16, 2020, and participated in solicitations issued by other LSEs
14 to purchase and sell RA; and

15 WHEREAS, In response to a solicitation, Calpine Energy Services, LP (Calpine)
16 submitted offers to CleanPowerSF to increase the volumes of RA and energy sold to
17 CleanPowerSF from the Geysers geothermal facility and an offer to sell RA from other
18 facilities located in California pursuant to a master power purchase and sale agreement with
19 Calpine (Calpine Agreement) which was approved by the Board in Ordinance No. 223-15 and
20 is on file with the Clerk of the Board of Supervisors in File No. 150408; and

21 WHEREAS, The PUC General Manager has agreed to provide advance notification
22 and an opportunity for consultation to the PUC Commission and to the Board of Supervisors
23 through a resolution if the General Manager believes the PUC may be required to seek
24 retroactive Board of Supervisors approval of power supply contracts; and

25 WHEREAS, CleanPowerSF seeks approval for three transactions with Calpine:

1 1) An amendment to an agreement with Calpine for purchases of RA supplies,
2 whereby Calpine will purchase additional volumes of RA product from Calpine from the
3 Geysers geothermal facility, increasing the total contract cost by \$27,000,000 to \$30,240,000
4 and extending the term from December 31, 2022, to December 31, 2029. CleanPowerSF
5 executed this amendment on October 30, 2020, in order to meet the October 31 compliance
6 deadline and seeks retroactive approval here.

7 2) An amendment to an agreement for CleanPowerSF to purchase renewable energy
8 from the Geysers geothermal facility, increasing the amount of purchases by \$193,299,120 for
9 a total contract amount of \$242,370,666 and extending the term by seven years to December
10 31, 2029. This amendment would also extend Calpine’s community benefits commitment.

11 3) An agreement to sell to CleanPowerSF certain RA products for the period January 1,
12 2024, through December 31, 2029, with a total cost of \$59,400,000; now, therefore, be it

13 RESOLVED, That the Board of Supervisors retroactively authorizes the General
14 Manager of the Public Utilities Commission to enter into an amendment to an agreement to
15 purchase RA from Calpine in an amount not to exceed \$27,000,000 and to extend the term of
16 the agreement by seven years to December 31, 2029; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
18 Manager of the Public Utilities Commission to enter into an amendment to the Calpine
19 Geysers renewable energy agreement in an amount not to exceed \$193,299,120, to extend
20 the term by seven years to December 31, 2029, and to extend Calpine’s community benefits
21 commitment; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
23 Manager of the Public Utilities Commission to enter into an agreement with Calpine to
24 purchase RA in an amount not to exceed \$59,400,000; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
2 Manager of the Public Utilities Commission to make amendments to the agreements, as
3 needed, that do not materially increase the obligations or liabilities of the City or reduce the
4 benefits to the City; and, be it

5 FURTHER RESOLVED, If the PUC believes retroactive approval of power supply
6 contracts may be necessary and fails to provide advance notification to the Board of
7 Supervisors, the PUC shall provide a justification for the failure to provide advance notice in
8 the resolution or ordinance seeking retroactive approval and the justification shall be subject
9 to scrutiny by the Board of Supervisors; and be it

10 FURTHER RESOLVED, That within thirty (30) days of the amendments and agreement
11 being fully executed by all parties, the San Francisco Public Utilities Commission shall provide
12 the final amendments and agreement to the Clerk of the Board for inclusion into the official
13 file.

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