

1 [Professional Services Agreement - APX Inc. - Power Scheduling Coordination Services and
2 Related Support Services - Not to Exceed \$136,500,000]

3 **Resolution authorizing the General Manager of the San Francisco Public Utilities**
4 **Commission (SFPUC) to execute Power Enterprise Operating Budget-funded**
5 **Agreement No. PRO.0152 with APX Incorporated to assist with power scheduling**
6 **coordination services required for the SFPUC’s participation in the California**
7 **Independent System Operator electricity market, for an amount not to exceed**
8 **\$136,500,000 and with services anticipated to begin in April 2022, and end in March**
9 **2027, for a term of five years.**

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

15 WHEREAS, Only entities that have been certified as Scheduling Coordinators (SC)
16 may interact with the CAISO to schedule all power deliveries over the transmission system
17 and to process payments for electricity transactions; the SFPUC is not a CAISO-certified SC;
18 without contracting with a certified SC, the SFPUC will not be able to transport power to its
19 electric customers or engage in the CAISO wholesale markets; and

20 WHEREAS, It is necessary to procure the services of a qualified firm to provide
21 specialized services including, but not limited to: CAISO communications, settlements, dispute
22 resolution, and invoice processing and Congestion Revenue Rights (CRR) management
23 services and processing all SFPUC payments to the CAISO for transmission and wholesale
24 electricity transaction payments, charges, costs, and fees; and

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

5 WHEREAS, The SFPUC received one proposal in response to the RFP from APX
6 Incorporated (APX), which currently serves as the SFPUC's scheduling coordinator; and

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

10 WHEREAS, The estimated cost of Power Enterprise Operating Budget-funded
11 Agreement No. PRO.0152 (Agreement) is \$136,500,000, with payments to APX in an amount
12 not to exceed \$6,000,000 for the scheduling coordinator services and \$130,500,000 in pass-
13 through payments to the CAISO which will be processed by APX without a mark-up; and

14 WHEREAS, On January 11, 2022, per Resolution No. 22-0014, the SFPUC approved
15 the selection of APX, and authorized the General Manager to seek approval from the Board of
16 Supervisors under Charter, Section 9.118 to execute the Agreement; and

17 WHEREAS, Pursuant Chapter 14B of the San Francisco Administrative Code, the
18 Local Business Enterprise (LBE) sub-consulting requirement has been waived for this
19 Agreement; and

20 WHEREAS, Funds for the Agreement will be available at the time of execution from
21 Hetchy Power Operating Budget; now, therefore, be it

22 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of
23 the San Francisco Public Utilities Commission to execute Power Enterprise Operating Budget-
24 funded Agreement No. PRO.0152, Power Scheduling Coordination Services and Related
25 Support Service with APX substantially in the form as the agreement on file with the Clerk and

1 to make amendments to the Agreement, as needed, that do not materially increase the
2 obligations or liabilities of the City or reduce the benefits of the City, for an amount not to
3 exceed \$136,500,000 and with a duration of five years; and

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

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