

Contract 20-SNR-02377

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

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General Power Contract Provisions

- Exhibit A – Base Resource Percentage and Point(s) of Delivery
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1. **PREAMBLE:** This Contract is made this _____ day of _____, 202____, pursuant to the Acts of Congress approved June 17, 1902, (32 Stat. 388); August 26, 1937, (50 Stat. 844); August 4, 1939, (53 Stat. 1187); and August 4, 1977, (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between the UNITED STATES OF AMERICA (United States), acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called WAPA, represented by the officer executing this Contract, or a duly appointed successor, hereinafter called the Contracting Officer; and CITY AND COUNTY OF SAN FRANCISCO, HETCH HETCHY WATER AND POWER, a municipal corporation, hereinafter called the Contractor or CCSF, its successors and assigns; each sometimes hereinafter individually called the Party, and both sometimes hereinafter collectively called the Parties.

2. **EXPLANATORY RECITALS:**

2.1 WAPA markets the surplus generation from, and operates a high-voltage transmission system as a part of, the Central Valley Project (CVP).

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2.2 WAPA and the U.S. Department of the Interior, Bureau of Reclamation (Reclamation), have agreed to work together to efficiently serve Project Use and Preference Customer loads.

2.3 On August 15, 2017, WAPA's final 2025 Power Marketing Plan (Marketing Plan) was published in the Federal Register (82 FR 38675). The Marketing Plan sets forth how WAPA's Sierra Nevada Region will market the power generated from the CVP and Washoe Project.

2.4 The Marketing Plan provides that starting on January 1, 2025, WAPA will provide 98 percent of available CVP power to its existing Customers. Existing Customers will have the right to extend 98 percent of their current Base Resource percentage as provided in the Marketing Plan and under the terms and conditions of this Contract.

2.5 CCSF desires to purchase and WAPA is willing to provide a percentage of the Base Resource consistent with the Marketing Plan and the terms and conditions of this Contract.

2.6 Under the Marketing Plan, WAPA requires that its Customers schedule power in accordance with applicable operating requirements, including those of the balancing authority area operator and WAPA's sub-balancing authority area requirements.

2.7 WAPA markets power to Federal Preference Customers at the lowest possible rates consistent with sound business principles pursuant to Section 1.1 of Delegation Order 00-037.00B.

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1 3. **AGREEMENT:**

2 The Parties agree to the terms and conditions set forth herein.

4 4. **EFFECTIVE DATE AND TERM OF CONTRACT:**

5 4.1 This Contract shall become effective on the date of execution and shall
6 remain in effect until midnight of December 31, 2054, subject to prior termination
7 as otherwise provided for herein.

8
9 4.2 CCSF may reduce its Base Resource percentage or terminate this
10 Contract for any reason through June 30, 2024.

11
12 4.3 The date of initial service under this Contract is January 1, 2025.

13
14 5. **DEFINITION OF TERMS:**

15 As used herein, the following terms whether singular or plural, or used with or without
16 initial capitalization, shall have the following meanings:

17 5.1 "Ancillary Services" means those services that are necessary to support
18 the transmission of capacity and energy from resources to loads while
19 maintaining reliable operation of the transmission system in accordance with
20 Good Utility Practice.

21
22 5.2 "BANC" means the Balancing Authority of Northern California or its
23 successor.

24
25 5.3 "Base Resource" means CVP and Washoe Project power (capacity and
26 energy) output determined by WAPA to be available for Customers, including the
27 Environmental Attributes, only after meeting the requirements of Project Use and

28 ///

1 First Preference Customers, and any adjustments for maintenance, reserves,
2 system losses, and certain ancillary services.

3
4 5.4 "Base Resource Operating Capability" means that portion of the Maximum
5 Operating Capability that WAPA determines to be available to Customers in any
6 hour.

7
8 5.5 "CAISO" means the California Independent System Operator or its
9 successor.

10
11 5.6 "Capacity" means the electrical capability of a generator, transformer,
12 transmission circuit or other equipment.

13
14 5.7 "Central Valley Project (CVP)" means the multipurpose Federal water
15 development project extending from the Cascade Range in northern California to
16 the plains along the Kern River, south of the City of Bakersfield.

17
18 5.8 "Custom Product" means a combination of products and services which
19 may be made available by WAPA per Customer request.

20
21 5.9 "Customer" means an entity with a contract and receiving electric service
22 from WAPA's Sierra Nevada Region.

23
24 5.10 "Energy" means capacity measured in terms of the work it is capable of
25 doing over a period of time; electric energy is usually measured in kilowatthours
26 or megawatthours.

27 ///

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1 5.11 “Environmental Attributes” means any and all credits, benefits, emissions
2 reductions, offsets, and allowances, howsoever entitled, attributable to the Base
3 Resource, and its avoided emission of pollutants.

4
5 5.12 “FERC” means the Federal Energy Regulatory Commission or its
6 successor.

7
8 5.13 “First Preference Customer” means a Preference Customer within a
9 county of origin (Trinity, Calaveras, and Tuolumne) as specified under the Trinity
10 River Division Act (69 Stat. 719) and the New Melones Project provisions of the
11 Flood Control Act of 1962 (76 Stat. 1173, 1191-1192).

12
13 5.14 “Full Load Service Customer” means a Customer that will have its entire
14 load at its delivery point(s) met by WAPA, and its Portfolio Manager functions for
15 those delivery point(s) performed by WAPA.

16
17 5.15 “Marketing Plan” means WAPA’s final 2025 Power Marketing Plan for the
18 Sierra Nevada Region.

19
20 5.16 “Maximum Operating Capability” means the maximum electrical capability
21 from CVP generation available to produce energy, capacity and/or provide
22 ancillary services in any one or more hours.

23
24 5.17 “Minimum Base Resource” means the amount of Base Resource energy
25 generated each hour as a result of CVP minimum water releases.

26
27 5.18 “NERC” means the North American Electric Reliability Corporation or its
28 successor.

1 5.19 “Operating Reserves” means the combination of spinning and non-
2 spinning reserves required to meet WECC, NERC, and operating requirements,
3 including those of the balancing authority area or WAPA’s sub-balancing
4 authority area.

5
6 5.20 “Portfolio Manager” means an entity responsible for determining balanced
7 hourly load and resource schedules for a Customer.

8
9 5.21 “Power” means capacity and energy.

10
11 5.22 “Preference” means the requirements of Reclamation Law that provide for
12 preference in the sale of Federal power be given to certain entities, such as
13 governments (state, Federal and Native American), municipalities and other
14 public corporations or agencies, and cooperatives and other nonprofit
15 organizations financed in whole or in part by loans made pursuant to the Rural
16 Electrification Act of 1936 (See, e.g., Reclamation Project Act of 1939, Section
17 9(c), 43 USC 485h(c)).

18
19 5.23 “Primary Marketing Area” means the area generally encompassing
20 northern and central California, extending from the Cascade Range to the
21 Tehachapi Mountains and west-central Nevada.

22
23 5.24 “Project Use” means power as defined by Reclamation Law and/or used to
24 operate CVP and Washoe Project facilities.

25
26 5.25 “Rate” means the monetary charge or the formula for computing such a
27 charge for any electric service provided by WAPA, including but not limited to
28 charges for capacity (or demand), energy, or transmission service; however, it

1 does not include leasing fees, service facility charges, or other types of facility
2 use charges. A Rate will be set forth in a Rate Schedule or in a contract.

3
4 5.26 "Rate Adjustment" means a change in an existing Rate or Rates, or the
5 establishment of a Rate or Rates for a new service. It does not include a change
6 in Rate Schedule provisions or in contract terms, other than changes in the price
7 per unit of service, nor does it include changes in the monetary charge pursuant
8 to a formula stated in a Rate Schedule or a contract.

9
10 5.27 "Rate Adjustment Procedures" means those procedures for Rate
11 Adjustments developed by WAPA, Department of Energy (DOE) or FERC which
12 include DOE Order 00-037.00B, DOE Order RA 6120-2, 10 CFR 903, and
13 18 CFR 300, as may be amended.

14
15 5.28 "Rate Effective Date" means the first date of the billing period to which a
16 Rate Schedule or Rate Schedule extension applies. WAPA will provide notice to
17 the Customers of the Rate Effective Date.

18
19 5.29 "Rate Schedule" means a document identified such as a "Rate Schedule,"
20 "Schedule of Rates," or "Schedule Rate" which designates the Rate or Rates
21 applicable to a class of service specified therein and may contain other terms
22 and conditions relating to the service. On the effective date of this Contract,
23 18 CFR 300.1(b)(6) provides FERC may not approve a WAPA Rate Schedule for
24 a period that exceeds five (5) years. The Rate Schedule shall include the Rate
25 Effective Date and the effective period of the Rate Schedule.

26 ///

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1 5.30 "Regional Transmission Organization (RTO)" means an organization that
2 meets the minimum characteristics and performs the minimum functions
3 specified in FERC Order 2000, as that order may be amended or superseded.
4

5 5.31 "Regulation" means the service provided by generating units equipped
6 and operating with automatic generation control which will enable such units to
7 respond to direct control signals in an upward or downward direction to match, on
8 a real time basis, demand and resources, consistent with WECC, NERC, and the
9 balancing authority area operator's criteria.
10

11 5.32 "Scheduling Coordinator" means an entity that is responsible for providing
12 hourly load and resource schedules to the balancing authority area operator or
13 WAPA's sub-balancing authority area, in accordance with a FERC-approved tariff
14 or WAPA's procedures and practices.
15

16 5.33 "Variable Resource Customer" means a Customer that is responsible for
17 managing its own energy portfolio.
18

19 5.34 "Washoe Project" means the Federal water project located in the
20 Lahontan Basin in west-central Nevada and east-central California.
21

22 5.35 "WECC" means the Western Electricity Coordinating Council or its
23 successor.
24

25 6. **BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST:**

26 6.1 At the beginning of each water year, WAPA will post to WAPA's external
27 website a five-year forecast of Base Resource Operating Capability estimated to
28

///

1 be available, based on high, average, and low hydrological conditions. The
2 forecast will contain the following information:

3 6.1.1 Maximum Operating Capability of the CVP for each month;

4 6.1.2 Energy required for estimated Project Use loads, First Preference
5 Customers' loads, and ancillary service requirements.

6
7 6.2 Each month, WAPA will post to WAPA's external website a monthly Base
8 Resource forecast of Base Resource Operating Capability and energy estimated
9 to be available for each month on a rolling twelve-month basis, based on high,
10 average, and low hydrological conditions. The monthly forecast will contain the
11 following information:

12 6.2.1 Maximum Operating Capability of the CVP for each month;

13 6.2.2 Energy required for estimated Project Use loads, First Preference
14 Customers' loads, and ancillary service requirements.

15
16 6.3 WAPA shall make reasonable efforts, within its control, to ensure the
17 forecasted Base Resource will be available.

18
19 7. **ELECTRIC SERVICE FURNISHED BY WAPA:**

20 7.1 CCSF will be entitled to receive a percentage of the Base Resource as set
21 forth in Exhibit A.

22
23 7.2 The estimated amount of energy available to CCSF shall be determined
24 by multiplying its Base Resource percentage by the total amount of Base
25 Resource energy available during that period.

26
27 7.3 The minimum amount of energy CCSF will be required to schedule for
28 each hour shall be determined by multiplying its Base Resource percentage by

1 the Minimum Base Resource, unless otherwise agreed to by WAPA. However, if
2 CCSF does not have sufficient load to take its percentage of the Minimum Base
3 Resource, any excess energy shall be made available to WAPA for the
4 Exchange Program as described later in this Contract under Section 10 and
5 Exhibit B.

6
7 7.4 The maximum amount of energy CCSF may schedule in any hour shall be
8 determined by multiplying its Base Resource percentage by the Base Resource
9 Operating Capability. However, CCSF may schedule energy in excess of this
10 maximum, if approved by WAPA, to accommodate purchases or exchanges from
11 the Exchange Program.

12
13 7.5 CCSF will be entitled to the benefit of available regulation and operating
14 reserves from the CVP in proportion to its Base Resource percentage. The
15 method for calculating regulation and operating reserves is set forth in Exhibit C.

16
17 7.6 WAPA's obligation to provide CCSF's Base Resource is limited to the
18 actual CVP generation available on a real-time basis. WAPA shall have no
19 obligation to replace any Base Resource that is unavailable; for instance, Base
20 Resource that is unavailable due to scheduled maintenance, system
21 emergencies, forced outages, or other constraints. Any costs incurred by either
22 Party as a result of deviations between actual and scheduled Base Resource
23 energy shall be the responsibility of CCSF. WAPA will notify CCSF as soon as
24 reasonably practicable of any situation that will impact the availability of the Base
25 Resource, and will modify schedules accordingly, on a pro-rata basis.

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7.7 Due to the variable nature of the Base Resource, WAPA may provide a Custom Product upon a Customer's request. Any Custom Product will be the subject of a separate contractual arrangement.

8. **DELIVERY ARRANGEMENTS:**

8.1 WAPA will make CCSF's Base Resource available at the generator bus or such other delivery point(s) on the CVP transmission system as the Parties will mutually agree, as specified in Exhibit A. WAPA reserves Network Integration Transmission Service for the delivery of Base Resource on the CVP transmission system under its Open Access Transmission Tariff (OATT). The rates and terms of this service shall be in accordance with WAPA's then-current rate schedule and OATT.

8.2 If requested by WAPA, CCSF must provide written notification to WAPA by July 1, 2024, demonstrating that it has arranged for delivery of its Base Resource energy to its load. Such notification shall include both transmission and distribution level arrangements, as applicable. WAPA shall have no obligation to make Base Resource available to CCSF if delivery arrangements are not in effect. However, CCSF shall not be relieved of its obligation to pay its percentage share of the Base Resource during the time in which delivery arrangements are not in effect.

9. **SCHEDULING PROCEDURES, BUSINESS PRACTICES AND PROTOCOLS:**

9.1 All energy furnished by WAPA to CCSF will be provided on a scheduled basis. CCSF agrees to abide by the scheduling procedures, business practices and protocols of the applicable balancing authority area or WAPA's sub-balancing authority area, as set forth on WAPA's website. The Parties recognize that the scheduling procedures, business practices and protocols may require

1 modification from time-to-time to reflect updated operating procedures that may
2 become applicable to the Parties. In such event, WAPA will make such changes
3 in accordance with Section 17 of this Contract.
4

5 9.2 Designation of Scheduling Coordinator (SC): If CCSF is required to have
6 a Scheduling Coordinator; CCSF shall notify WAPA of its designated Scheduling
7 Coordinator not less than ninety (90) days prior to the date of initial service under
8 this Contract. In the event that CCSF's Scheduling Coordinator arrangement
9 changes, CCSF shall notify WAPA in writing, not less than thirty (30) days prior
10 to the change, unless a shorter notification period is agreed to by WAPA.
11

12 9.3 **If WAPA is CCSF's Portfolio Manager, as set forth in a separate**
13 **Custom Product Contract, all scheduling activities and responsibilities will**
14 **be performed by WAPA on behalf of CCSF.** At such time as WAPA is no
15 longer CCSF's Portfolio Manager, then CCSF will be responsible for performance
16 of its duties under this Section 9.
17

18 9.4 WAPA will provide Customers with the opportunity to comment on
19 WAPA's maintenance and operations plans. WAPA will facilitate Customer
20 meetings with the Bureau of Reclamation regarding cost and operation planning.
21

22 9.5 In the event that CCSF does not abide by the protocols, business
23 practices and procedures and WAPA incurs costs as a result, CCSF is
24 responsible for and shall pay such costs.

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26 ///

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10. **EXCHANGE PROGRAM:**

10.1 WAPA will establish and manage an Exchange Program to allow all Customers to fully and efficiently use their Base Resource percentage. The Exchange Program is a mechanism to:

10.1.1 Make available to WAPA, for provision to other Customers, any Base Resource energy a Customer cannot use on a pre-scheduled basis due to insufficient load; and

10.1.2 Help mitigate the costs incurred by a Customer for the power it is obligated to pay for, but may not be able to use.

10.2 Under the Exchange Program, all Base Resource energy in excess of CCSF's load will be retained by WAPA and offered by WAPA for sale to other Customers. CCSF may purchase energy from the Exchange Program. While WAPA's retention of excess Base Resource is mandatory, purchasing from the Exchange Program is voluntary.

10.3 The Exchange Program procedures are set forth in Exhibit B. WAPA may change the program and procedures of the Exchange Program in accordance with Section 17 of this Contract.

10.4 WAPA will also offer a seasonal Exchange Program. Under the seasonal Exchange Program, CCSF may elect to make available to WAPA that portion of its Base Resource percentage that it is unable to use due to insufficient load. CCSF, through WAPA, will be able to exchange its unusable Base Resource percentage with other Customers. Any Customer may submit a request to WAPA to exchange or purchase energy through the seasonal Exchange Program. Details of a seasonal exchange will be developed with the Customer upon request by that Customer.

10.5 Exchanges of the Base Resource between CCSF and others outside of the WAPA-managed Exchange Programs, or other WAPA-managed programs, are prohibited.

11. **INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION ORGANIZATION:**

11.1 WAPA is a sub-balancing authority area within BANC. WAPA operates in conformance with its sub-balancing authority area and BANC's balancing authority area protocols, business practices and procedures. In the event of changes to any protocols, business practices and procedures, WAPA may make any changes necessary to this Contract to conform to the operating and scheduling protocols, business practices and procedures in accordance with Section 17 of this Contract.

11.2 The Parties understand that, in the future, WAPA may also change its operating configuration such as by: (1) joining an independent system operator or RTO or (2) participating in future markets such as energy imbalance markets; or (3) making system configurations to meet future operating requirements. In such an event, if WAPA is required to conform to the protocols, business practices or procedures, WAPA shall make changes to this Contract to conform to the terms and conditions required by such events in accordance with Section 17 of this Contract.

11.3 In the event that: 1) WAPA incurs costs from the balancing authority area, WAPA's sub-balancing authority area, CAISO, an RTO, or a different balancing authority area for serving CCSF's load; or 2) CCSF does not abide by the protocols business practices, or procedures of the balancing authority area, an RTO, or other balancing authority area operator that are applicable to WAPA and

WAPA incurs costs as a result, CCSF agrees to pay all such costs attributable to CCSF.

12. **WAPA RATES:**

12.1 The Base Resource will be provided on a take-or-pay basis. CCSF will be obligated to pay its Base Resource percentage share in accordance with the Rate Schedule attached hereto, whether or not it takes or uses its full Base Resource percentage.

12.2 CCSF shall pay for the electric service furnished hereunder in accordance with the Rates, charges, and conditions set forth in the CVP Schedule of Rates applicable to the Base Resource, effective January 1, 2025, or any superseding Rate Schedule.

12.3 Rates applicable under this Contract shall be subject to change by WAPA in accordance with appropriate Rate Adjustment Procedures. If, at any time, WAPA announces that it has received approval of a Rate Schedule, or extension of an existing Rate Schedule applicable to this Contract, or if a Rate Adjustment Procedure is amended, WAPA will promptly notify CCSF thereof.

12.4 CCSF, by providing written notice to WAPA within ninety (90) days after the Rate Effective Date of a Rate Schedule or Rate Schedule extension applicable to this Contract, may elect to reduce its Base Resource percentage or terminate this Contract. CCSF shall designate a Base Resource percentage reduction or termination effective date that will be effective on the last day of the billing month not later than two (2) years after the Rate Effective Date. If the termination effective date is after the Rate Effective Date, the new or extended Rates shall apply for service taken by CCSF until the termination effective date.

Once CCSF provides notice to terminate or reduce its Base Resource percentage, WAPA will begin the process to reallocate the Base Resource to other Preference Customers. CCSF may not revoke its notice to terminate or reduce its Base Resource unless WAPA provides written consent.

12.5 Rates shall become effective under this Contract on the Rate Effective Date stated in a Rate notice.

13. **INTEGRATED RESOURCE PLAN:**

13.1 In accordance with the Energy Policy Act of 1992, CCSF is required to meet the requirements of WAPA's Energy Planning and Management Program (EPAMP). To fulfill the requirements of EPAMP, CCSF must develop and submit an integrated resource plan or alternative report, as applicable. Specific EPAMP requirements are set forth in the Federal Register at (64 FR 62604) and may be found on WAPA's website. Failure to comply with WAPA's EPAMP requirements may result in penalties as specified therein. CCSF understands that WAPA may re-evaluate its EPAMP requirements and change them from time-to-time as appropriate. Such changes will be subject to a public process and publication in the Federal Register.

13.2 Should the EPAMP requirements be eliminated, CCSF shall have no responsibilities under Section 13.1.

14. **ADJUSTMENT OF BASE RESOURCE PERCENTAGE:**

14.1 Prior to the date of initial service, WAPA may adjust CCSF's Base Resource percentage, as set forth in Exhibit A herein, if WAPA determines that CCSF's Base Resource percentage is greater than its actual usage, as specified in the Marketing Plan.

1 14.2 After the date of initial service, WAPA may adjust CCSF's Base Resource
2 percentage under any of the following conditions:

3 14.2.1 CCSF sells energy associated with its Base Resource percentage
4 to another entity for resale by that entity;

5 14.2.2 CCSF uses the energy associated with its Base Resource
6 percentage to serve loads outside of the Sierra Nevada Region's Primary
7 Marketing Area;

8 14.2.3 CCSF's annual energy associated with its Base Resource
9 percentage, is ten percent or more than its actual annual energy usage.
10

11 14.3 If WAPA determines that CCSF has met any of the conditions in
12 Section 14.2 above, WAPA will take the following steps:

13 14.3.1 Notify CCSF of the nature of the concern;

14 14.3.2 Analyze CCSF's usage of the energy associated with its Base
15 Resource percentage and determine if an adjustment is necessary on a
16 case-by-case basis, with due consideration of any circumstance that may
17 have temporarily altered CCSF's energy usage;

18 14.3.3 If an adjustment is determined to be necessary, provide a 90-day
19 written notice of such adjustment; and

20 14.3.4 Reduce or rescind CCSF's Base Resource percentage
21 permanently on the effective date specified in the notice.
22

23 15. **METERING AND POWER MEASUREMENT RESPONSIBILITIES:**

24 CCSF shall be responsible for electric power metering equipment requirements and
25 power measurement data associated with the use of WAPA power under this Contract
26 as follows:

27 15.1 Unless previously installed and furnished by WAPA, CCSF shall furnish,
28 install, operate, maintain, and replace, meters and associated metering

1 equipment required for deliveries of WAPA power scheduled to each delivery
2 point on the WAPA grid, the CAISO-controlled grid, a utility distribution company
3 grid, or other electrical system, as may be applicable. Such meters shall comply
4 with the all applicable meter requirements. For instance, meters on:

5 15.1.1 WAPA's system must meet WAPA's meter requirements;

6 15.1.2 CAISO's system must meet CAISO's meter requirements; and/or

7 15.1.3 Pacific Gas and Electric Company's (PG&E) system must meet
8 PG&E's meter requirements.

9
10 15.2 CCSF shall measure power deliveries and provide certified settlement-
11 quality metering data to WAPA as requested. It is generally contemplated that
12 WAPA will require this data on a monthly basis.

13
14 15.3 If WAPA previously installed and furnished a meter to CCSF, WAPA shall
15 be allowed unrestricted, unescorted access to its revenue meter equipment.
16 CCSF shall provide a minimum of three (3) keys or the combination to CCSF's
17 existing locks. Alternatively, WAPA may provide a WAPA-owned padlock(s).
18 Access shall include all gates and/or doors required to access the metering
19 equipment.

20
21 15.4 Upon request by CCSF, to evidence receipt of the Environmental
22 Attributes, WAPA shall timely provide meter data or other mutually agreed upon
23 data to CCSF measuring the amount of CVP energy that is generated and
24 delivered to CCSF. Upon mutual agreement of Customers, WAPA and
25 Reclamation, such meters shall be modified or replaced to meet appropriate
26 standards or requirements to convey CVP Environmental Attributes to
27 Customers.

28 ///

16. **CHANGES IN ORGANIZATIONAL STATUS:**

16.1 If CCSF changes its organizational status or otherwise changes its obligation to supply electric power to Preference loads, WAPA reserves the right to adjust WAPA's power sales obligations under this Contract or to terminate this Contract, as WAPA deems appropriate. Changes in organizational status include but are not limited to:

16.1.1 Merging with another entity;

16.1.2 Acquiring or being acquired by another entity;

16.1.3 Creating a new entity from an existing one;

16.1.4 Joining or withdrawing from a member-based power supply organization; or

16.1.5 Adding or losing members from its membership organization.

16.2 For the purposes of this Section 16, a member is any Preference entity that is included in a membership, which has the responsibility of supplying power to the end-use consumer or Customer. Memberships include but are not limited to:

16.2.1 Municipality;

16.2.2 Cooperative;

16.2.3 Joint powers authority; or

16.2.4 Governmental agency.

16.3 For purposes of this Section 16, participation in a State promulgated direct access program shall not be deemed to be a change in a Customer's organizational status or its obligation to supply electric power to Preference loads.

///

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1 16.4 Prior to making an organizational change, CCSF may request an opinion
2 from WAPA as to whether CCSF's proposed organizational change will result in
3 an adjustment of CCSF's Base Resource percentage or termination under this
4 Section 16. CCSF shall provide WAPA with all relevant documents and
5 information regarding the proposed organizational change. Based on the
6 documents and information furnished, WAPA will provide CCSF with an opinion.
7

8 16.5 In addition to the above, if the change in organizational status results in a
9 proposed transfer of the Contract, or any portion thereof, Section 37 of the
10 General Power Contract Provisions (GPCP), "Transfer of Interest in Contract,"
11 generally requires the Customer to obtain prior written approval from WAPA's
12 Administrator. Organizational changes that typically propose transfer of the
13 Contract, or a portion of the Contract, and require prior written approval from
14 WAPA include but are not limited to:

15 16.5.1 Merging with another entity;

16 16.5.2 Acquiring or being acquired by another entity;

17 16.5.3 Joining an entity; and

18 16.5.4 Creating a new entity.
19

20 17. **PROTOCOLS, BUSINESS PRACTICES AND PROCEDURES:**

21 WAPA reserves the right to make changes to protocols, business practices and
22 procedures, as needed. Prior to making any changes, WAPA will provide notice to
23 CCSF and provide CCSF with an opportunity to comment on such changes. WAPA will
24 consider any comments made by CCSF before making any changes, and shall provide
25 a written response to the comments. After a final decision is made by WAPA, if CCSF
26 is not satisfied with the decision, CCSF shall have thirty (30) days from the date of
27 WAPA's final decision to appeal the change to WAPA's Administrator. WAPA will not
28 implement a change that has been appealed until a final decision by the Administrator.

1 Notwithstanding the provisions within this Section 17, CCSF shall retain its right to
2 pursue other legal remedies available to it.

3
4 18. **ENFORCEABILITY:**

5 It is not the intent of the Parties that this Contract confer any rights on third parties to
6 enforce the provisions of this Contract except as required by law or express provision in
7 this Contract. Except as provided in this Section, this Contract may be enforced, or
8 caused to be enforced, only by WAPA or CCSF, or their successors or assigns.

9
10 19. **GENERAL POWER CONTRACT PROVISIONS:**

11 The GPCP, effective September 1, 2007, attached hereto, are hereby made a part of
12 this Contract, the same as if they had been expressly set forth herein; Except
13 Section 11 shall not be applicable to this Contract. In the event of a conflict between
14 the GPCP and the provisions in the body of this Contract, the Contract shall control.
15 The usage of the term "Contractor" in the GPCP shall mean CCSF. The usage of the
16 term "firm" in Articles 17 and 18 of the GPCP shall be deemed to be replaced with the
17 words "Base Resource."

18
19 20. **EXHIBITS MADE PART OF CONTRACT:**

20 Exhibit A (Base Resource Percentage and Point(s) of Delivery), Exhibit B (Exchange
21 Program), Exhibit C (Regulation and Reserves), and Exhibit D (Rate Schedule) existing
22 under this Contract may vary during the term hereof. Each of said exhibits shall
23 become a part of this Contract during the term fixed by its provisions. Exhibits A, B, C,
24 and D are attached hereto, and each shall be in force and effect in accordance with its
25 terms until respectively superseded by a subsequent exhibit.

26 ///

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28 ///

21. **EXECUTION BY COUNTERPARTS:**

This Contract may be executed in any number of counterparts and, upon execution and delivery by each Party, the executed and delivered counterparts together shall have the same force and effect as an original instrument as if all Parties had signed the same instrument. Any signature page of this Contract may be detached by any counterpart of the Contract without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Contract identical in form hereto, by having attached to it one or more signature pages.

22. **ELECTRONIC SIGNATURES:**

The Parties agree that this Contract may be executed by handwritten signature or digitally signed using Adobe Sign or Adobe E-Signature. An electronic or digital signature is the same as a handwritten signature and shall be considered valid and acceptable.

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1 **IN WITNESS WHEREOF**, the Parties have caused this Contract to be executed the day
2 and year first above written.

3
4 **WESTERN AREA POWER ADMINISTRATION**

5
6 **ARUN SETHI** Digitally signed by ARUN
7 SETHI
8 Date: 2021.08.16
9 17:32:37 -07'00'
10 By: _____
11 Name: Arun K. Sethi
12 Title: Vice President of Power Marketing
13 for Sierra Nevada Region
14 Address: 114 Parkshore Drive
15 Folsom, CA 95630-4710

16
17 **CITY AND COUNTY OF SAN FRANCISCO**
18 **HETCH HETCHY WATER AND POWER**

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28
Attest: By: _____
Name: Michael Carlin
Title: Acting General Manager
Address: 525 Golden Gate Ave, 13th Fl
San Francisco, CA 94102
By: _____
Name: Margarita Gutierrez
Title: Deputy City Attorney
Address: _____