

1 [Agreement Amendment - Retroactive - California Independent System Operator - Scheduling  
2 Electrical Transmissions - Not to Exceed \$100,000]

3 **Resolution retroactively approving a First Amendment to the Second Amended and**  
4 **Restated Operating Agreement between the City and County of San Francisco and the**  
5 **California Independent System Operator establishing the terms and conditions for**  
6 **the scheduling the City's electrical transmissions for a term of ten years, beginning**  
7 **on March 2, 2018, and ending ten years after the effective date of this Resolution, with a**  
8 **not to exceed amount of \$100,000 pursuant to Charter, Section 9.118.**

9  
10 WHEREAS, In Ordinance No. 31-08, the Board of Supervisors ("Board") approved a  
11 settlement of proceedings initiated by the California Independent System Operator ("CAISO")  
12 at the Federal Energy Regulatory Commission ("FERC") against the City and County of San  
13 Francisco ("City") to establish the terms and conditions for the scheduling of the City's  
14 electrical transmissions that interconnect with the Sacramento Municipal Utility District and the  
15 Turlock Irrigation District control areas; and

16 WHEREAS, In addition to approving the settlement, the Board authorized the General  
17 Manager of the San Francisco Public Utilities Commission ("SFPUC") to enter into the First  
18 Amended and Restated Operating Agreement ("First OA") between the City and CAISO,  
19 which is on file with the Clerk of the Board of Supervisors in File No. 200969; the First  
20 Amended OA expired on July 1, 2015; and

21 WHEREAS, The First OA established the terms and conditions for the scheduling  
22 of the City's electrical transmissions that interconnect with the Sacramento Municipal  
23 Utility District and the Turlock Irrigation District control areas; and

24 WHEREAS, After the First OA expired, the City and the CAISO entered into a Second  
25 Amended and Restated Operating Agreement ("Second OA"), which is on file with the Clerk of

1 the Board of Supervisors in File No. 200969; the Second OA had an effective date of July 1,  
2 2015, and expired on March 1, 2018; and

3 WHEREAS, The Board was not asked to approve the Second Amended OA, because  
4 the extended term of the agreement did not exceed ten years; the parties have continued to  
5 operate under the Second OA since March 1, 2018, because the CAISO did not file a request  
6 with FERC to terminate it; and

7 WHEREAS, The City and the CAISO have negotiated a First Amendment to the  
8 Second Amended and Restated Operating Agreement (“Amended Second OA”), which is on  
9 file with the Clerk of the Board of Supervisors in File No. 200969; and

10 WHEREAS, In addition to extending the term of the Second OA for ten years from the  
11 effective date of this Resolution, the Amended Second OA would allow the City to: (1) be  
12 compensated for energy put into the grid that is used by other utilities; (2) coordinate outages  
13 with the CAISO; and (3) specify real-time operating limits for certain of its interconnections;  
14 and

15 WHEREAS, The City will not incur any costs under the Amended Second OA unless  
16 the City requests that the CAISO provide services that the agreement allows the City to  
17 procure from the CAISO; the SFPUC estimates the costs of those services during the ten-year  
18 term will not exceed \$100,000; and

19 WHEREAS, The SFPUC will consider the Amended Second OA during its meeting on  
20 December 8, 2020.

21 WHEREAS, Section 9.118 of the San Francisco Charter requires approval by the Board  
22 of Supervisors for contracts in excess of ten years or requiring expenditures above  
23 \$10,000,000; now, therefore, be it

24 RESOLVED, That the Board retroactively approves the First Amendment to the  
25 Second Amended and Restated Operating Agreement with the California Independent

1 System Operator to extend the term for ten more years from the effective date of this  
2 Resolution; and, be it

3 FURTHER RESOLVED, That the Board further authorizes the SFPUC General  
4 Manager to enter into any modifications and amendments to the Amended Second OA that  
5 the General Manager determines, in consultation with the City Attorney, are in the best  
6 interests of the City and do not materially increase the obligations or liabilities of the City, are  
7 necessary or advisable to effectuate the purposes of the Amended Second OA, and are in  
8 compliance with all applicable laws, including the City's Charter; and, be it

9 FURTHER RESOLVED, That within 30 days of the Amended Second OA being fully  
10 executed by the parties, the SFPUC shall provide it to the Clerk of the Board for inclusion in  
11 the official file.

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