

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 20-0241

WHEREAS, The City and County of San Francisco (City) is a Non-Participating Transmission Owner of 115kV and 230kV transmission facilities within the California Independent System Operator Corporation (“CAISO”) controlled grid; and

WHEREAS, In 2008, the San Francisco Public Utilities Commission (SFPUC) and CAISO first entered into an agreement that allows SFPUC to interconnect its 115 kV and 230 kV transmission facilities to the transmission facilities of Pacific Gas and Electric Company, Modesto Irrigation District, and Turlock Irrigation District (Operating Agreement); and

WHEREAS, On July 1, 2015, the SFPUC and CAISO entered into the Second Amended and Restated Operating Agreement, which expired on March 1, 2018 but the parties have continued to operate under the Second Amended Agreement since that time; and

WHEREAS, The SFPUC and CAISO have agreed to the terms of the First Amendment to the Second Amended and Restated Operating Agreement (Amended Operating Agreement) which would retroactively extend the Second Amended Agreement from March 2, 2018 to ten years from the date of Board of Supervisors approval of the Amended Operating Agreement, for a total agreement duration of approximately 15.5 years; and

WHEREAS, In addition to extending the term of the Operating Agreement, the Amended Operating Agreement would allow the City to continue to: (1) be compensated for energy put into the grid that is used by other utilities; (2) coordinate outages with the CAISO; and (3) specify real-time operating limits for certain of its interconnections. The First Amendment would also require the CAISO to provide assistance to the SFPUC at the SFPUC’s cost in the event the SFPUC decides to transition to a different Balancing Authority; and

WHEREAS, The SFPUC must submit the Amended Operating Agreement to the Board of Supervisors for approval under Charter Section 9.118 because the term of the agreement is for more than ten years; and

WHEREAS, Services under the Amended Operating Agreement are anticipated to expire in December 2030, and the total duration of this agreement, as amended is expected to be approximately 15.5 years; and

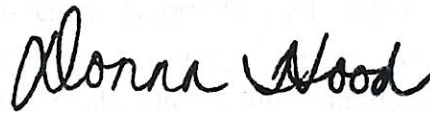
WHEREAS, The estimated cost of any transition services the SFPUC might request will not exceed \$100,000, and funds will be available upon execution from the Hetch Hetchy Water programmatic budget: HHW-WECC/NERC Compliance: Authority 17661; now, therefore, be it

RESOLVED, That this Commission hereby authorizes the General Manager to execute the First Amendment to the Second Amended and Restated Operating Agreement with the California Independent System Operator in the form on file with the Commission Secretary to retroactively extend the term of the Agreement from March 2, 2018 through approximately December 2030 for a total agreement duration of 15.5 years and a total not-to-exceed amount of

\$100,000 and to submit the agreement to the Board of Supervisors for approval under Charter Section 9.118; and, be it

FURTHER RESOLVED, That this Commission further authorizes the SFPUC General Manager to enter into any modifications and amendments to the First Amendment to the Second Amended and Restated Operating Agreement that the General Manager determines, in consultation with the City Attorney, are in the best interests of the City, are necessary or advisable to effectuate the purposes of the First Amendment to the Second Amended and Restated Operating Agreement, are in compliance with all applicable laws, including the City's Charter, and do not materially increase the obligations or liabilities of the City.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of December 8, 2020.



Secretary, Public Utilities Commission