

FILE NO. 200969

RESOLUTION NO.

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 **scheduling the City’s electrical transmissions for a term in excess of fifteen years,**  
7 **beginning on March 2, 2018, and ending ten years after the effective date of this**  
8 **Resolution, with a not to exceed amount of \$100,000 pursuant to Charter, Section**  
9 **9.118.**

10

11 WHEREAS, In Ordinance No. 31-08, the Board of Supervisors (“Board”) approved a  
12 settlement of proceedings initiated by the California Independent System Operator (“CAISO”)  
13 at the Federal Energy Regulatory Commission (“FERC”) against the City and County of San  
14 Francisco (“City”) to establish the terms and conditions for the scheduling of the City’s  
15 electrical transmissions that interconnect with the Balancing Authority of Northern California  
16 and the Turlock Irrigation District balancing authority control areas; and

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

22 WHEREAS, The First OA established the terms and conditions for the scheduling  
23 of the City’s electrical transmissions that interconnect with the Balancing Authority of  
24 Northern California and the Turlock Irrigation District control balancing authority areas;  
25 and

1           WHEREAS, After the First OA expired, the City and the CAISO entered into a Second  
2 Amended and Restated Operating Agreement (“Second OA”), which is on file with the Clerk of  
3 the Board of Supervisors in File No. 200969; the Second OA had an effective date of July 1,  
4 2015, and expired on March 1, 2018; and

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

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

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

17           WHEREAS, The City will not incur any costs under the Amended Second OA unless  
18 the City requests that the CAISO provide services that the agreement allows the City to  
19 procure from the CAISO, consisting of assisting the City to transition to a different balancing  
20 authority; and

21           WHEREAS; The SFFPUC estimates the costs of those services during the ten-year  
22 term will not exceed \$100,000; and

23           WHEREAS, The SFPUC authorized the General Manager of the SFPUC to execute  
24 the Amended Second OA in Resolution No. 20-0241 approved on December 8, 2020, which is  
25 on file with the Clerk of the Board of Supervisors in File No. 200969.

1           WHEREAS, Section 9.118 of the San Francisco Charter requires approval by the Board  
2 of Supervisors for contracts in excess of ten years or requiring expenditures above  
3 \$10,000,000; now, therefore, be it

4           RESOLVED, That the Board retroactively approves the First Amendment to the  
5 Second Amended and Restated Operating Agreement with the California Independent  
6 System Operator to begin on March 2, 2018 and extend for ten more years from the effective  
7 date of this Resolution; and, be it

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

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

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