

1 [Contract Amendment - Department of Energy Western Area Power Administration - Delivery
2 of Low-Cost Power - Not to Exceed \$27,691,541]

3 **Resolution approving Amendment No. 1 to the contract between the City and County of**
4 **San Francisco and the United States, through the Department of Energy Western Area**
5 **Power Administration, for delivery of low-cost power to Treasure Island and Yerba**
6 **Buena Island, extending the term by 30 years for a total term of January 1, 2005,**
7 **through December 31, 2054, and increasing the contract amount by \$7,691,541 for a**
8 **total not to exceed amount of \$27,691,541 to commence upon Board approval.**

9
10 WHEREAS, The City is the local reuse authority for Naval Station Treasure Island
11 under the Federal Base Closure and Realignment Act (BRAC), and as a result is entitled to
12 purchase low-cost electricity from the federal government; and

13 WHEREAS, The City has an existing power purchase agreement with the Department
14 of Energy Western Area Power Administration (WAPA) that provides Federal electricity to
15 Treasure Island (TI) and Yerba Buena Island (YBI) from January 1, 2005, through December
16 31, 2024, with a not-to-exceed amount of \$20,000,000 through an allocation of base resource
17 energy; this agreement was approved by the San Francisco Public Utilities Commission
18 (SFPUC) via Resolution No. 00-254 on November 14, 2000, and by the Board of Supervisors
19 on January 22, 2001, via Resolution No. 0056-01, File No. 002191; and

20 WHEREAS, WAPA is in the process of soliciting and securing additional Federal
21 electricity via power purchase agreements to supply existing customers, including TI and YBI,
22 and requires a commitment from its customers via BR Contract 20-SNR-02377 to extend the
23 delivery term through December 31, 2054; and

24 WHEREAS, WAPA has presented the City with Amendment No. 1 to the BR Contract
25 20-SNR-02377 which will extend the term of the agreement by 30 years past the termination

1 date of the December 31, 2024, to December 31, 2054, and increases the total not to exceed
2 amount to \$27,691,541; and

3 WHEREAS, The WAPA base resource contract allows the City to purchase energy at a
4 lower cost that it would be available from other sources such as Pacific Gas & Electric
5 (PG&E); and

6 WHEREAS, The costs under this contract will be recovered through the electric utility
7 rates at TI & YBI, and will be included in the annual budgets for the SFPUC's Power
8 Enterprise; and

9 WHEREAS, The City may cancel the agreement at any time with 90 days' notice to
10 WAPA; and

11 WHEREAS, The SFPUC approved this amendment at a public meeting on March 23,
12 2021, in Resolution No. 21-0049, a copy of which is on file with the Clerk of the Board of
13 Supervisors in File No. 210336; now, therefore, be it

14 RESOLVED, That the Board of Supervisors authorizes the General Manager of the
15 SFPUC to execute the amendment to the contract for base resource serve with WAPA; and,
16 be it

17 FURTHER RESOLVED, That within 30 days of the contracts being fully executed, the
18 General Manager of the SFPUC shall provide the amended contract to the Clerk of the Board
19 for inclusion into the official file.