



San Francisco Water

Services of the San Francisco Public Utilities Commission
HH Water & Power

Contract Administration Bureau
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San Francisco, CA 94102
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NOV 30 2015

November 20, 2015 Moccasin Admin

John E. Spomer
California ISO
Regulatory Contracts, 250 Outcropping Way
Folsom, CA 95630
Email: RegulatoryContracts@caiso.com

- RE:** 1) Notice of Contract Award - CAISO Planning Authority Services (CS-399)
2) Transmittal - Executed Agreement between the City and County of San Francisco Public Utilities Commission and California ISO

Dear Mr. Spomer:

This letter provides a *notification of contract award* for the following contracted work:

BLANKET PURCHASE ORDER NO: **BPUC16000045**
- *Work may not be charged against this blanket purchase order number*

SCOPE: To provide planning coordinator services as a California Independent System Operator on behalf of SFPUC and Hetch Hetchy Water & Power, as required by the North American Electric Reliability Corporation (NERC) standards.

EFFECTIVE DATE: **November 10, 2015 to November 4, 2018**

CONTRACT TO DATE: Total value of contract not to exceed **\$250,000.00**

Invoices must be charged against specific task orders only after a *Notice to Proceed* has been issued.

Should you have any questions, please do not hesitate to contact Rosiana Angel at (415) 554-1549.

- Edwin M. Lee
Mayor
- Francesca Viator
President
- Anson Moran
Vice President
- Ann Moller Caen
Comptroller
- Vince Courtney
Cofounder
- Ike Kwon
Counselor
- Harlan L. Kelly, Jr.
General Manager

Enclosure: Executed Agreement

cc: Daniel Mason
File/NCA-CS-399





PLANNING COORDINATOR AGREEMENT

THIS AGREEMENT is dated this 14th day of May 2015, and is entered into, by and between:

(1) City and County of San Francisco, a municipal corporation ("San Francisco" or "City");

and

(2) California Independent System Operator Corporation, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate, currently 250 Outcropping Way, Folsom, California 95630 ("CAISO").

San Francisco and the CAISO are hereinafter referred to as the "Parties".

RECITALS

A. WHEREAS, Section 215 of the Federal Power Act, 16 USC 824o, requires all users, owners and operators of the bulk-power system to comply with applicable reliability standards approved by the Federal Energy Regulatory Commission ("FERC") ("Reliability Standards"); and

B. WHEREAS, the North American Electric Reliability Corporation ("NERC") and the Western Electricity Coordinating Council ("WECC") have developed Reliability Standards, certain of which apply to CAISO and San Francisco, and NERC has delegated to WECC enforcement of the Reliability Standards in the Western United States including California; and

C. WHEREAS, San Francisco owns transmission facilities and generation units connected to those transmission facilities that are part of the Bulk Electric System ("BES") and are located within CAISO's Balancing Authority Area ("BAA") (collectively, "SF BES Facilities") but is not a Participating Transmission Owner ("PTO") as that term is defined in the FERC approved tariff of CAISO ("CAISO Tariff"); and

D. WHEREAS, San Francisco's current SF BES Facilities are set forth in the diagram attached as Attachment 1 (Attachment 1 contains Confidential Information and is subject to Section 4.2 herein); and



E. WHEREAS, San Francisco is registered with NERC as a Generation Owner, Transmission Owner, Transmission Operator and Transmission Planner under the name of Hetch Hetchy Water and Power (“HHWP”); and

F. WHEREAS, CAISO is registered with NERC as a Planning Authority (which is synonymous with “Planning Coordinator”); and

G. WHEREAS, the City has determined that there is a need for San Francisco to identify a Planning Coordinator for its SF BES Facilities, currently and into the foreseeable future; and

H. WHEREAS, CAISO has determined it is qualified to be the Planning Coordinator for San Francisco; and

I. WHEREAS, pursuant to this Agreement, CAISO agrees to be the Planning Coordinator for San Francisco; and

J. WHEREAS, the San Francisco Public Utilities Commission (“SFPUC”), a department of San Francisco, obtained a sole source waiver for CAISO on February 20, 2015; and

K. WHEREAS, approval for this Agreement was obtained when the San Francisco Civil Service Commission approved Contract number PSC 42027-13/14 on August 4, 2014; and

L. WHEREAS, the Parties are entering into this Agreement in order to establish the terms and conditions on which CAISO and San Francisco will discharge their respective duties and responsibilities.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, THE PARTIES AGREE as follows:



AGREEMENT

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Definitions. Capitalized words in this Agreement that are not defined herein shall have the meanings set forth in NERC's "Glossary of Terms Used in NERC Reliability Standards" ("NERC Glossary of Terms").

1.2 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Agreement:

(a) if there is any inconsistency between this Agreement and the NERC Glossary of Terms, the NERC Glossary of Terms will prevail to the extent of the inconsistency;

(b) the singular shall include the plural and vice versa;

(c) the masculine shall include the feminine and neutral and vice versa;

(d) "includes" or "including" shall mean "including without limitation";

(e) references to an Article, Section or Attachment shall mean an Article, Section or Attachment of this Agreement, as the case may be, unless the context otherwise requires;

(f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;

(g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;

(h) unless the context otherwise requires, any reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;

(i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;

(j) any reference to a day, week, month or year is to a calendar day, week, month or year; and



(k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II GENERAL RESPONSIBILITIES OF THE PARTIES

2.1 Description of CAISO Responsibilities. While the Agreement is in effect, CAISO shall have the following responsibilities:

(a) CAISO is registered with NERC as a Planning Authority (which is synonymous with Planning Coordinator); and

(b) CAISO will serve as the Planning Coordinator (as that term is defined in the NERC Reliability Functional Model) for the SF BES Facilities;

(c) While the Agreement is in effect, CAISO will be responsible for compliance, as determined by FERC, NERC and WECC, with all Reliability Standards applicable to a Planning Coordinator for the SF BES Facilities.

CAISO shall not, as a condition of performing the services set forth above, require San Francisco to become a PTO.

2.2 Description of San Francisco Responsibilities. While the Agreement is in effect, San Francisco shall have the following responsibilities:

(a) San Francisco is registered with NERC as a Transmission Planner; and

(b) San Francisco will be responsible for compliance, as determined by FERC, NERC and WECC, with all Reliability Standards applicable to a Transmission Planner for the SF BES Facilities.

ARTICLE III PROCEDURES AND COMPLIANCE

3.1 Coordination. The Parties agree that, for illustrative purposes only, Attachment 2 to this Agreement describes how CAISO and San Francisco anticipate coordinating with each other while carrying out their respective responsibilities as a Planning Coordinator and Transmission Planner with respect to the SF BES Facilities. San Francisco and CAISO may revise Attachment 2 by mutual written agreement. Regardless of the terms set forth in Attachment 2, the



Parties agree that they must each meet their respective responsibilities as Planning Coordinator and Transmission Planner.

3.2 CAISO's Use Of Existing Practices, Procedures and Processes.

Except as otherwise agreed by the Parties, to the extent applicable, CAISO will utilize its existing practices, procedures, and processes in performing its responsibilities as the Planning Coordinator for San Francisco. For the avoidance of doubt, the Parties clarify that requests for new or modified interconnections to the SF BES Facilities may be processed pursuant to the interconnection procedures adopted by San Francisco and are not required to be undertaken pursuant to CAISO's existing practices, procedures and process for interconnections to PTO facilities.

3.3 Interconnections to PTO Facilities. This Agreement does not change the respective rights and responsibilities of CAISO and San Francisco with respect to interconnections to PTO facilities.

3.4 San Francisco's Responsibility for its Facilities. San Francisco will coordinate and cooperate with CAISO in accordance with applicable Reliability Standards and will seek in good faith to reach agreement where possible on study assumptions, impacts and acceptable solutions. Nonetheless, consistent with its responsibility to meet Reliability Standards applicable to a Transmission Planner and a Transmission Owner, San Francisco has final authority over and is solely responsible for implementing necessary corrective actions, modifications or changes to its facilities.

3.5 Provision of Data. San Francisco will provide to CAISO in a timely manner all model data, including facility ratings, necessary for CAISO to perform the studies required for CAISO to fulfill its responsibilities as Planning Coordinator for the SF BES Facilities.

3.6 Compliance.

3.6.1 The Parties will cooperate with each other with respect to all compliance related activities, including but not limited to audits, with respect to the Transmission Planner and the Planning Coordinator functions.

3.6.2 Each Party shall comply with a reasonable request for data or assistance from the other Party to the extent reasonably necessary to demonstrate compliance with an applicable Reliability Standard, including providing reports or data reasonably necessary to support the other party's self-certifications, potential violation reviews, or audits.

3.7 Additional Studies or Assessments By CAISO. San Francisco may request CAISO to undertake additional studies or assessments that are not



within CAISO's responsibility as a Planning Coordinator. At its sole discretion, CAISO may agree to undertake such studies or assessments, subject to reimbursement for the cost of such work by San Francisco in accordance with Section 4.1.2 of the Agreement.

ARTICLE IV GENERAL TERMS AND CONDITIONS

4.1 Payment.

4.1.1 Annual Service Fee. San Francisco will compensate CAISO for its services as Planning Coordinator under this Agreement by paying CAISO an annual service fee ("Annual Fee"), which will not exceed an aggregate sum of \$250,000 during the Current Term of the Agreement.

CAISO shall invoice San Francisco for the first Annual Fee within thirty (30) days of the Effective Date, and shall invoice San Francisco within thirty (30) days of each anniversary to the Effective Date during the Current Term consistent with Section 4.1.3. San Francisco will pay the invoice no later than thirty (30) days after receipt thereof.

The annual service fee will be based on the number of BES transmission circuits that are owned by San Francisco and included in the CAISO's Transmission Register multiplied by CAISO's long term transmission planning process ("TPP") cost per transmission circuit. The TPP cost per transmission circuit will be based on the CAISO annual budget and Grid Management Charge Rates as amended from time to time and the total number of circuits owned by the PTOs included in the CAISO's most current transmission plan. The calculation of the annual service fee for each year of the Current Term is set forth in Attachment 3. Subsequent annual service fees will be calculated in the same manner using data from the most recently published California ISO Grid Management Charge Update Cost of Service Study.

4.1.2 Hourly Fees. If, pursuant to Section 3.7, San Francisco requests CAISO to undertake additional studies or assessments that are not within CAISO's responsibility as a Planning Coordinator, and CAISO agrees to undertake such studies or assessments, San Francisco shall compensate CAISO at an hourly rate that is based on CAISO's internal labor costs plus overhead. Before any studies or assessments are undertaken, CAISO and San Francisco will agree in writing on the applicable hourly rate, the scope of work, and a total fee estimate. CAISO shall submit to San Francisco monthly invoices for such studies or assessments consistent with Section 4.1.3 of this Agreement no later than thirty days after undertaking such work.



4.1.3 Invoices. Invoices furnished by CAISO under this Agreement will be in a form acceptable to San Francisco and include a unique invoice number. San Francisco will provide CAISO with an acceptable form of invoice no later than the Effective Date of the Agreement. Payment shall be made by San Francisco to CAISO at the address specified in Attachment 4 to this Agreement.

4.2 Confidentiality.

4.2.1 Both Parties understand and agree that, in the performance of the work or services under this Agreement or in contemplation thereof, a Party (a "Recipient") may have access to private or Confidential Information (as defined below) which may be owned or controlled by the other Party (a "Discloser") and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the Discloser. Both Parties agree that all Confidential Information disclosed by a Discloser to a Recipient shall be held in confidence by the Recipient and used only in performance of the Agreement, except to the extent such information is required to be disclosed by local, State or Federal laws and regulations or by court or public agency order. A Recipient shall exercise the same standard of care to protect a Discloser's confidential information as a reasonably prudent contractor would use to protect its own proprietary data. "Confidential Information" means (i) all written materials marked "Confidential", "Proprietary" or with words of similar import provided to either Party by the other Party, and (ii) all observations of equipment (including computer screens) and oral disclosures related to either Party's systems, operations and activities that are indicated as such at the time of observation or disclosure, respectively, provided that such indication is confirmed in writing within five (5) business days of the disclosure. Confidential Information includes portions of documents, records and other material forms or representations that either Party may create, including but not limited to, handwritten notes or summaries that contain or are derived from such Confidential Information.

4.2.2 In the event that disclosure of confidential or proprietary information is required by local, State or Federal laws and regulations or by court or public agency order, the Recipient shall give prior written notice to the Discloser as far in advance as reasonably possible. The Recipient shall cooperate with the Discloser in the event the Discloser seeks a protective order or other appropriate remedy to prevent such disclosure and, if such a protective order or other remedy cannot be obtained by such Discloser, the Recipient shall disclose only that portion of the confidential or proprietary information that is legally required to be disclosed.

4.2.3 Notwithstanding Sections 4.2.1 and 4.2.2 above, each Party to this Agreement shall not have breached any obligation under this Agreement if Confidential Information is disclosed to a third party when the Confidential



Information: (a) was in the public domain at the time of such disclosure or is subsequently made available to the public consistent with the terms of this Agreement; or (b) had been received by either Party at the time of disclosure through other means without restriction on its use, or had been independently developed by either Party as shown through documentation; or (c) is subsequently disclosed to either Party by a third party without restriction on use and without breach of any agreement or legal duty; or (d) subject to the provisions of Section 4.2.2, is used or disclosed pursuant to statutory duty or an order, subpoena or other lawful process issued by a court or other governmental authority of competent jurisdiction.

4.2.4 The Parties acknowledge that the CAISO must comply with Section 20 of the CAISO Tariff and San Francisco must comply with San Francisco's Sunshine Ordinance, San Francisco Administrative Code §67.

4.3 Effective Date. This Agreement shall be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC, if such FERC filing is required, ("Effective Date") and shall remain in full force and effect for three (3) years from the Effective Date ("Current Term") or as terminated pursuant to Section 4.4 of this Agreement. Beginning on the Effective Date, CAISO will commence activities necessary to perform the services described in Section 2.1 herein. Notwithstanding the foregoing, the Parties agree that the San Francisco Controller must certify the availability of funds and notify the CAISO in writing of such before the Agreement may become effective. The Parties may mutually agree in writing to extend the term of the Agreement at any time, provided that, with respect to San Francisco, such agreement must be approved in the same manner as this Agreement and must comply with all applicable San Francisco requirements.

4.4 Termination.

4.4.1 Termination by CAISO. CAISO may terminate this Agreement by giving thirty (30) days prior written notice of termination to San Francisco, in the event that San Francisco commits any material default under this Agreement which, if capable of being remedied, is not remedied within thirty (30) days after CAISO has given to San Francisco written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Section 4.9 of this Agreement. In addition, CAISO may terminate this Agreement by giving not less than a one year prior written notice of termination to San Francisco. With respect to any notice of termination given pursuant to this Section, if filing at FERC is required for this Agreement, CAISO must file a timely notice of termination with FERC. In the case of a San Francisco uncured material default, the filing of the notice of termination by CAISO with FERC will be considered timely if the filing of the notice of termination is made after the preconditions for termination have been met, and CAISO files the notice of termination within sixty (60) days after



issuance of the notice of default. The notice of termination shall become effective on the later of (i) the date specified in the notice of termination, or (ii) in the event filing of the notice of termination is required, the date FERC accepts such notice.

4.4.2 Termination by San Francisco. San Francisco may terminate this Agreement by giving not less than ninety (90) days prior written notice of termination to CAISO. With respect to any notice of termination given pursuant to this Section, if filing at FERC is required for this Agreement, CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by CAISO with FERC will be considered timely if the request to file a notice of termination is made, and CAISO files the notice of termination with FERC within thirty (30) days of receipt of San Francisco's notice of termination. The notice of termination shall become effective on the later of (i) the date specified in the notice of termination, or (ii) in the event filing of the notice of termination is required, the date FERC accepts such notice.

4.4.3 Termination by Mutual Agreement. The Parties may terminate this Agreement at any time upon mutual agreement in writing.

4.4.4 Termination in the Event of Non-Appropriation. This Agreement is subject to the budget and fiscal provisions of the San Francisco's Charter. This Agreement will terminate without penalty, liability or expense of any kind to San Francisco at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. San Francisco has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. San Francisco budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. CAISO's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

In addition, charges for services rendered by CAISO under this Agreement will accrue only after prior written authorization certified by the Controller, and the amount of San Francisco's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. Except as may be provided by laws governing emergency procedures, officers and employees of San Francisco are not authorized to request, and San Francisco is not required to reimburse the CAISO for, commodities or services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of San Francisco are not authorized to offer or promise, nor is San Francisco required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the San Francisco Controller. The San Francisco



Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

4.4.5 Effect of Expiration or Termination. Upon the expiration or termination of this Agreement for any reason, each Party will be released from all obligations to the other Party arising after the date of expiration or termination, except that expiration or termination of this Agreement will not (i) relieve either Party of those terms of this Agreement which by their nature are intended to survive, including Section 4.1.3 (Invoices), Section 4.2 (Confidentiality), Section 4.5 (Dispute Resolution), Section 4.6 (Representations and Warranties), Section 4.7 (Liability), Section 4.8 (Insurance), Section 4.11 (Notices), Section 4.13 (Governing Law and Forum), Section 4.15 (Compliance with San Francisco Laws and Ordinances), Section 4.16 (Taxes), Section 4.19 (Merger), Section 4.20 (Severability) and Section 4.21 (Amendments), (ii) relieve San Francisco of its payment obligations for services already rendered in accordance with the terms of this Agreement, or (iii) relieve either Party from any liability arising from any breach of this Agreement.

4.4.6 Transition Assistance. Except in the case of a termination for a default by San Francisco, if San Francisco so requests, the CAISO will reasonably assist San Francisco to transition to another Planning Coordinator, including providing data and assistance, provided that San Francisco will reimburse the CAISO for its reasonable costs of such assistance.

4.5 Dispute Resolution. The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. If such efforts do not result in settlement, Section 4.13 shall apply.

4.6 Representation and Warranties. Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

4.7 Liability.

4.7.1 Limitation of Liability. Neither Party shall be liable to the other Party under any circumstances, whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.



4.7.2 Assessment of Penalties. If FERC, NERC or WECC assesses one or more monetary penalties against the CAISO as a Planning Coordinator for the violation of one or more Reliability Standards, and the conduct or omission(s) of San Francisco contributed, in whole or in part, to the violation(s) at issue, then the CAISO may recover from San Francisco that portion of the penalty that resulted from San Francisco's conduct or omissions(s) provided that each of the conditions set forth in Section 14.7.2.1 of the CAISO Tariff are met except that references to the Market Participant that caused or contributed to the violation at issue should be taken to be references to San Francisco, and instead of the payment provisions described in Section 14.7.2.5 of the CAISO Tariff, the payment provisions in Section 4.1.3 of this Agreement shall apply.

4.8 Insurance. CAISO is responsible for maintaining in force, during the full term of the Agreement, reasonable levels of Commercial General Liability, Workers' Compensation, Commercial Auto Liability and Professional Liability insurance coverage. Upon request, CAISO shall provide San Francisco with copies of its certificates of insurance evidencing the coverage maintained pursuant to this Section 4.8 and shall name San Francisco as an additional insured to the extent of its insurable interest. CAISO's insurance policies shall require third party insurers providing Commercial General Liability, Workers' Compensation, Commercial Auto Liability and Professional Liability insurance coverage supporting this Agreement to waive any rights of subrogation or recovery in favor of San Francisco.

4.9 Uncontrollable Forces Tariff Provisions. The Parties agree that Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Sections 14.1, 14.2 and 14.3 of the CAISO Tariff to Market Participants shall be read as a reference to San Francisco and references to the CAISO Tariff shall be read as references to this Agreement.

4.10 Assignments. Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff. In the case of San Francisco, a prior written consent must be executed and approved in the same manner as this Agreement. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.

4.11 Notices. The Parties agree that any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4.1 of the CAISO Tariff, provided that all references in Section 22.4.1 of the CAISO Tariff to Market Participants shall be read as a reference to San Francisco and references to the CAISO Tariff shall be read as



references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Attachment 4. A Party must update the information in Attachment 4 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.

4.12 Waivers. Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

4.13 Governing Law and Forum. This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement, shall be brought in any of the following forums, as appropriate: any court of the State of California or any federal court of the United States of America located in either San Francisco or Sacramento in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

4.14 Compliance with Laws. The Parties shall keep themselves fully informed of all federal, state and local laws in any manner affecting the performance of this Agreement, and must at all times comply with such applicable laws as they may be amended from time to time.

4.15 Compliance with San Francisco Laws and Ordinances. San Francisco is required to advise contracting parties of certain state and local rules and ordinances that these parties must adhere to during the course of performance of a contract with San Francisco. CAISO acknowledges that it has read and understands the rules and ordinances specified in Attachment 5 hereto, and that it complies with these provisions to the extent they are applicable to CAISO's performance of services under this Agreement.

4.16 Taxes. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of the CAISO.

4.17 Subcontracting. Neither Party may subcontract this Agreement, or any part of thereof, unless such subcontracting is first approved by the other Party in writing. Neither Party shall, on the basis of this Agreement, contract on behalf of or in the name of the other Party. An agreement made in violation of this provision shall confer no rights on any Party and shall be null and void.



4.18 Non-Discrimination. In the performance of this Agreement, CAISO agrees not to discriminate against any employee, San Francisco employee working with CAISO, applicant for employment with CAISO, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

4.19 Merger. This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.

4.20 Severability. If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

4.21 Amendments. This Agreement and the Attachments hereto may be amended from time to time by the mutual agreement of the Parties in writing, but in the case of San Francisco, such mutual written agreement must be executed and approved in the same manner as this Agreement. If FERC filing is required for this Agreement, amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If FERC filing is not required for this Agreement, an amendment shall become effective in accordance with its terms.

If FERC filing is required for this Agreement, nothing contained herein shall be construed as affecting in any way the right of CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder, and San Francisco shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the FPA and FERC's rules and



regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

4.22 Counterparts. This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.



PLANNING COORDINATOR AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: DocuSigned by:
Eric Schmitt
0971A84CB55B498 _____

Name: Eric Schmitt

Title: VP, operations

Date: 5/7/2015

City and County of San Francisco

By: _____

Name: _____

Title: _____

Date: _____

Approved as to Form:

Dennis J. Herrera
City Attorney

By: _____
Jeanne M. Solé
Deputy City Attorney



PLANNING COORDINATOR AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

City and County of San Francisco

By: Harlan L. Kelly, Jr.

Name: Harlan L. Kelly, Jr.

Title: General Manager, San Francisco Public Utilities Commission

Date: May 14, 2015

Approved as to Form:

Dennis J. Herrera
City Attorney

By: Jeanne M. Solé
Jeanne M. Solé
Deputy City Attorney



Attachment 1

Diagram



Attachment 2

CAISO and San Francisco Coordination

1. Interconnections

Affected standards: FAC-002-1; FAC-002-2 (effective 1/1/2016), which will replace FAC-002-1

With respect to interconnections to HHWP facilities, HHWP will conduct interconnection studies pursuant to its facilities interconnection procedures and will provide facility interconnection information and study results to the CAISO. As appropriate, the CAISO will incorporate information from HHWP interconnection studies in its Large Generator Interconnection Procedure ("LGIP") and TPP studies. HHWP and CAISO will jointly evaluate, coordinate and cooperate on interconnection studies. This agreement does not affect either (1) interconnections to the CAISO Controlled Grid facilities which will continue to be governed by the CAISO Tariff and BPMs, or (2) HHWP's rights and responsibilities with respect to such interconnections.

2. Transmission Planning

Affected standards: TPL-001-4 (enforcement date: 1/1/2016), which will replace the four existing TPL standards (TLP-001-0.1, TLP-002-0b, TLP-003-0b, TLP-004-0a), which will be retired on 12/31/2015. WECC Regional Criteria TLP-001-WECC-CRT-2.1

HHWP will participate in the CAISO TPP. HHWP will submit to the CAISO the information about the HHWP system that the CAISO requires to undertake its TPP. The CAISO will undertake its TPP in accordance with its Tariff and BPMs. Consistent with its responsibility to meet Reliability Standards applicable to a Transmission Planner or Transmission Owner, HHWP has the final responsibility and authority over implementing corrective actions, modifications or changes to its facilities.

3. SOLs, Transfer Capability and Stability Limits

Affected standards: FAC-010-2.1, FAC-013-2, FAC-014-2

CAISO will document and share its SOL Methodology for use in developing SOLs within its Planning Authority Area, including the HHWP system. HHWP will establish and provide to CAISO SOLs for the HHWP system consistent with the CAISO SOL Methodology. CAISO will adopt SOLs for its Planning Authority Area, incorporating as appropriate the information provided by HHWP.



HHWP will provide CAISO facility ratings for CAISO to include in its transfer capability studies performed under FAC-013-2. CAISO will provide its transfer capability methodology and assessment results to HHWP. HHWP will provide CAISO HHWP's list of multiple HHWP/Adjacent system contingencies (if any) which result in stability limits on the HHWP system (see TPL-003) for use by the CAISO as appropriate in carrying out its responsibilities under FAC-014-2.

4. Modeling

Affected standards: MOD-016-1.1, MOD-017-0.1, MOD-018-0 and MOD-019-0.1, which will be replaced by MOD-031-1 (effective 7/1/2016); MOD-032-1 R1 (effective 7/1/2015); MOD-032-1 R2, R3, R4 (effective 7/1/2016)

HHWP will provide HHWP transmission system load pursuant to the WECC Data Collection Manual and CEC data collection requirements. The CAISO will include this data in its documentation for its Planning Authority Area, developed consistent with its Tariff and BPMs, that identifies the scope and details of the actual and forecast (a) Demand data, (b) Net Energy for Load data, and (c) controllable DSM data to be reported for system modeling and reliability analyses. The CAISO will use the HHWP transmission system load data provided by HHWP as needed to meet its obligations under MOD-016-1.1, MOD-017-0.1 and MOD-018.0. MOD-019-0.1 is not applicable because there are no HHWP interruptible demands or DCLM load data on the HHWP system.

5. UFLS

Affected standards and regional criteria: PRC-006-1, PRC-006-WECC-CRT-1, PRC-006-2 (effective 10/1/2015), which will replace PRC-006-1

HHWP will participate and/or provide information as necessary for CAISO's studies related to PRC-006. HHWP will participate and/or provide information as necessary for the CAISO's activities related to PRC-006-WECC-CRT-1.

6. Transmission Relay Loadability

Affected standards: PRC-023-3

CAISO will include the HHWP system in its Transmission Register as non-PTO facilities and will include such facilities in its determination of assessments required under PRC-023-3, R6. Upon request, HHWP will provide facilities information needed by CAISO to perform its PRC-023-3 evaluations.

7. Nuclear

Not Applicable.



Attachment 3

Calculation of Annual Service Fee For 2014

Table 1 – TPP Cost Calculation Using 2015 GMC Update Cost of Service Study¹

Cost of Long Term Transmission Planning ²					
ABC Level 2 Activities (\$ in thousands) all in Systems Operations	ABC Level 1	ABC Level 2	Amount	2014 Factor	Allocation
Regulatory contract procedures	80001	201	\$378	0%	-
Manage Generator Interconnection Procedures (GIP) agreements	80001	202	\$818	0%	-
Manage GIP	80001	203	\$2,342	0%	-
Long Term Transmission Planning – TPP	80001	204	\$4,273	50%	\$2,137
New transmission resources	80001	205	\$552	0%	-
Transmission maintenance studies	80001	206	\$499	0%	-
Load resource data	80001	207	\$268	0%	-
Season assessment	80001	208	\$223	0%	-
Queue management	80001	209	\$615	0%	-
Annual Delivery Assessment	80001	210	25	0%	-
Subtotal: TPP Direct costs (see reference 2)			\$9,993		(1) \$2,137
Total System Operations Direct Costs (see reference 1, Table 22)					(2) \$48,915
Percentage of TPP to ABC level 2 Direct Costs [(1)/(2)]					(3) 4.37%
Total System Operations Indirect Dollars (see reference 1, Table 22)					(4) \$88,809
Subtotal: TPP related indirect costs [(3) x (4)]					(5) \$3,879
Total Direct and Indirect level 2 TPP costs [(1) + (5)]					(6) \$6,016

Annual Planning Coordinator Service Charge Calculation (\$ in thousands)	
Total number of transmission circuits in ISO 2012/2013 Transmission Plan	(7) 1533
Total number of transmission circuits in San Francisco system	(8) 6
TPP cost per transmission circuit in ISO 2013/2014 Transmission Plan [(6) / (7)]	(9) \$3.92
Initial Annual Planning Coordinator service charge (\$ in 1000s) [(8) x (9)]	\$23.545

¹ California ISO 2015 GMC Update Cost of Service Study, April 2, 2014

² Table 14; California ISO 2015 GMC Update Cost of Service Study, April 2, 2014



Attachment 4

Notices

1. As to the CALIFORNIA INDEPENDENT SYSTEM OPERATOR:

Regulatory Contracts
250 Outcropping Way
Folsom, CA 95630
Telephone: (916) 351-4400
Electronic mail: RegulatoryContracts@caiso.com

2. As to the CITY AND COUNTY OF SAN FRANCISCO:

Daniel Mason
NERC Compliance Manager
Hetch Hetchy Water and Power
PO Box 160
Moccasin, CA 95347
Telephone: (209) 989-2579
Electronic mail: DMason@sfgwater.org



Attachment 5

Applicable Local Rules and Ordinances

1. Section 21.34 of San Francisco's Administrative Code;
2. Section 21.35 of San Francisco's Administrative Code;
3. Section 15.103 of the City of San Francisco's Charter; Article III, Chapter 2, and Section 1.126 of San Francisco's Campaign and Governmental Conduct Code; and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California;
4. Section 12F.5 of San Francisco's Administrative Code;
5. Chapter 12G of San Francisco's Administrative Code;
6. Sections 12M.2 and 12M.3 of San Francisco's Administrative Code; and
7. Chapters 12B and 12C of San Francisco's Administrative Code.

Possessory Interest Tax Provisions

The CAISO recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the CAISO to possession, occupancy, or use of San Francisco property for private gain. If such a possessory interest is created, then the following shall apply:

- 1) The CAISO, on behalf of itself and any permitted successors and assigns, recognizes and understands that the CAISO, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;
- 2) The CAISO, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. The CAISO accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the San Francisco to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.



3) The CAISO, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). The CAISO accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

4) The CAISO further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

