

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: PUBLIC UTILITIES COMMISSION

Dept. Code: PUC

Type of Request: Initial Modification of an existing PSC (PSC # 36961 - 17/18)

Type of Approval: Expedited Regular Annual Continuing (Omit Posting)

Type of Service: CAISO Planning Authority Services (CS-399)

Funding Source: WECC/NERC Compliance Programmatic Project

PSC Original Approved Amount: \$0

PSC Original Approved Duration: 07/02/18 - 11/10/21 (3 years 18 weeks)

PSC Mod#1 Amount: \$500,000

PSC Mod#1 Duration: 11/11/21-11/10/31 (10 years 2 days)

PSC Cumulative Amount Proposed: \$500,000

PSC Cumulative Duration Proposed: 13 years 19 weeks

1. Description of Work

A. Scope of Work/Services to be Contracted Out:

The San Francisco Public Utilities Commission (SFPUC), as an owner, operator and user of the Bulk Electric System is subject to North American Electric Reliability Corporation (NERC) and Regional Reliability Standards. One such requirement is that the SFPUC needs the services of a California Independent System Operator (CAISO) to serve as Hetch Hetchy Water & Power's (HHWP) Planning Coordinator. The California Independent System Operator (CAISO) is the sole source available to provide these regulatory required services. Under the proposed agreement HHWP would pay the CAISO an annual service fee for being its Planning Coordinator and providing Planning Coordinator services consistent with the applicable NERC Reliability Standards.

B. Explain why this service is necessary and the consequence of denial:

Under federal law, NERC has been designated as the Electric Reliability Organization (ERO) for the United States. As the ERO, NERC is responsible for overseeing the development and enforcement of Reliability Standards in order to ensure the reliability of the Bulk Electric System (BES). These regulatory requirements are enforceable under the authority of the Federal Energy Regulatory Commission (FERC) and come with fines for failure to stay on top of our regulatory obligations that range from \$1,000 to \$1,000,000 per day.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

The service is currently provided via PSC No. 36961-17/18.

D. Will the contract(s) be renewed?

Yes.

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why:

This is a regulatory requirement, and CAISO is the only provider in our region. A long-term agreement is in the

best interest of the City.

2. Reason(s) for the Request

A. Display all that apply

Regulatory or legal requirements, or requirements or mandates of funding source(s) which limit or preclude the use of Civil Service Employees. Include a copy of the applicable requirement or mandate.

Explain the qualifying circumstances:

The San Francisco Public Utilities Commission (SFPUC), as an owner, operator and user of the Bulk Electric System is subject to North American Electric Reliability Corporation (NERC) and Regional Reliability Standards. One such requirement is that the SFPUC needs the services of a California Independent System Operator (CAISO) to serve as Hetch Hetchy Water & Power's (HHWP) Planning Coordinator. The CAISO is the only entity registered by NERC as a Planning Coordinator within the CAISO Balancing Authority Area.

B. Reason for the request for modification:

This request is to extend the existing PSC by an additional ten (10) years, for a total of sixteen (16) years. Because this is a regulatory requirement, and CAISO is the only provider in our region, a long-term agreement is in the best interest of the City.

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise: The San Francisco Public Utilities Commission (SFPUC), as an owner, operator and user of the Bulk Electric System is subject to North American Electric Reliability Corporation (NERC) and Regional Reliability Standards. One such requirement is that the SFPUC needs the services of a California Independent System Operator (CAISO) to serve as Hetch Hetchy Water & Power's (HHWP) Planning Coordinator. The California Independent System Operator (CAISO) is the sole source available to provide these regulatory required services. Under the proposed agreement HHWP would pay the CAISO an annual service fee for being its Planning Coordinator and providing Planning Coordinator services consistent with the applicable NERC Reliability Standards.

B. Which, if any, civil service class(es) normally perform(s) this work? none

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: No.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

Not Applicable

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

A. Explain why civil service classes are not applicable.

HHWP is limited in its choice of a Planning Coordinator to the CAISO because HHWP is within the CAISO Balancing Authority Area (BAA), and because the CAISO is the only entity registered by NERC as a Planning Coordinator within the CAISO BAA.

B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain: No. CAISO is the only entity registered by NERC as a Planning Coordinator within the CAISO BAA.

6. Additional Information

- A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.
- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contact? If so, please explain what that will entail; if not, explain why not.
Civil service staff will not be trained, as CAISO is the only entity registered by NERC as a Planning Coordinator within the CAISO BAA.
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No.
- E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
Yes. CAISO will perform the work.

7. Union Notification: On 08/09/21, the Department notified the following employee organizations of this PSC/RFP request:

all unions were notified

I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Daniel Kwon Phone: 415-934-5722 Email: dkwon@sfgwater.org

Address: 525 Golden Gate Avenue, 8th Floor, San Francisco, CA 94102

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 36961 - 17/18

DHR Analysis/Recommendation:

09/20/2021

Commission Approval Required

Approved by Civil Service Commission with conditions

09/20/2021 DHR Approved for 09/20/2021

