

1 [Power Purchase Agreement.]  
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3 **Resolution approving a power purchase agreement with the California Department of**  
4 **Water Resources.**

5  
6 WHEREAS, The State of California has approved a settlement agreement with the  
7 Williams Energy Companies through which San Francisco will receive at no cost electric  
8 generating equipment which can be used to develop power plants to enhance reliability in the  
9 City; and,

10 WHEREAS, Siting and developing the equipment appropriately would allow for the  
11 shutdown of the Hunters Point power plant; and,

12 WHEREAS, The equipment would produce electricity more reliably and with less  
13 pollution than the Hunters Point power plant; and,

14 WHEREAS, Siting, developing, and operating the equipment would involve substantial  
15 costs; and,

16 WHEREAS, The California Department of Water Resources (CDWR) desires to  
17 purchase the power produced by the equipment on a cost-of-service basis to ensure reliability  
18 within San Francisco if the City sites and develops the equipment; and,

19 WHEREAS, A power purchase agreement with CDWR would assist the City in  
20 financing the costs of siting, developing, and operating the equipment without risk to the City's  
21 general fund; and,

22 WHEREAS, Under the provisions of California Water Code Section 80260, CDWR's  
23 authority to enter contracts to purchase power expires 12/31/02; and,  
24  
25

1           WHEREAS, A copy of the power purchase agreement between the City and CDWR is  
2 on file with the Clerk of the Board of Supervisors in File No. <sup>021916</sup>, which is hereby declared to  
3 be a part of this resolution as if set forth fully herein; and,

4           WHEREAS, The City has not determined whether it should site and develop the  
5 equipment; and,

6           WHEREAS, The City has not determined the costs of siting and developing the  
7 equipment; and,

8           WHEREAS, The City has not analyzed the impacts of siting and developing the project  
9 on City finances, the environment, public health, or the electric system; and,

10          WHEREAS, Approval of the Board of Supervisors will be required for financing the  
11 project and for contracting related to design, construction, operation, and maintenance of the  
12 project; and,

13          WHEREAS, The price paid by CDWR to City under the contract cannot be determined  
14 until the City and CDWR perform additional analysis; and,

15          WHEREAS, Under the terms of the agreement, the City may terminate the power sales  
16 agreement with CDWR prior to siting and developing the project; now, therefore be it

17          RESOLVED, That the General Manager of the Public Utilities Commission is  
18 authorized to execute the agreement with CDWR, contingent on adoption of the settlement  
19 agreement by the State of California and transfer of the electric generating equipment to the  
20 City.



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Tails  
Resolution

File Number: 021916

Date Passed:

Resolution approving a power purchase agreement with the California Department of Water Resources.

December 9, 2002 Board of Supervisors — ADOPTED

Ayes: 6 - Ammiano, Daly, Maxwell, McGoldrick, Peskin, Sandoval

Noes: 2 - Gonzalez, Hall

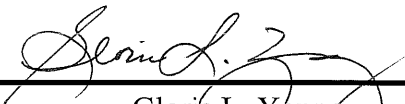
Absent: 1 - Newsom

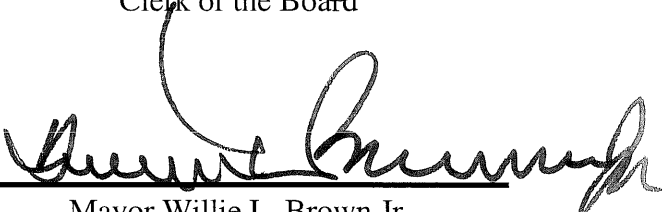
File No. 021916

I hereby certify that the foregoing Resolution was ADOPTED on December 9, 2002 by the Board of Supervisors of the City and County of San Francisco.

DEC 20 2002

Date Approved

  
Gloria L. Young  
Clerk of the Board

  
Mayor Willie L. Brown Jr.