



**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN INTERCONNECTION AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY FOR THE PROVISION OF WHOLESALE TRANSMISSION SERVICE TO CUTHBERTSON SUBSTATION.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated Agenda Report Item 6.4 dated June 28, 2018, and related agenda materials ("Agenda Report"), has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The Board hereby finds and determines as follows:

- a. The Port owns two electrical substations that serve the electricity needs of many parts of the Seaport: (i) Davis Substation, and (ii) Cuthbertson Substation; and
- b. Electricity is transmitted to both substations through a single 115 KV transmission line from Pacific Gas and Electric's ("PG&E") Station C by 2nd and Jefferson Streets in the City of Oakland; and

- c. The Port buys electricity for Davis Substation on the wholesale market but buys electricity for Cuthbertson Substation from PG&E at PG&E's retail rates; and
- d. The Port has long wanted to be able to buy electricity for Cuthbertson Substation and has negotiated an interconnection agreement through proceedings with the Federal Energy Regulatory Commission ("FERC") to allow the Port to convert Cuthbertson Substation from a retail facility to a wholesale facility and thereby reduce the Port's electricity costs for the Seaport.

Section 2. The Board further finds and declares that the approval of the proposed interconnection agreement was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA") and the Port CEQA Guidelines. The proposed interconnection agreement with PG&E is not a project for purposes of CEQA pursuant to Section 15061.b(3) of the CEQA Guidelines, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Approval of the interconnection agreement will not result in any effect on the environment as the proposed action is for wholesale transmission service at an existing substation which would not result in any physical changes to the environment.

Section 3. The Board hereby authorizes the Executive Director to enter into a interconnection agreement with PG&E, together with such other documents as may be customary or necessary in connection with FERC's approval and acceptance of such interconnection agreement, all as described in the Agenda Report and containing the following major provisions:

- a. The term of the agreement will be 10 years from May 1, 2018; and
- b. The Port will be responsible for purchasing electricity and coordinating with the California Independent System Operator ("CAISO") for the delivery of the electricity; and

- c. Both parties will be required to operate their respective electric utility systems in accordance with applicable regulations and with good utility practices; and
- d. Both parties will be required to coordinate their operations and notify the other in the event of a significant operational change or significant regulatory change, which may require the Port to make certain improvements or adjustments to its facilities in the future or participate in certain types of electricity studies; and
- e. The Port is already performing these types of activities and functions at Davis Substation and the Airport.

Section 4. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.

Section 5. This resolution shall be effective immediately upon adoption by the Board.

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