

**RESOLUTION NO. 21-9039**

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA,  
DELEGATING AUTHORITY TO THE CITY MANAGER TO  
EXECUTE NATURAL GAS PURCHASE CONTRACTS AND  
RELATED DOCUMENTS FOR DELIVERY THROUGH CALENDAR  
YEAR 2034**

**BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

**WHEREAS**, the City's Electric Department has determined that in order to meet its obligation to serve customers effectively, it requires a significant amount of reliable natural gas supply to run its Donald Von Raesfeld, Cogen, Gianera generating units, and the Lodi Energy Center Power Plant for the foreseeable future;

**WHEREAS**, the cost of natural gas, if not managed carefully, could result in a large exposure for the City's electric customers to substantial natural gas price volatility;

**WHEREAS**, the Council adopted Resolution No. 6530 on February 2, 1999, authorizing the City of Santa Clara, doing business as Silicon Valley Power, to engage in proprietary trading of electrical power, electric capacity and related commodities, and natural gas is a related commodity;

**WHEREAS**, the Council previously adopted Resolution No. 7172 on April 21, 2004, which delegated signature authority to the City Manager to execute natural gas purchase contracts and related documents for natural gas purchase up to 35,000 MMBtu per day during the calendar years 2005-2015;

**WHEREAS**, the Council previously adopted Resolution No. 10-7807 on December 7, 2010, which delegated authority to the City Manager, or designee, to execute on behalf of the City any and all natural gas supply contracts with natural gas suppliers (not to exceed the total of 40,000 MMBtu per day) for delivery during the calendar years 2011 through 2026. The City Manager, or designee, is also authorized to execute all documents related to such transactions including, but not limited to, all credit enhancement documents and agreements, netting and set-off agreements, and confirmation agreements necessary to support and complete such transactions;

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**WHEREAS**, in response to the anticipated continuing in natural gas requirements for power generation, the City plans to take steps to secure reliable, cost-effective natural gas supply by issuing a Request for Proposals (RFP) to various natural gas suppliers in order to solicit offers to sell the City up to 40,000 mmbtu per day of physical or financial natural gas for delivery through 2034;

**WHEREAS**, the offers to sell natural gas made by suppliers in response to the RFPs are generally made to the City allowing a very short period of time for City acceptance of the offer (normally less than 24 hours); it is therefore necessary for the City to be able to respond quickly to these natural gas commitments; and,

**WHEREAS**, the Electric Department presented a Report To Council to the City Council at its regularly scheduled meeting on December 14, 2021 to propose delegating authority to the City Manager, or designee, to execute on behalf of the City any and all natural gas supply contracts with natural gas suppliers (not to exceed the total of 40,000 MMBtu per day) for delivery during the calendar years 2022 through 2034.

**NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

1. The City Manager, or designee, is authorized to execute on behalf of the City any and all natural gas supply contracts with natural gas suppliers (not to exceed the total of 40,000 mmbtu per day) for delivery during the calendar years 2022 through 2034.
2. The City Manager, or designee, is also authorized to execute all documents related to such transactions including, but not limited to, all credit enhancement documents and agreements, netting and set-off agreements, and confirmation agreements necessary to support and complete such transactions.
3. The City Manager shall make regular reports to the Council regarding any natural gas supply agreements entered into on behalf of the City resulting from the delegation of authority at such intervals and/or upon such occasions as the Council shall direct.

4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 14<sup>TH</sup> DAY OF DECEMBER, 2021, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Becker, Chahal, Hardy, Jain, Park, and Watanabe, and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:



NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference: None