

**RESOLUTION NO. 19-8754**

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA  
DELEGATING AUTHORITY TO THE CITY MANAGER TO  
EXECUTE NATURAL GAS SERVICE AGREEMENTS AND  
RELATED DOCUMENTS WITH PACIFIC GAS AND ELECTRIC  
COMPANY OR ITS SUCCESSOR ENTITY**

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

**WHEREAS**, The City's Electric Department had determined that in order to meet its obligation to serve customers effectively, the Donald Von Raesfeld Power Plant, a combined-cycle natural gas power plant, would be constructed and operated to meet a significant portion of the electricity supply requirements of the Electric Department;

**WHEREAS**, The City's Electric Department also requires natural gas supply to run its Cogen and Gianera generating units;

**WHEREAS**, The Donald Von Raesfeld Power Plant requires a significant amount of reliable natural gas supply to generate electricity, and will have this requirement for the foreseeable future;

**WHEREAS**, In order for the City's power plants to receive currently needed natural gas supply it must be transported through natural gas pipelines owned and operated by Pacific Gas and Electric and is subject to its transportation tariffs;

**WHEREAS**, California enacted Senate Bill 100 ("SB 100") in 2019, which set an goal that California would have 100% fossil-free electricity by 2045;

**WHEREAS**, The ability to reliably transport natural gas supply will provide the City with continuing flexibility to address generation requirements as conditions change in the future;

**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; and,

**WHEREAS**, In order to efficiently manage variations in the City's need for natural gas fuel for electric generation at any given time, it will be necessary and economic from time to time to negotiate the terms of service to use the non-bypassable pipelines presently owned by Pacific Gas and Electric Company.

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

1. That the Council hereby delegates the authority to the City Manager, or designee, to execute on behalf of the City any and all Natural Gas Service Agreements and Natural Gas Service Agreement Modifications, with natural gas pipeline owners, such as Pacific Gas and Electric Company or any future successor entity, for transportation of natural gas to City's power plants during the calendar years 2019 through 2045. The City Manager, or designee, is also authorized to execute all documents related to such transactions including, but not limited to, all revised exhibits, credit enhancement documents and agreements, netting and set-off agreements, and confirmation agreements necessary to support and complete such transactions.

2. That the City Manager shall make regular reports to Council regarding any natural gas service 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.

3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this resolution are severable, and if any phrase, clause, sentence, paragraph, or section of this Resolution shall be declared unconstitutional or otherwise invalid by a valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution hereby adopted.

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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 17<sup>TH</sup> DAY OF SEPTEMBER, 2019, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Chahal, Davis, Hardy, O'Neill, and Watanabe,  
and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: Mahan

ABSTAINED: COUNCILORS: None

ATTEST:



NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference: None