

Water and Power Associates, Inc.
11701 Verada Avenue,
Granada Hills, CA 91344
Tel: (818) 363-9601
e-mail: olinlpr@aol.com

Water and Power Associates, Inc.

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July 1, 2013

The Los Angeles Board of Water and Power Commissioners
111 N. Hope Street
Los Angeles, California 90012

Re: Board of Water and Power Commissioners Action regarding Solar Feed in Tariffs

Commissioners,

It is the understanding of the Water and Power Associates that the duty of the Rate Payer Advocate is to provide independent analysis to the Board on its actions that will, among other things, affect rates.

It is the Associates further understanding that Mr. Fred Pickel, the Rate Payer Advocate, has recommended to the Board of Commissioners that it delay the pricing guidelines for LADWP's Solar Feed in Tariff (FiT) program until there is a more adequate understanding of its impacts on the citizens of the City and the Department of Water and Power.


However, the Board, at its June 20, 2013 meeting, elected to set aside the Rate Payer Advocate's recommendation on the FiT program, despite what appears to be strong evidence that the costs are not consistent with (i.e. significantly higher than) other FiT programs in California.

The Associates are not privy to all the facts or discussions that led to the Board's decision but believe that decision may well have long-term consequences on the increasing cost of electricity for the City's ratepayers, its residents and businesses.

In light of other significant costs that will compel the Department's Power System to seek increases to the electric rates over the next few years, we believe that before the ratepayers are asked to pay the bill they deserve to have full disclosure of the benefits and costs of the FiT program.

Accordingly, we recommend that your Board, as public policy and prior to the award of any contracts under the FiT program, be thoroughly briefed by Department management on the issues raised by the Rate Payer Advocate.

Sincerely,


Edward A. Schlotman, President
Water and Power Associates, Inc.

Cc: Fred Pickel
DWP GM
Sr. Assist GM, Power
Mayor
City Council

The Associates is a non profit, independent, private organization incorporated in 1971 for informing and educating its members, public officials and the general public on critical water and energy issues affecting the citizens of Los Angeles, Southern California and the State of California. The Associates currently has approximately 200 members comprised of representatives from private industry, education, municipal service and media.