

WHEREAS, the Los Angeles Department of Water and Power's (LADWP) Renewable Portfolio Standard Policy and Enforcement Program (RPS Policy) represents the continued commitment by LADWP to renewable energy resources; and

WHEREAS, the RPS Policy established compliance targets for LADWP to supply 25 percent of its retail energy sales from eligible renewable energy resources by 2016 and 33 percent by 2020 in accordance with the California Renewable Energy Resources Act, also referred to as SB 2 (1X); and

WHEREAS, the strategies in LADWP's Integrated Resource Plan (IRP) include regulatory requirements, policy objectives, and increases in eligible renewable energy resources, while maintaining service reliability, using existing assets near eligible renewable energy resources, and minimizing the financial impact on ratepayers; and

WHEREAS, the Board of Water and Power Commissioners (Board) approved the Southern California Public Power Authority (SCPPA) Development Agreement No. 96125-76 under Resolution No. 006-157 to participate in a Request for Proposal (RFP), a competitive process, for the purchase and/or acquisition of eligible renewable energy resources; and

WHEREAS, K Road Solar Power LLC was selected to develop over 225 megawatts (MW) of renewable energy from solar power generating facilities on tribal land 30 miles north of Las Vegas, Nevada, connecting directly into LADWP's balancing authority; and

WHEREAS, in 2012 the Board, via Resolution No. 013 073, and the Los Angeles City Council, via Ordinance No. 182333, approved the Moapa Solar Power Purchase Agreement No. BP 12-017 (PPA) for LADWP's acquisition of all the solar energy, associated environmental attributes, and generating capacity rights associated with the solar facility for a 25-year term; and

WHEREAS, the PPA provided LADWP with an early purchase option after the 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, or 24<sup>th</sup> year, as set forth in the PPA in its Appendix J attached thereto ("Purchase Option"); and

WHEREAS, LADWP plans to purchase, for an amount not to exceed Eighteen Million Dollars (\$18,000,000) with 15% project management and administrative costs, Transmission Facilities, as defined and set forth in the PPA in Appendices O and P; and

WHEREAS, in 2013 an affiliate of First Solar, Inc. (Developer) acquired the entity formed for the Moapa PPA and changed the entity's name to Moapa Southern Paiute Solar, LLC (Seller), and informed LADWP that after the solar facilities were built it would sell the solar facility; and

WHEREAS, in 2015 the Developer informed LADWP that due to changing market conditions the Purchase Option needed to be modified to facilitate the sale of the solar facility; and

WHEREAS, LADWP and the Developer negotiated certain provisions of the PPA, including the Purchase Option, where the Developer achieves the removal of the definitive minimum and maximum prices set forth in the Purchase Option, which it claims enables the sale of the solar facility after it is built, while LADWP achieves a reduction in the purchase price for solar energy, a waiver of the project management and administrative costs for the Transmission Facilities, and additional curtailment rights, which provide LADWP and its ratepayers substantial savings.

NOW, THEREFORE, BE IT RESOLVED that the Power Purchase Agreement and Option Agreement Amendment (PPA Amendment), which amends the Power Purchase Agreement, No. BP 12-017, including the Purchase Option, by and between LADWP and Seller, now on file with the Secretary of the Board and approved as to form and legality by the City Attorney, be and the same is hereby approved.

BE IT FURTHER RESOLVED that the Board requests that the Los Angeles City Council (City Council) approve, by ordinance, the PPA Amendment, which amends the Power Purchase Agreement, No. BP 12-017, including the Purchase Option, by and between LADWP and Seller.

BE IT FURTHER RESOLVED that the Board will need further authorization from the City Council to approve the exercise of any Purchase Option or assumption of any debt for the solar facility related to any Facility Lender, as defined in the PPA, which authorization may be qualified.

BE IT FURTHER RESOLVED that the Board request the City Council to authorize the Board, by ordinance, without further approval by the City Council, to act on and approve all future amendments to the Power Purchase Agreement, No. BP 12-017, and the PPA Amendment, provided that such amendments are ministerial and administrative in nature and do not increase the costs or extend the term of said agreement.

BE IT FURTHER RESOLVED that the President or the Vice President of this Board, or General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board, are hereby authorized and directed to execute the PPA Amendment, for and on behalf of LADWP, upon approval by the City Council by ordinance pursuant to Sections 373 and 674 of the Charter of the City of Los Angeles.


I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held DEC 15 2015

  
Secretary

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

DEC 04 2015

BY

  
JEAN-CLAUDE BERTET  
DEPUTY CITY ATTORNEY