

ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to authorizing the approval of Subdivision Parcel Map affecting the Mohave Generating Station Property.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the Board of Water and Power Commissioners' (Board) action of May 23, 2013, Resolution No. 013-276, authorizing the execution of Subdivision Parcel Map from the larger Mohave Generating Station Property (Real Estate File No. P-85414).
2. PRESENT and ADOPT the accompanying ORDINANCE authorizing approval of Subdivision Parcel Map affecting the Mohave Generating Station Property (Real Estate File No. P-85414).

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the Subdivision Parcel Map affecting the Mohave Generating Station Property does not have a fiscal impact on the Los Angeles Department of Water and Power (LADWP). A subsequent request regarding the sale or disposition of the LADWP's ten percent interest in the Mohave Generating Station property could impact the Power Revenue Fund; however, the amount has not been determined. The proposed action complies with the LADWP's adopted Financial Policies. Approval of the proposed action will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

Summary:

On February 19, 2014, your Committee considered May 29, 2013 Board, April 24, 2013 CAO, and July 18, 2013 City Attorney reports, Resolution No. 013-276, and Ordinance relative to authorizing the approval of Subdivision Parcel Map affecting the Mohave Generating Station Property. According to the CAO, the Mohave Station is a 1,510 Megawatt coal-fired power plant located on approximately 2,490 acres, currently undergoing decommissioning activities, that is co-owned by a partnership of four utilities consisting of Southern California Edison Company (SCE) - 56 percent, Salt River Project- 20 percent, Nevada Power Company (NV Energy) - 14 percent, and LADWP - 10 percent.

The SCE operates and manages Mohave Station on behalf of the partnership, including during the plant decommissioning activities. The co-owners currently lease the 8.01 acre parcel of land and associated building to NV Energy for use as a maintenance yard and field office. NV Energy wants to continue with its present use of the land notwithstanding the decommissioning activities and possible sale or disposition of the remainder of the Mohave Station property. NV Energy proposes to purchase the parcel from the partnership; however, the current property must be subdivided in accordance with State of Nevada law to create a separate, discrete, and saleable parcel. Furthermore, as a condition of local planning approval for the subdivision by the County of Clark, Nevada, a dedication of easement for public right of way is also required that involves 6,510 square feet. Approval of the current request only pertains to this proposed subdivision of the Mohave Station and the associated dedication of easement for public right.

The actual sale of the LADWP's 10 percent interest in the Mohave Station property will require a separate Board and Council action that will be pursued following the completion of this proposed

parcel subdivision. The Mohave Station, located in Laughlin, Nevada, entered commercial operation in 1971. Due to noncompliance with a Consent Decree that required the installation of emission control equipment, the Mohave Station was removed from service in December 2005. As of October 2007, the Mohave Station was in permanent shutdown status. Subsequently, the LADWP advises that many options were considered by the co-owners, including converting the station to a gas-fired generating station, selling it to interested parties, decommissioning the station, and redeveloping the site as a solar plant or a hybrid solar/gas-fired power generating plant. Following several failed attempts to sell the power plant, the co-owners agreed to decommission the Mohave Station. Each co-owner is obligated to pay its proportional share of the expenses associated with the decommissioning of the Mohave Station. Decommissioning activities began in 2009 and were completed in 2012. Until a redevelopment plan or other option is approved, the plant site is to be maintained at a safe, secure, and environmentally compliant condition.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Subdivision Parcel Map and accompanying Ordinance as detailed in the above recommendations and in the May 29, 2013 Board and July 18, 2013 City Attorney reports. This matter is now submitted to City Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	ABSENT
KORETZ:	YES

ARL
2/19/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-