

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI  
MAYOR

HOLLY L. WOLCOTT  
Interim City Clerk

Office of the  
CITY CLERK

Council and Public Services  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

SHANNON HOPPES  
Council and Public Services  
Division

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

When making inquiries relative to  
this matter, please refer to the  
Council File No.

March 27, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 14-0238,  
at its meeting held March 18, 2014.



City Clerk  
wrq

TIME LIMIT FILES  
ORDINANCES

Mayor's Time Stamp  
OFFICE OF THE MAYOR  
2014 MAR 20 AM 9:14  
CITY OF LOS ANGELES

City Clerk's Time Stamp  
CITY CLERK'S OFFICE  
2014 MAR 20 AM 9:10  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

COUNCIL FILE NUMBER 14-0238 COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE MAR 18 2014 LAST DAY FOR MAYOR TO ACT APR 01 2014

ORDINANCE TYPE:  Ord of Intent  Zoning  Personnel  General

Improvement  LAMC  LAAC  CU or Var Appeals - CPC No. \_\_\_\_\_

SUBJECT MATTER: AUTHORIZING PAYMENTS UP TO \$200,000 FOR THE LOS ANGELES DEPARTMENT OF WATER AND POWER'S ADMINISTRATIVE AND MAINTENANCE BUDGET FOR THE MOHAVE GENERATING STATION - FISCAL YEAR 2014

	APPROVED	DISAPPROVED	BY	RECEIVED
PLANNING COMMISSION	_____	_____	CITY CLERK DEPUTY	2014 MAR 26 AM 11:20 CITY CLERK'S OFFICE
DIRECTOR OF PLANNING	_____	_____		
CITY ATTORNEY	X _____	_____		
CITY ADMINISTRATIVE OFFICER	_____	_____		
OTHER	_____	_____		

MAR 25 2014

DATE OF MAYOR APPROVAL, DEEMED APPROVED OR \*VETO \_\_\_\_\_  
(\*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

**(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)**

DATE RECEIVED FROM MAYOR MAR 26 2014 ORDINANCE NO. 182948

DATE PUBLISHED MAR 28 2014 DATE POSTED \_\_\_\_\_ EFFECTIVE DATE APR 28 2014

ORD OF INTENT: HEARING DATE \_\_\_\_\_ ASSESSMENT CONFIRMATION \_\_\_\_\_

ORDINANCE FOR DISTRIBUTION: YES  NO



ENERGY AND ENVIRONMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to authorizing payments up to \$200,000 for the Los Angeles Department of Water and Power's (LADWP) Administrative and Maintenance Budget for the Mohave Generating Station - Fiscal Year (FY) 2014.

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

1. CONCUR with the Board of Water and Power Commissioners' (Board) February 18, 2014 action, Resolution No. 014-153, authorizing payments up to \$200,000 for the LADWP's Administrative and Maintenance Budget for the Mohave Generating Station - FY 2014.
2. PRESENT and ADOPT the accompanying ORDINANCE approving the LADWP's allocation and expenditure of \$200,000 for costs, expenses and any emergent work identified within the Mohave Generating Station 2014 Maintenance and Administrative Budget, on file with the Secretary of the Board.

Fiscal Impact Statement: The City Administrative Officer reports that authorizing payments up to \$200,000 for the LADWP's Administrative and Maintenance Budget for the Mohave Generating Station - FY 2014 will result in a total not to exceed expenditure of \$200,000 from the Power Revenue Fund. The proposed Agreement will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

Summary:

On March 5, 2014, your Committee considered February 19, 2014 Board, October 16, 2014 CAO, and February 28, 2014 City Attorney reports, Resolution No. 014-153, and Ordinance relative to authorizing payments up to \$200,000 for the LADWP's Administrative and Maintenance Budget for the Mohave Generating Station - FY 2014. According to the CAO, the LADWP is requesting authorization of the LADWP, as a co-owner of the decommissioned Mohave Generating Station (Mohave Station), to pay, by Ordinance, its portion of expenses for the budget period January 1, 2014 through December 31, 2014, with a not-to-exceed amount of \$200,000.

The Mohave Station is a 1,510 Megawatt coal-fired power plant that is co-owned by four utilities consisting of: Southern California Edison Company (SCE) - 56 percent; Salt River Project - 20 percent; Nevada Power Company - 14 percent; and the LADWP - 10 percent. Approval of this request will allow for payments to be made without an existing contract between the co-owners of the Mojave Station. Consequently, City Council approval of this request, by Ordinance, is required pursuant to Charter Section 262 and 370. The City Attorney has approved the proposed resolution as to form and legality. As the LADWP is a partial (10 percent) owner of the decommissioned power plant site, the LADWP is responsible for paying its portion of the current and future expenses of the site. A budget request that is similar to this proposal will be submitted annually for consideration until all co-owners approve the future use of this site and a formal contract is executed.

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 2013. Until a redevelopment plan or other option approved, the plant site is to be maintained at a safe, secure, and environmentally compliant condition.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval as detailed above in Recommendation Nos. 1 and 2. The matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE



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

ARL  
3/5/14

**ADOPTED**

MAR 18 2014

**LOS ANGELES CITY COUNCIL**

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**