

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 including the 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 and 50 percent by 2030 in accordance with Senate Bill 350 (SB 350); and

WHEREAS, the strategies in LADWP's Integrated Resource Plan 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, in 2012 via Board of Water and Power Commissioners (Board) Resolution Number 013-021, LADWP purchased over 2,500 acres of unimproved property in Kern County, California (Beacon Property); and

WHEREAS, in 2013 LADWP issued Request for Proposals (RFP) for the development of solar generating facilities at different locations on the Beacon Property, called Beacon Sites 1, 2, 3, 4, and 5; and

WHEREAS, in 2014 the Board, by Resolution Numbers 014-228 and 014-229 (Beacon Resolutions), and the Los Angeles City Council (City Council), by Ordinance Numbers 183139 and 183140 (Beacon Ordinances), approved power purchase agreements (PPA) with five project development entities, one for each of the Beacon Sites; and

WHEREAS, LADWP selected Hecate Energy Beacon #1 LLC under LADWP contract number BP 14-008 for Site 1 (Beacon Site 1), Hecate Energy Beacon #3 LLC under LADWP contract number BP 14-010 for Site 3 (Beacon Site 3), and Hecate Energy Beacon #4 LLC for Site 4 under LADWP contract number BP 14-012 (Beacon Site 4) for the development and acquisition of all the solar energy, associated environmental attributes, and generating capacity rights associated with the solar generating facilities for a 25-year term; and

WHEREAS, the project development entities for Sites 1, 3, and 4 were affiliates of Hecate Energy LLC, who later sold ownership in the project development entities to affiliates of Sustainable Power Group LLC, for ease of reference "Seller"; and

WHEREAS, in 2015 Seller changed the names of the project development entities to Beacon Solar 1 LLC for Beacon Site 1, to Beacon Solar 3 LLC for Beacon Site 3, and to Beacon Solar 4 LLC for Beacon Site 4 (collectively "Sellers"); and

WHEREAS, in 2015 the Seller informed LADWP that due to changing market conditions and extension of the federal Business Energy Investment Tax Credit the PPAs needed to be modified to facilitate financing for the solar generating facilities, including changing

Default Cure Periods, Commercial Operation Dates, Performance Security, timing for the Exercise of the Purchase Option, and the Contract Price; and

WHEREAS, with the negotiated limited revisions of the PPAs for Beacon Site 1, Beacon Site 3, and Beacon Site 4, including their respective 34.5kV Interconnection Agreement, Ground Lease, and Option Agreement (collectively the "First Amendments") LADWP and its ratepayers benefit with a financial savings over the life of the PPAs; and

WHEREAS, the Beacon Resolutions and Beacon Ordinances require the Board and City Council to approve the First Amendments.

NOW, THEREFORE, BE IT RESOLVED that the First Amendments, by and between LADWP and Sellers, now on file with the Secretary of the Board and approved as to form and legality by the City Attorney, be and the same are hereby approved.

BE IT FURTHER RESOLVED that the Board requests that the City Council approve by ordinance, per Charter Sections 101, 373, and 674, the First Amendments, and that the City Council authorize the Board to act on and approve all future amendments to the PPAs without further approval by the City Council, provided that such amendments do not increase the costs or extend the total term of the PPAs.

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 First Amendments, for and on behalf of LADWP.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in payment of the obligations arising under the First Amendments.

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


MAY 03 2016

  
Secretary

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

APR 26 2016

BY

  
JEAN-CLAUDE BERTET  
DEPUTY CITY ATTORNEY