

Los Angeles



Department of Water & Power

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Mayor

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MARCIE L. EDWARDS
General Manager

May 9, 2014

The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Mail Stop 370

Attention: Ms. Mandy Morales, Legislative Coordinator

Dear Mayor Garcetti:

Subject: Los Angeles Department of Water and Power's (LADWP's) Springbok 1 Solar Farm Power Sales Agreement (PSA) No. BP 14-03 and Springbok 1 Solar Farm Agency Agreement (AA) No. BP 14-04 with Southern California Public Power Authority (SCPPA)

In accordance with Executive Directive No. 4, enclosed is a copy of a Board Letter and supporting documents recommending approval and transmittal to the Los Angeles City Council, of PSA No. BP 14-03 for 100 Megawatts of Solar Capacity from the Springbok 1 Solar Farm located in Kern County, California for a 25-year term, and of AA No. BP 14-04 for Project Management Services between LADWP and SCPPA.

It is respectfully requested that your review be completed as soon as possible. Once the required City Administrative Officer's report has been received, the matter will be scheduled for consideration and review by the LADWP Board of Water and Power Commissioners (Board), and thereafter, any formal action by the Board will be forwarded to the Los Angeles City Council for consideration and approval by ordinance.

Please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025 upon completion of the review, if the review will take longer than 30 days, or if there are any questions regarding this item.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MLE', is written over a light blue circular stamp.

Marcie L. Edwards
General Manager

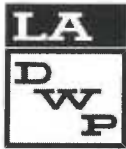
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Enclosures

c/enc: Mr. Guy Lipa, Office of the Mayor
Board of Water and Power Commissioners
Ms. Winifred J. Yancy

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

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CITY ADMINISTRATIVE OFFICER



Los Angeles
Department of
Water & Power

BOARD LETTER APPROVAL

RESOLUTION NO. _____

RANDY S. HOWARD
Senior Assistant General Manager
Power System

MARCIE L. EDWARDS
General Manager

DATE: August 22, 2014

SUBJECT: Los Angeles Department of Water and Power's (LADWP) Springbok 1 Solar Farm Power Sales Agreement (PSA) No. BP 14-03 with Southern California Public Authority (SCPPA); Springbok 1 Solar Farm Agency Agreement (AA) No. BP 14-04 with SCPPA; and Real Estate License Agreement No. BP 14-016 with 8Minutenergy Beacon Solar LLC (8ME)

SUMMARY

PSA No. BP 14-03 is to authorize LADWP to purchase from SCPPA all of the solar energy, 100 megawatts (MW) plus or minus 5 MWs, it delivers, associated environmental attributes, and generating capacity rights of the Springbok 1 Solar Farm Project (Project) for 25 years. AA No. BP 14-04 provides for the designation of LADWP as the Project Manager to administer the Project on behalf of SCPPA. The Project will be located in western Kern County, California and will connect directly to the LADWP transmission system at the Beacon Substation.

The Resolution also authorizes LADWP to apply the energy and environmental attributes received under the PSA towards the compliance targets of LADWP's Renewables Portfolio Standard Policy and Enforcement Program (RPS Policy).

Finally, the Resolution authorizes LADWP to license real property on the Beacon site to 8ME for the Gen-Tie Line to connect Springbok 1 Solar Farm to the Beacon Substation. Real Estate License Agreement No. BP 14-016 provides for the grant of this license.

City Council approval is required according to Charter Section Nos. 373, 674, and 606.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council approval, by Ordinance, of PSA No. BP 14-03 for solar capacity, and of AA No. BP 14-04 for project management services with SCPA. Per Charter Section Nos. 373 and 674 (a)(1)(A) and (a)(2), City Council approval by Ordinance for the purchase of the electric energy in the PSA and the designation of LADWP as Project Manager for the term of the Project is required.

Additionally, per Charter Section 606, City Council approval is required by Resolution for Real Estate License Agreement No. BP 14-016, which is for a term of 35 years. The Real Estate License Agreement grants the use of 1,157,000 square feet of LADWP Property for 8ME (Seller) transmission of energy from the Project to LADWP's Beacon Substation.

ALTERNATIVES CONSIDERED

Through the SCPA Request for Proposal (RFP) process, as described on page 4 of the Background section, the Project was selected as an addition to LADWP's generation portfolio because the Project:

- Utilizes existing transmission capacity at the Beacon Substation.
- Is high in LADWP's Open Access Same-Time Information System (OASIS), queue for interconnection requests.
- Has excellent solar insolation due to location.
- Is located in a region where LADWP has existing operation and maintenance crews.
- Has an offer of ownership opportunity after tax benefits are expired.

After this project was identified, alternatives within the project were considered, including the alternative of prepayment. However, it was ultimately decided to use the standard Power Purchase Agreement model to acquire this energy.

The impact of not recommending this Project could cause LADWP to miss the California Energy Commission (CEC) requirements for 25 percent renewable energy in 2016 and 33 percent renewable energy in 2020. The only alternative available is for LADWP to start negotiations with another developer for renewable energy that may not meet the criteria mentioned above and could potentially be at less favorable terms, due to pending Investment Tax Credit expiration or modifications.

FINANCIAL INFORMATION

The price of energy under this agreement is \$68.60 per Megawatt Hour (MWh). This results in total payments of \$454M over the term and an average expected expenditure of \$18.2M annually, if the purchase option is not exercised. The funds will be used to purchase renewable energy and environmental attributes as part of LADWP's RPS Policy. In addition within 60 days following the achievement of Commercial Operation, LADWP shall reimburse the developer \$7.45M for various costs and expenses associated with the development of the project. This will benefit the ratepayers of the

City of Los Angeles by supplying them with renewable energy and reducing the consumption of fossil fuels and emissions.

By being in commercial operation by December 2016, this Project has the additional financial benefit of receiving from the Seller a discount in the cost of the renewable energy based on its ability to take advantage of investment tax credit (ITC) not available to governmental entities such as LADWP.

Funding is budgeted in Power Revenue Fund's Fuel and Purchased Power budget. There is expected to be no rate impact for this facility for the ratepayer over the term of the PSA.

The PPA allows for the option to purchase the Project at the end of the 15-, 20- or 25-year anniversary of the Commercial Operating Date (COD) for the entire Project, provided that LADWP exercises notice during the six month period commencing on the date that is eighteen months prior to the aforementioned time periods (Purchase Option).

The Purchase Option Price will be based on the Fair Market Value (FMV) of the facility at the time of purchase, with a price that will be within the range of the minimum and maximum purchase price, summarized below.

The Minimum Purchase Price and the Maximum Purchase Price shall be as follows, corresponding to the Purchase Option Opportunity arising in connection with the applicable anniversary of the COD.

COD Anniversary	Minimum Purchase Price (\$ millions)	Maximum Purchase Price (\$ millions)
15 th Anniversary	129.8	149.3
20 th Anniversary	93.2	107.2
25 th Anniversary	44.0	52.8

The FMV for the Purchase Option will be determined by a qualified appraiser taking into account all facility assets and liabilities, lease obligations, disclosure schedules, and any remaining obligations. If the Purchase Option Price is greater than the Maximum Purchase Price during that Purchase Option Opportunity, then SCPPA is under no obligation to purchase the Project. If the Purchase Option Price is less than the Minimum Purchase Price during that Purchase Option Opportunity, then the Seller is obligated to sell the Project to SCPPA at the Minimum Purchase Price.

BACKGROUND

LADWP's RPS Policy

The RPS Policy represents the guiding principles of the LADWP to implement renewable resources. The RPS Policy was amended in December 2013 to comply with regulatory requirements of the California Renewable Energy Resources Act, Senate Bill (SB)2 (1X) (SB2 [1X]), which requires publicly owned utilities (POUs), such as the LADWP, to supply 25 percent of its energy from renewable resources by 2016 and 33 percent by 2020. The RPS Policy was amended in accordance with Section No. 399.30(e) of the Public Utilities Code (PUC).

LADWP's Integrated Resource Plan (IRP)

The LADWP's IRP presents several potential strategies for meeting LADWP's regulatory mandates and policy objectives for increasing renewable energy generation, reducing greenhouse gas emissions, maintaining electric power service reliability, and minimizing the financial impact on ratepayers.

The IRP establishes key selection principles for renewable projects, they are:

- Maintain a high level of electric service reliability by taking advantage of the geographic diversity of renewable projects.
- Maximize the use of existing LADWP assets such as the Beacon Substation and transmission lines.
- Take advantage of the benefits of clustering resources to optimize efficiency for operations and maintenance of facilities.
- Ownership or ownership options of projects using proven technology in strategic locations.
- Maintain options/flexibility.

The LADWP rigorously evaluates each potential strategy to identify and recommend the best overall tactical plan to meet these key objectives.

Selection Criteria

The Seller's project was chosen based on a detailed comparison of each of the project submittals with LADWP's selection criteria. These selection criteria include:

- Total Delivered Cost to Load Center
- Transmission Availability and Expected Losses
- Project Capacity and Expected Energy Delivery
- Clustering of Resources to Maximize Operational and Maintenance Efficiency
- Level of Existing Site Control
- Level of Environmental Review
- Use of Trained and Qualified Labor
- Expected COD
- Experience in Developing Utility-Scale Solar Projects
- Level of Financial Guarantee

By using a weighted average scoring matrix of these criteria, LADWP determined that the Seller's Project provided the best overall value to LADWP's ratepayers.

SCPPA

SCPPA is a non-profit joint power agency formed in 1980 to facilitate joint power and transmission projects for the benefit of the Southern California municipal utilities. SCPPA's members include LADWP, the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Pasadena, and Riverside as well as the Imperial Irrigation District. On April 4, 2006, the Board approved the SCPPA Phase I Development Agreement No. 96125-76 under Resolution No. 006-157 (Phase I Agreement), subsequently superseded and replaced by the Phase II Renewable Development Project created by adoption of Resolution No. 2012-008, which authorized LADWP to participate with other members of SCPPA for the purpose of investigating and performing due diligence on potential new renewable resource options.

On January 24, 2012, SCPPA issued an RFP, a competitive selection process, for the purchase and/or acquisition of renewable energy resources. LADWP jointly participated with multiple municipal utilities for the purpose of acquiring renewable energy resources. Over 300 proposals were received from several firms having the capability to provide renewable energy from sources, such as solar, wind, biomass, landfill gas, and geothermal. This is an open RFP, which allows new proposals to be submitted on a continuous basis and existing proposals to be refreshed with current prices and terms. This Project was refreshed a number of times since its initial submittal, always with terms more favorable to LADWP.

8ME responded with a 100-MW solar project located in western Kern County, California. This project will have a COD of June 2016.

Through separate PSAs between SCPPA and each participant, SCPPA sells all of the renewable energy received from the Project and passes through to each participant in accordance with its respective output entitlement share, the rights, benefits, and obligations provided under the PPA. LADWP will be the only participant.

PPA Between SCPPA and 8ME

Under the PPA, SCPPA will receive energy from the Project for the 25-year term. In addition, SCPPA has the option to purchase the Project:

- (i) during the fifteenth year after the COD
- (ii) during the twentieth year after the COD
- (iii) at the end of the twenty-fifth year after the COD

SCPPA could choose to exercise the Early Buyout Option (EBO) at the end of the 15-, 20-, or 25-year anniversary of the COD, at the Purchase Option Price discussed above, at which point the PPA would terminate and SCPPA would enjoy ultimate ownership of the Project.

If SCPPA acquires ownership of the Project as provided under the PPA, SCPPA will transfer ownership of the Project to the LADWP as provided in the PSA.

Under the terms of the PPA, SCPPA contractually agrees to the following terms:

The purchase of between 95 and 105 MWs of renewable energy, for an average of 264,684 MWhs of generation per year. This will enable the LADWP to meet approximately 1.19 percent of LADWP's resource requirements. The renewable energy will be delivered through the Beacon Substation, which is directly connected to LADWP's balancing authority for its transmission system. LADWP will receive all of the renewable energy delivered, the associated environmental attributes, and the rights, benefits and obligations provided under the PPA.

According to SB2 (1X), eligible renewable energy resources procured June 1, 2010, or after, are placed into three Portfolio Content Categories (PCC). PCC 1 must represent an increasing proportion of renewable energy, until 75 percent of this energy is achieved by 2020. PCC 1 energy is achieved if the renewable energy resource is interconnected with a California Balancing Authority. LADWP is a California Balancing Authority under SB2 (1X). Here, the Project will be interconnected to LADWP's balancing authority via a five-mile transmission line and interconnects with LADWP's Beacon Substation. Within sixty (60) days following the achievement of Commercial Operation, LADWP shall reimburse for interconnection equipment and installation costs associated therewith for the Beacon Substation, if any.

During each contract year, the Project must deliver facility energy in an amount equal to 75 percent of the Annual Contract Quantity for such period. To the extent there is a shortfall of guaranteed energy delivered, that replacement energy will be made-up in the following contract year.

SCPPA is guaranteed an annual delivery of 198,516 MWh of energy, at a fixed rate of \$68.60 per MWh, including the green energy attributes, with no annual escalation factor.

The Expected Average Annual Generation of the Project is 264,684 MWh. The price for the excess energy that is in excess of 120 percent of the Expected Annual Generation energy will be \$17.1 per MWh. This price includes green energy attributes.

The estimated cost of the renewable energy and environmental attributes purchases over the 25-year term of the PPA (without exercising the Early Buyout Option [EBO]) is expected to be up to \$454M. As discussed above, an additional payment of \$7.45M will be made within 60 days following the achievement of Commercial Operation for various costs and expenses associated with the development of the Project.

The expected COD of the facility is currently expected to occur prior to the expiration of the Federal Investment Tax Credits (December 31, 2016). If the Federal Investment Tax Credits expire prior to the Project COD, LADWP will pay the same cost for energy, whether or not the Federal Investment Tax Credits expire prior to the COD.

PSA Between SCPPA and LADWP No. BP 14-03

Under the PSA, LADWP contractually agrees to mutual covenants and agreements in order to pay SCPPA for its costs of energy and capacity of the Project. The estimated cost of the renewable energy and environmental attributes purchases over the 25-year term of the PPA is expected to be up to \$454 million, if the EBO is not exercised. In addition, the PSA:

- Identifies the roles and obligations of SCPPA and LADWP including, but not limited to, project deliverables, project manager, setting up of an annual budget, and reporting requirements.
- Establishes LADWP as the Project Manager for the purpose of project control, communication, and coordination with SCPPA.
- Establishes payment mechanisms including, but not limited to, payment pledges, charges and billing procedures, and interest payments.
- Establishes the rights and obligations of SCPPA and LADWP under the PSA to deliver energy, capacity, environmental attributes, and exercise of purchase options.
- Encompasses other agreements and obligations including, but not limited to, nonperformance and payment defaults, and liability conditions to termination or amendments.
- Establishes the PSA term for a period to cover obligations of SCPPA during the 25-year term and the pass-through payments for the total 25-year term, and additional time required for SCPPA administrative and financial matters.

Under the terms of the PSA, LADWP contractually agrees:

- To purchase test energy from the Project (at a cost of \$61.40 per MWh) expected to begin in mid-2016, and an average of 100 MW of solar energy from the time the Project is completed for a period of 25 years. The Project is expected to have a measured initial generation capacity factor of up to 34 percent with a 0.7 percent annual degradation. LADWP expects to receive on average 264,684 MWhs annually from this renewable energy resource.
- To pay for the average annual delivery of 264,684 MWh of energy, at a fixed rate of \$68.60 per MWh, with no annual escalation factor.
- To pay for the excess energy that is in excess of 120 percent of the Expected Annual Generation energy at a cost of \$17.1 per MWh. This price includes green energy attributes.

AA Between SCPPA and LADWP No. BP 14-04

The AA provides for the designation of LADWP as the Project Manager to administer the Project on behalf of SCPPA. SCPPA maintains a very small staff to minimize administrative and general fees charged to the projects, and the largest Participant of each project typically acts as SCPPA's agent for project management and administration. In this case, LADWP would be SCPPA's agent for project management and administration.

Under the AA, LADWP contractually agrees to act as the Project Manager for SCPPA, in order for SCPPA to carry out activities necessary to place the Project in operation. The mutual covenants and agreements addressed by the AA include:

- Providing for the designation of LADWP as the Project Manager to administer all Project Agreements on behalf of SCPPA and for the benefit of LADWP and sets forth mutual covenants and agreements between SCPPA and LADWP in order to enable SCPPA to carry out activities necessary for the planning, development, acquisition, maintenance, improvement, administration, and operation of the Project on behalf of SCPPA.
- Identifying the roles and obligations of SCPPA and LADWP in connection with project reviews, monitoring, accounting, billing, reporting, and controls, including the setting up of an annual budget and reporting requirements.
- Establishing payment mechanisms, and billing procedures including, but not limited to, payments between LADWP and SCPPA for costs, and charges, related to the Project.
- Establishing that LADWP will utilize its own procurement rules and policies unless other rules and policies are determined to be in the best interest of the Project.
- Establishing that the term of the AA is the same as the PSA, which is inclusive of the 25-year Springbok 1 Solar Farm PPA term, facility construction, and additional time required for SCPPA administrative and financial matters.

Risk Management Provisions

In the event that Seller defaults on its lease obligation at any time during the term of the PPA, the PPA allows SCPPA to step in and assume lessee's rights.

The PPA provides performance securities for various stages of construction and through the life of the facility, which SCPPA can draw upon if certain conditions are not met. From the effective date of the PPA to the Facility COD, the performance security required is \$4.68M. After Facility COD, the performance security required increases to \$15M, which is the level of security maintained until the end of the PPA term.

If there is a shortfall of energy that has not been made up by the following contract year, Seller shall, pay SCPPA, as liquidated damages, an amount equal to the difference between (i) the time weighted average of the sum of (1) the Market Price at SP-15, plus (2) the Green Value, less (ii) the Prepaid Energy Price or the Excess Energy Price, as applicable.

There are four major milestones that the developer is required to meet; otherwise, liquidated damages (LDs) funded by the performance security will be collected.

- Seller must deliver the Environmental Impact Study by July 1, 2014, and if that date is missed, SCPPA will collect LDs at the rate of \$17,000 per day. This milestone has already been met.
- The Seller must deliver a Notice to Proceed allowing them to begin construction on the Project site by October 24, 2015, and if that date is missed, SCPPA will collect LDs at the rate of \$5,000 per day.
- The Seller has to have the first MW of solar capacity installed by August 27, 2016, and if that date is missed, SCPPA will collect LDs at the rate of \$17,000 per day.
- The last milestone date is the Guaranteed COD which is December 31, 2016, and if that date is missed SCPPA will collect LDs at the rate of \$17,000 per day.

Several provisions protect LADWP's participation in the Project. To ensure the Project is built according to design specifications, prior to the Project COD, LADWP has secured rights to review and inspect the design and construction of the facility, including:

- Review of designs
- Factory inspections
- Quality Assurance inspections

After the COD, LADWP has priority step-in rights to the Project, which includes such hard assets as:

- Solar panels
- Inverters
- Land
- Transmission Lines
- Structures
- Environmental Permits

City Administrative Officer (CAO) Report

The LADWP is awaiting the CAO report.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the entering into agreements with SCPPA to purchase power and provide project management services is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution, PSA, AA, and Real Estate License Agreement as to form and legality.

ATTACHMENTS

- Resolution
- Draft Ordinance
- Power Sales Agreement
- Agency Agreement
- Real Estate License Agreement

Reviewed by: John R. Dennis
Michael S. Webster
Randolph R. Krager
Robert Castro

RESOLUTION NO. _____

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 in accordance with Section 399.30(e) of the Public Utilities Code, requiring the governing boards of publicly owned electric utilities to adopt a program for enforcement on or before January 1, 2012; 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 (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, which authorized LADWP to participate with other members of SCPPA for the purpose of investigating and performing due diligence on potential new eligible renewable energy resource options; and

WHEREAS, SCPPA, pursuant to the needs of its members, under Agreement No. 96125-76, issued a Request for Proposal (RFP), a competitive process, for the purchase and/or acquisition of eligible renewable energy resources; and

WHEREAS, SCPPA received over 300 responses to its RFP, which included the Springbok 1 Solar Farm, proposing the sale of 100 megawatts (MW) AC of renewable energy environmental attributes and associated capacity from solar power generating facilities to be developed and constructed approximately 16 miles northeast of the community of Mojave in western Kern County, California; and

WHEREAS, the Springbok 1 Solar Farm (Project) is owned by 62SK 8ME, LLC (Seller); and connects directly into LADWP's balancing authority; and

WHEREAS, the Project was selected to provide renewable energy from a solar power generating facility to SCPPA for the benefit of LADWP; and

WHEREAS, SCPPA and Seller plan to enter into a Power Purchase Agreement (PPA) for SCPPA to purchase all of the energy, environmental attributes, and capacity rights produced from the 100 MW Project for up to a 25-year term with options to purchase the Project subject to certain parameters; and

WHEREAS, the Springbok I Solar Farm Power Sales Agreement (PSA) No. BP 14-03 sets forth mutual covenants and agreements between LADWP and SCPPA for LADWP's acquisition of 100 MW of the metered output, associated environmental attributes, and generating capacity rights as produced by the Project; and

WHEREAS, the Springbok I Solar Farm Agency Agreement (AA) No. BP 14-04 provides for the designation of LADWP as the Project Manager to administer and manage the Project, and sets forth mutual covenants and agreements between SCPPA and LADWP in order to enable LADWP to carry out activities necessary for the planning, development, acquisition, maintenance, improvement, administration, and operation of the Project; and

WHEREAS, the PPA provides SCPPA an early purchase option to purchase the Project during the six-month period commencing on the date that is eighteen months prior to the fifteenth, twentieth or twenty-fifth year anniversary of Commercial Operation Date, as set forth in the PPA attached thereto; and

WHEREAS, the LADWP proposes to enter into Real Estate License Agreement (License) No. BP 14-016 for Gen-Tie Line for the Project with the Seller covering an approximately 1,157,000 square foot area on real property owned by the City of Los Angeles, acting by and through its LADWP, in unincorporated Kern County to allow the Seller to construct, own, operate and maintain certain transmission facilities that will allow for the connection of the Solar Project to the Beacon Substation; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA) it has been determined that the entering into agreements with SCPPA to purchase power and provide project management services is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3) and General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; and

WHEREAS, the grant of the Real Estate License will facilitate the LADWP's purchase of renewable electric energy from the Project; and

WHEREAS, the term of the Real Estate License will be for a period of 25 years with an option to extend to a total term of not to exceed 35 years; and

WHEREAS, the Board finds that: (1) the property to be licensed is not presently needed for LADWP purposes; and (2) the grant of the non-exclusive Real Estate License will not interfere with LADWP operations or future needs.

NOW, THEREFORE, BE IT RESOLVED that PSA No. BP 14-03 and AA No. BP 14-04, by and between LADWP and SCPPA, and Real Estate License No. BP 14-016 by and between LADWP and SCPPA, 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 Project is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3).

BE IT FURTHER RESOLVED that the Board requests City Council approval by Ordinance, pursuant to Sections 373 and 674 of the City Charter, PSA No. BP 14-03 and AA No. BP 14-04 and authorize the Board to act on all future amendments to these agreements, provided that such amendments are ministerial and administrative in nature and do not increase the costs or extend the term of the agreements.

BE IT FURTHER RESOLVED that the Board shall review and act on material matters to be decided by LADWP as Project Manager pursuant to the PSA No. BP 14-03, however the Board will need further authorization from the City Council in order to approve the exercise of any Purchase Option or assumption of any Project Debt for the Project in the future, which authorization may be qualified.

BE IT FURTHER RESOLVED that the energy and environmental attributes acquired from PSA No. BP 14-03, shall be credited towards LADWP's Renewable Portfolio Standard Policy.

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 PSA and AA, for and on behalf of LADWP, upon approval by the City Council by ordinance pursuant to Section 674 of the Los Angeles City Charter.

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, over the term of the PSA No. BP 14-03, and the AA No. BP 14-04, in payment of the obligations incurred by such agreements.

BE IT FURTHER RESOLVED that the Board finds that: (1) the property to be licensed is not presently needed for LADWP purposes; and (2) the grant of the non-exclusive License will not interfere with LADWP operations or future needs.

BE IT FURTHER RESOLVED that Real Estate License Agreement No. BP 14-016, by and between LADWP and the 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 President or Vice President of this Board, or the General Manager, or such person as she shall designate in writing as her designee, and the Secretary, Assistant Secretary, or the Acting Secretary of this Board are hereby

authorized, empowered and directed to execute said License Agreement on behalf of the City of Los Angeles, acting by and through its LADWP.

BE IT FURTHER RESOLVED that the Board requests the City Council to (1) find that the term of up to 35 years is in the best interest of the City in accordance with City Charter Section 607 and (2) approve the Real Estate License Agreement No. BP 14-016 by order or resolution in accordance with City Charter Section 606.

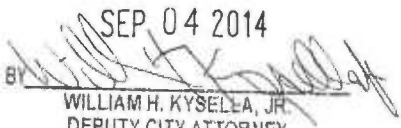
I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

Secretary

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

SEP 04 2014

BY


WILLIAM H. KYSELE, JR.
DEPUTY CITY ATTORNEY

ORDINANCE NO. _____

An ordinance approving (1) the Springbok I Solar Farm Power Sales Agreement, No. BP 14-03, and (2) the Springbok I Solar Farm Agency Agreement, No. BP 14-04, both by and between the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power, and the Southern California Public Power Authority.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The Springbok I Solar Farm Power Sales Agreement, No. BP 14-03, and the Springbok I Solar Farm Agency Agreement, No. BP 14-04, approved by the Board of Water and Power Commissioners by the adoption of Resolution No. _____, that are on file with the City Clerk, are hereby approved.

Section 2. The Board of Water and Power Commissioners is authorized without further approval by the City Council to act on and approve all future amendments to the Springbok I Solar Farm Power Sales Agreement No. BP 14-03, and the Agency Agreement, No. BP 14-04, provided that such amendments are ministerial and administrative in nature and do not increase the costs or extend the term of the agreements.

Sec. 3. The City Clerk shall certify to the passage of this Ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

HOLLY L. WOLCOTT, Interim City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By _____
WILLIAM H. KYSELLA, JR.
Deputy City Attorney

Date _____

File No. _____