

10/27/15

File No. 15-1089

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to amending Los Angeles Administrative Code (LAAC) to delegate to the General Manager, Los Angeles Department of Water and Power (LADWP), authority to purchase natural gas in excess of existing price limits within described parameters when necessary to provide a reliable power supply.

Recommendations for Council action:

1. CONCUR with the Board of Water and Power Commissioner's action of September 8, 2015, Resolution No. 016-044, requesting an amendment to LAAC Section 10.1.1 (b) to authorize the Board to delegate to the General Manager, LADWP, authority to purchase natural gas in excess of existing price limits within described parameters when necessary to provide a reliable power supply.
2. REQUEST the City Attorney to prepare and present an ordinance to include the following:

The General Manager or a designee shall provide notice (manual or electronic) of such purchase within two business days to: the Associate Director, Infrastructure Services of the Office of the Mayor; the Chair of the Energy and Environment Committee of the City Council; the Chief Administrative Analyst of the City Administrative Officer; the Policy Advisor, Energy and Environment of the Chief Legislative Analyst; the Ratepayer Advocate of the Office of Public Accountability; the Commission Secretary of the Board of Water and Power Commissioners; or similar position of the aforementioned City representatives. Financial instruments and other option contracts shall not be included in this delegation of authority.

Fiscal Impact Statement: The City Administrative Officer reports that the LADWP purchases of natural gas fuel result in an expenditure for the Power Revenue Fund. The proposed resolution complies with the LADWP adopted Financial Policies. There is no impact to the City General Fund.

Community Impact Statement: None submitted.

Summary

At the public hearing held on October 7, 2015, the Energy and Environment Committee considered reports from Board of Water and Power Commissioners and CAO and Resolution No. 016-044 relative to amending LAAC to authorize the Board to delegate to the General Manager, LADWP authority to purchase natural gas in excess of existing price limits within described parameters when necessary to provide a reliable power supply. LADWP and City Attorney staff and the Rate Payer Advocate gave the Committee background information on the matter. The Rate Payer Advocate requested the inclusion of additional notification in the proposed Ordinance for this matter.

After an opportunity for public comment, the Committee recommended that Council approve the Resolution and requested the City Attorney to prepare an ordinance that includes the additional notification requested by the Rate Payer Advocate. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,



ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
CEDILLO:	ABSENT
KORETZ:	YES
O'FARRELL:	YES

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