



BOARD LETTER APPROVAL

A handwritten signature in blue ink, reading "Michael S. Webster", is written over a horizontal line.

**MICHAEL S. WEBSTER**  
Executive Director – Power System  
Engineering and Technical Services

A handwritten signature in blue ink, reading "Marcie L. Edwards", is written over a horizontal line.

**MARCIE L. EDWARDS**  
General Manager

**DATE:** September 22, 2015

**SUBJECT:** Western Electricity Coordinating Council (WECC) – Western Renewable Energy Generation Information System (WREGIS) Indemnity Agreement to Enable WREGIS E-Tag Functionality for Renewable Portfolio Standard Compliance

**SUMMARY**

Los Angeles Department of Water and Power (LADWP) is requesting authority to sign WECC-WREGIS Indemnity Agreement in accordance with Board Resolution No. 95-207.

Publicly-Owned Utility Renewable Portfolio Standard (RPS) and Mandatory Reporting Regulations mandates now require utilities to provide specific renewable generation e-Tag data in order for Renewable Energy Certificates (REC) to be counted for compliance mandates.

WREGIS is the independent, renewable energy tracking system for the region covered by the WECC. The California Energy Commission (CEC) utilizes WREGIS as the sole tracking mechanism for REC from renewable generation facilities registered in the system.

A signed indemnity agreement is required by WECC-WREGIS to participate in the Renewable Energy Credit tracking system within the Western Interconnection and necessary to fulfill renewable energy obligations.

Pursuant to City Charter Section 373, City Council approval is required because this is a long term contract.

**RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution requesting City Council approval and authorizing LADWP to sign the WECC-WREGIS Indemnity Agreement to enable WREGIS e-Tag functionality for RPS Compliance.

## **ALTERNATIVES CONSIDERED**

None. The Board may reject signing the WECC-WREGIS Indemnification Agreement for E-Tag Information which may subject LADWP to fines for not complying with California's Renewable Portfolio Standard and greenhouse gas emissions obligations.

## **FINANCIAL INFORMATION**

No additional expenditure anticipated.

## **BACKGROUND**

Authorized by North American Electric Reliability Corporation (NERC) and Federal Energy Regulatory Commission (FERC), WECC is the Regional Entity responsible for monitoring and enforcing Bulk Electric System reliability in the Western Interconnection. WECC provides an environment for the coordination of operating and planning activities of its members as set forth in the WECC Bylaws.

A WECC Working Group proposed to WREGIS an expansion of current e-Tag functionality that would allow the transfer of e-Tag information that has been matched to a REC held by the Importing Entity to the current holder of the REC. This allows for matched e-Tag information held by purchasing entities to directly generate their own e-Tag Summary Report from of the e-Tag information created by the generation or import entity. Without this functionality, LADWP cannot self-report to the CEC using WREGIS. Instead, LADWP will be reliant on upstream counterparties downloading the necessary information to the CEC, likely in a less controlled framework than receiving the data directly using the "Report Export" function within WREGIS.

WECC is requiring all WREGIS users who wish to obtain e-Tag functionality to sign the attached indemnification agreement. WECC will not further negotiate the terms of this form agreement.

Because there is no expiration date, this agreement will be in place for longer than three years. Accordingly, City Council approval is required.

If approved the WECC-WREGIS Indemnification Agreement for E-Tag Information, LADWP would obligate, as the WREGIS Account Holder, to indemnify and hold WECC and all affiliates harmless (except as a result of gross negligence, omission, recklessness, or willful misconduct) against all liabilities from any direct or third-party claim related to LADWP using the system. The indemnification does not release any claim that any Account Holder may have against any other Account Holder. WECC requires a signed indemnification agreement from LADWP to participate in this system.

Per Charter Section 373, Los Angeles City Council approval is required. Accordingly, attached is the City Administrative Officer Report dated September 2, 2015.

## **RISK MITIGATION**

The risk profile associated with accepting the indemnity obligation is minor in nature compared to the benefit obtained under this agreement. Our downstream transfer of the e-Tag information will come from known RPS sources thus significantly reducing potential third party liability. This indemnity has been reviewed and accepted by Risk Management.

## **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Agreement and Resolution as to form and legality.

## **ATTACHMENTS**

- Resolution
- WECC-WREGIS Indemnification Agreement for E-Tag Information
- CAO Report