


POWER SYSTEM

OCT 02 2015

EXECUTIVE OFFICE

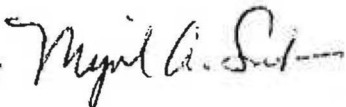
TRANSMITTAL		0150-10505-0000
TO Marcie L. Edwards, General Manager Department of Water and Power (PPD)	DATE SEP 30 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	
<p>SYLMAR SERVICES AGREEMENTS WITH THE CITIES OF BURBANK AND GLENDALE</p> <p>Approved and transmitted for further processing including Council consideration. See the City Administrative Officer report attached.</p> <div style="text-align: center;"> MAYOR</div> <p style="text-align: right;">Ana Guerrero</p>		
MAS:RR.06160032T		

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 28, 2015
CAO File No. 0150-10505-0000
Council File No.
Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer 

Reference: Communication from the Department of Water and Power dated September 23, 2015; referred by the Mayor for report on September 24, 2015

Subject: **SYLMAR SERVICES AGREEMENTS WITH THE CITIES OF BURBANK AND GLENDALE**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution by Ordinance authorizing the DWP Board of Commissioners to execute the following two agreements with the Cities of Burbank and Glendale (Cities):

- (i) Sylmar Services Agreement BP 15-027 with the City of Burbank; and,
- (ii) Sylmar Services Agreement BP 15-028 with the City of Glendale.

The purpose of the two agreements is to establish the terms and conditions for scheduling transmission services for the Cities of Burbank and Glendale. Particularly, approval of the proposed Ordinance will establish an interconnection path for the Cities between the DWP Sylmar Switching Station (Sylmar) and the California Independent System Operator (CAISO) Region SP-15 (SP-15).

DWP forecasts that annual revenue generated for services will be \$150,650 for each agreement. Combined annual revenue benefiting the Power Revenue Fund will total \$301,300.

The term of the two agreements is effective through April 14, 2041. However, the term could be terminated earlier by mutual consent, or extended in order to be co-terminus with a selection by DWP to extend a related agreement for operation of the Pacific Direct Current Intertie (PDCI).

Pursuant to set contracts between DWP, Burbank, and Glendale, the parties maintain established transmission rights to enable the scheduling of capacity and energy from:

- The Nevada-Oregon Border (NOB) to the DWP Sylmar facility,
- The DWP Sylmar facility to the Burbank Point of Delivery or Receipt, and
- The DWP Sylmar facility to the Glendale Point of Delivery or Receipt.

DWP separately operates an additional interconnection between the Sylmar facility and the Southern California Edison Company (SCE), who maintains an interconnection at Sylmar to SP-15.

The Cities of Burbank and Glendale have requested services through the network of interconnections at Sylmar to receive transmission scheduling services between Sylmar and SP-15. Approval of the proposed interconnection will be utilized in combination with existing agreements between each party and DWP. The Department has stated that it is capable of providing the requested services and that approval of the request will not impact DWP operations.

Council approval by Ordinance is required for power contracts, pursuant to Charter Section 674. The City Attorney has approved the Agreements and resolution as to form and legality.

We have reviewed the Department request and recommend approval.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed Ordinance authorizing the Department of Water and Power to execute (i) Sylmar Services Agreement BP 15-027 with the City of Burbank, and (ii) Sylmar Services Agreement BP 15-028 with the City of Glendale to establish the terms and conditions for scheduling transmission services between the Sylmar Switching Station and the California Independent System Operator Region SP-15; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution is forecasted to generate annual revenue of \$301,300 for the Power Revenue Fund. There is no financial impact to the City General Fund. The proposed Agreement complies with the Department's adopted Financial Policies.

TIME LIMIT FOR COUNCIL ACTION

The City Attorney advises that there is no time limitation for items approved by ordinance.