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CITY ATTORNEY

REPORT NO. R 1 5 - 0 3 2 5
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REPORT RE:

**DRAFT ORDINANCE APPROVING THE POWER PURCHASE AGREEMENT FOR
THE SOLAR TO GRID PROGRAM BY AND BETWEEN THE CITY OF LOS
ANGELES DEPARTMENT OF WATER AND POWER AND THE DEPARTMENT OF
PUBLIC WORKS, BUREAU OF STREET LIGHTING**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance provides for the approval of the Power Purchase Agreement (PPA) for the Solar to Grid Program, between the Department of Water and Power (LADWP) and the Department of Public Works, Bureau of Street Lighting (BSL).

Background

LADWP and BSL propose to enter into a PPA whereby LADWP will purchase energy and the associated renewable energy credits (RECs) associated with the installation of up to 9,000 Solar to Grid Electrolier Generation Systems (STGS) on streetlight poles with the City of Los Angeles. The PPA provides the terms and conditions pursuant to which BSL will install and interconnect solar photovoltaic (PV) modules and inverter systems. The delivery term for the agreement will be 25 years. The base price of energy will be \$0.15 per kilowatt-hour (kWh), which includes the RECs associated with the energy. The annual cost to LADWP will be approximately

LADWP will be approximately \$603,750. This translates to approximately \$12,075,000 over the 25-year term of the agreement. Each STGS will have a unit nameplate capacity of up to 250 Watts-DC, and the total installed capacity will be up to 2.3 Megawatts (MW) (CEC-AC). The expected annual production of the program is 4,025,000 kWh. This amounts to less than one percent of the LADWP Renewable Portfolio Standard (RPS) resource requirement. BSL will be responsible for registering the STGS with the California Energy Commission (CEC) and ensuring that the RECs will be qualified as RPS Portfolio Content Category 1 eligible.

Because this is a contract for the purchase of power, approval by ordinance is required pursuant to Los Angeles City Charter Section 674.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA) it has been determined that the Solar to Grid Program is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). The General Exemption applies in situations where it can be seen that there is no possibility that the activity in question may have significant effect on the environment.

Summary of Ordinance Provisions

The enclosed draft ordinance approves the PPA for the Solar to Grid Program between the Department of Water and Power and the Department of Public Works, Bureau of Street Lighting, approved by the Board of Water and Power Commissioners by the adoption of Resolution No. 016 112.

The draft ordinance also authorizes the Board of Water and Power Commissioners, without further approval by the City Council, to act on and approve all future amendments to the PPA for the Solar to Grid Program, provided that such changes are ministerial and administrative in nature and do not increase the costs or extend the term of the agreement.

Council Rule 38 Referral

This draft ordinance has been presented to the Board of Water and Power Commissioners and was approved by Resolution No. 016 112. Pursuant to Council Rule 38, the draft ordinance has also been transmitted to the Department of Public Works with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney William Kysella at (213) 367-5296. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:WHK:pj
Transmittal