

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, including the 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, also referred to as SB2(1X), and 50 percent by 2030 in accordance with Senate Bill 350 (SB 350); and

WHEREAS, the strategies in LADWP's 2013 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, on April 16, 2013, the Board adopted an additional 50 megawatts (MW) Feed-in Tariff (FiT) Program (FiT50) as the second component of the 150-MW FiT Program; and

WHEREAS, LADWP sought to bundle the development of the Beacon Property with in-basin solar projects in order to achieve a 150-MW FiT Program while at the same time reducing the cost of FiT energy; and

WHEREAS, in 2014, via Board of Water and Power Commissioners Resolution No. 014-229 authorizing LADWP to enter into four Competitive Offer Power Purchase Agreements (COPPA) with four project development entities; and

WHEREAS, SunE LADWP 2, LLC (BP No. 14-007) was selected for the development of 12 MW of FiT50 Beacon Site 2, Hecate Energy FiT "A", LLC (BP No. 14-009) was selected for the development of 14 MW of FiT50 Beacon Site 3, Hecate Energy FiT "B", LLC (BP No. 14-011) was selected for the development of 14 MW of FiT50 associated with Beacon Site 1, and SunE LADWP, LLC (BP No. 14-014) was selected for the development of 10 MW of FiT50 Beacon Site 5; and

WHEREAS, each COPPA requires the developer to meet three commercial operation milestones as outlined in the COPPA, otherwise liquidated damages will be collected and undeveloped capacities forfeited; and

WHEREAS, developers are experiencing delays in project development and delaying Milestone II from March 31, 2016 to December 31, 2016, Milestone III from December 31, 2016 to February 28, 2017, and authorizing the extension at LADWP's discretion of up to three months beyond the Milestone III date in order to assist in the goal of successfully developing these projects early in 2017; and

WHEREAS, liquidated damages funded by the performance security will be collected in the total amount of \$3 million for the failure to meet Milestone I; and

WHEREAS, any future liquidated damages funded by the performance security will be collected prorated based on the kilowatt(s) not installed by the developer; and

WHEREAS, if no kilowatt(s) are installed for Milestone II, the remaining performance security will be forfeited and the developer will forfeit the right to further sell energy for all remaining capacity; and

WHEREAS, the proposed amendments will not increase the costs of the COPPA.

NOW, THEREFORE, BE IT RESOLVED that Amendment 1 to the COPPAs with: Hecate Energy FIT "B" LLC, SunE LADWP 2 LLC, Hecate Energy FIT "A" LLC, and SunE LADWP LLC 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, provided that the City Council approves the amendments by Ordinance.

BE IT FURTHER RESOLVED that the Board requests that the Los Angeles City Council (City Council) approve by ordinance, per Charter Sections 101, 373, and 674, the COPPA amendments, and that the City Council authorize the Board to act on and approve all future amendments to the COPPA Agreements without further approval by the City Council, provided that such amendments do not increase the costs or do not extend the total terms of the COPPA Agreements.

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 First Amendment to COPPAs No. BP 14-007, BP 14-009, BP 14-011, and BP 14-014 for and on behalf of LADWP.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution adopted by the Board at its meeting held on

MAR 01 2016


Secretary

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

FEB 23 2016


JEAN-CLAUDE BERTET
DEPUTY CITY ATTORNEY