



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Michael S. Webster in blue ink.

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

Handwritten signature of Marcie L. Edwards in blue ink.

MARCIE L. EDWARDS
General Manager

DATE: December 17, 2015

SUBJECT: Standard Offer for Self-Generation Interconnection Agreement
(Solar Facilities > 30 kilowatts [kW] and all Non-Solar Facilities)

SUMMARY

The Rules Governing Water and Electric Service, which apply and administer the electric rate ordinances, require that a customer with parallel generation (i.e., self-generation connectable to the LADWP system for more than one second) signs an interconnection agreement with LADWP. The attached new Standard Offer for Self-Generation Interconnection Agreement would replace two Standard Offer agreements currently in use for customers with non-solar generation facilities or with solar generation facilities larger than 30-kW nameplate capacity. It would streamline the application process for the customer by removing certain unnecessary insurance requirements. It would also improve administrative efficiency by removing the automatic 3-year renewal requirement currently used in such agreements. This agreement is intended for use by corporate customers. It does not affect residential customers nor the feed-in-tariff (FiT) program.

The proposed new Standard Offer:

- contains stronger language than what was included in previous agreements limiting the liability and protecting the interest of the City of Los Angeles (City) and of LADWP for a number of clearly-defined operating and maintenance events,
- includes a new Exhibit E, which contains operating procedures to be coordinated between the customer and LADWP in order to enhance operational safety for both parties,
- requires customers to carry insurance naming LADWP as an additional insured, but only where the generation facility's nameplate rating is larger than three megawatts and where qualifying evidence of self-insurance has not been provided (in line with the current FiT requirements),
- will not expire unless materially breached or mutually terminated, and

The attached Standard Offer does not affect the form FiT interconnection agreements, the Large Generator Interconnection Agreements (LGIA), the Standard Offer for Customer Generation with Multiple Facilities Interconnection Agreement, or the Solar-Powered Customer Generation Interconnection Agreement (≤ 30 -kW).

If the Board approves this proposed Standard Offer, it would then be used for future agreements that could be executed by the General Manager or her/his designee, as long as such agreements retain substantially the same form as that of this Standard Offer.

Under Los Angeles City Charter Section 373, City Council approval is required for use of the new Standard Offer for Self-Generation Interconnection Agreement because the resulting interconnection agreements would continue in force until materially breached or mutually terminated.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution approving use of the new Standard Offer for Self-Generation Interconnection Agreement.

ALTERNATIVES CONSIDERED

The alternative to using the new Standard Offer for Self-Generation Interconnection Agreement would be to continue using the two existing Standard Offer for Self-Generation Interconnection Agreements, which have an insurance requirement that might discourage some customers from installing their own generation facilities and do not contain as many detailed procedures to enhance operational safety of the LADWP and its customers. Also, authority to execute the current Standard Offer for Self-Generation Interconnection Agreement for solar generation facilities larger than 30-kW expires on December 31, 2016. Additionally, unlike the new Standard Offer for Self-Generation Interconnection Agreement, the current form agreements result in interconnection agreements that need to be periodically renewed, which puts an administrative burden on LADWP and its customers.

FINANCIAL INFORMATION

There is no significant anticipated net fiscal impact related to the Board's approval of the Standard Offer for Self-Generation Interconnection Agreement.

BACKGROUND

The Rules Governing Water and Electric Service, which apply and administer the electric rate ordinances, require that a customer with parallel generation (i.e., self-generation connectable to the LADWP system for more than one second) signs an interconnection agreement with LADWP. The Board has previously approved two Standard Offer for Self-Generation Interconnection Agreements that are currently applicable to customers' non-solar generation facilities and solar generation facilities larger than 30-kW nameplate

capacity. Authority of the General Manager or her/his designee to execute the current Standard Offer for Self-Generation Interconnection Agreement for solar generation facilities larger than 30-kW expires on December 31, 2016.

Attached please find the CAO Report dated November 24, 2015.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the Standard Offer for Self-Generation Interconnection Agreement is exempt pursuant to the General Exemption described in the CEQA Guidelines Section 15061(b)(3).

CITY ATTORNEY

The Office of the City Attorney has reviewed and approved the Resolution for use of the attached Standard Offer for Self-Generation Interconnection Agreement as to form and legality.

ATTACHMENTS

- Resolution
- Standard Offer for Self-Generation Interconnection Agreement
- CAO Report