

WHEREAS, M-S-R Public Power Agency (M-S-R) and the Southern California Public Power Authority (SCPPA) are two co-owners of the Mead-Adelanto Project (MAP) and the Mead-Phoenix Project (MPP) wherein SCPPA's ownership is on behalf of its members; and

WHEREAS, the Los Angeles Department of Water and Power (LADWP) is presently a joint participant in the MAP and the MPP having participation shares as a member of SCPPA pursuant to a series of transmission service contracts between LADWP and SCPPA and is also the Operating Agent for the MAP; and

WHEREAS, M-S-R issued a Request for Proposal to sell its share of the MAP and MPP components (M-S-R Assets) which are designed to provide transmission capability between the Phoenix, Arizona area and the Southern California Edison system in the vicinity of Lugo Substation; and

WHEREAS, LADWP desires to acquire the use of the M-S-R Assets to (a) meet its future Renewable Portfolio Standard requirements (b) increase operational flexibility to move or import more renewable energy from the Palo Verde Switchyard and Mead Substation (c) minimize the need to build additional high voltage transmission lines in these areas in the future, which can be costly and challenging and (d) enhance the return on assets by opportunistically generating revenues for any unused transmission capacity; and

WHEREAS, SCPPA has entered into a Purchase and Sale Agreement (PSA) with M-S-R (No. BP 15-024) to purchase the M-S-R Assets on behalf of LADWP for \$60 million and the PSA had already been approved by the SCPPA Board of Directors and the M-S-R Commission, subject to final approval by LADWP governance; and

WHEREAS, LADWP proposes to enter into Transmission Service Contract Numbers BP 15-008 for MAP and BP 15-009 for MPP with SCPPA (collectively Contracts) and LADWP shall pay for the transmission service to SCPPA through the repayment of the debt service bonds, as well as the operating and maintenance, and other costs related to the acquisition of the M-S-R Assets; and

WHEREAS, the approval of the Contracts will allow SCPPA to consummate the PSA between M-S-R and SCPPA which provides for the purchase of the project through the issuance of bonds;

NOW, THEREFORE, BE IT RESOLVED that the Contracts copies are on file with the Secretary of the Board, approved as to form and legality by the City Attorney, are hereby approved, subject to approval of the Los Angeles City Council by Ordinance pursuant to Charter Section 674.

BE IT FURTHER RESOLVED that the President or Vice President of the Board of Water and Power Commissioners, 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 be and they are hereby authorized and directed to execute said Contracts for and on behalf of LADWP.


BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in payment of the obligations arising under these Contracts and

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

JAN 05 2016

  
Secretary

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

SEP 11 2015  
BY   
SYNDI DRISCOLL  
DEPUTY CITY ATTORNEY